

INFLATION: THE SOCIAL MONSTER

Socio-psychological Consequences of Price Hike on Poor Families of District Malakand, Khyber Pakhtunkhwa, Pakistan

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Abstract

Inflation and price hike is one of the hazardous aspects in the social and economic spheres of individuals that are persevering to vacate the roots of social stability and development of the subject masses. This study describes the socio-economic and psychological impacts of inflation on poor families, which was conducted in District Malakand, Khyber Pakhtunkhwa province of Pakistan. Data was collected from 280 respondents categorized in different segments with dis-proportionate stratified random sampling technique using interview schedule. The data has been analyzed by applying Chi-square test and processed in the form of tables and bar-charts, while discussions have been made on the basis of findings and results. The results show that inflation as a social monster has multidimensional impacts upon the social, economic and psychological spheres of poor families, which paralyze their overall development. The study suggests that general mass awareness, proper policy making and implementation, strict punishment to the culprits and hoarders, and lucrative utility of mass media are inevitable and can play a vital role in eradication of the evil of inflation and price hike

Key Words: Inflation, Price hike, Poor families, Social monster, Impacts.

BACKGROUND OF THE STUDY

Inflation by definition has been regarded as increase in terms of consumer purchasing power or decline in or devaluation of money as argued by Houghton (2000) and to Wilson (1982) it is too much money chasing too few goods. Inflation is a state in which the value of money falls and price level persistently rises. It also takes place when price level expands more in proportion to output (Shahid, 2010). In addition, Haq (2008) is of the view that inflation is an increase in the process of goods as well as associated services which to him is also known as “commodities inflation”. However, this definition only covers the prices of goods and services in inflation.

As the issues has been undertaken from the perspective of a social problem, thus the idea would be taken for consideration as social monster and the paper is framed for identifying its many negative facets. For Example, The study conducted by Robinson, (in 2007) on economic development and inflation where empirical evidences have been collected from 65 countries has argued that the problem of inflation is a source of creating uncertainty among people about to think of what would happen tomorrow about purchase of goods and related services. Further, his work has linked his results with inflation that “inversely correlated with the level of the technological content of the economy (measured by share of high-tech exports), human capital and cyclical unemployment”. (Robinson, 2007). The study conducted by Said (2010) reveals that the increase in inflation is one of the major source of creating instability in the economic system, breakdown the level of purchasing power of the common man as well increase in labor wages while effecting the life standards of the society.

Excessive adverse impacts may be observed throughout the globe whereas the poor are found specifically subject to the consequences. For example, the study conducted by Richardson (2008) on food price inflation: Causes and impacts reveals that the inflation has diverse impacts on the lower-income households because such households spends more on the purchase of food items. Inflation affects everybody that mostly hits the poor and incredulously augments their hunger because of foodlessness or less nutritious food, families are more vulnerable to disease and illness (CSOR, 2008). In a report of the IPC and IMF, it has been reported that the food prices hike have greatly affected the power of buying of the people (IPC, 2008 & IMF Report, 2008).

In relation to the abatement of purchasing power, drastic changes have been noted in the price hike and increase in poverty of the area. The effects are more overt in lower income families as compare to the higher income

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families and the observation as reported are more serious in relations to buying and purchasing powers and the poor become more poor as that of the non-poor (Hyun and Nanak 2006). Similarly, the negative associations have been found with the health and mental conditions of the poor. On the other hand, it increases students' dropout, child labor and in long terms decreases the literacy ratio as it compels most of the poor families to pull out their children from schools to help earn additional income, the others stop sending their children to schools because they cannot buy enough food to eat as at the same they also have to pay higher fee for the schooling (CSOR, 2008).

Besides, there has been a strong association of inflation with increase in poverty which is one of the main dimensions and variable of the current study matching with the study of Elinana (1992). The study of the scholar has linked inflation with taxation, reduction of income as well as wages increases. Thus, both of the issues directly negatively affects the wage earners and poor income families. Similarly, while judging the increase in taxation and reduction of income level of the poor families, many crises have been noted by scholars in the form of food crises, and other variables of human development including health, low nutrition, poverty as well as education (Bhutta and Ahmad, 2008). Further, as noted in a study, being a vulnerable class in the society, the poor are on the verge of to be thrashed and they have no option for social support networks (Selim, 2009). On the contrary poor are extremely limited in their options to protect themselves against inflation; they are normally asset-poor, while most of their saving is in the form of cash, which is eroded that protects the rich who hold real assets (Fisher and Modigliani, 1978).

There are many evidences from various studies that an increase has been observed since 2008 in prices throughout the globe. The poverty is drastically increase and the poverty of relative nature as well as standard level has been increase in the world. The increase of poverty and droppage in the income level has been reported by Ivanic and Martin, (2008) and the study shows that there has been a consistent increase in absolute and relative poverty level and more than 3 billion people have been thrown to absolute poverty by the high level of inflation. However, there study argues that the estimates may increase in near future because the world will move into an economic crisis due to war and political instability.

Another study conducted by Validmir (2004) has some contradicting results as compare to the above studies. The study conducted on the "effects of micro economics policies on crimes" shows that in the inflation, adverse impacts have been recorded the food sellers as compare to the buyers. Accordingly, the price hike and inflation has a direct association increase in crime ratio in society. Theft, robbery and sometimes murders have been reported in many countries due to inflation and price hike. Another study conducted by Miccio (2008) on the "Inflation in Latin America" has concluded that inflation has multiple associations with the transfer of economy from one shape to another. This shift also converts the high-income economy to low income economic system and thus create a gap for the exploitation of the poor people. Similarly, the income and expenses gape has been a dominant factor in creating and increasing crimes and criminal tendencies.

Continuing with the impacts; the run is still forth-forward as the price hike of edibles affects people at varying income levels differently and put upward-pressure on the cost of living and thus lowers-down the overall standard of living (ADB Report, 2008). Such a heavy rise in daily commodities has become a major source of concern for both the governmental authorities as well as customers and consumers (The Daily Times, March 12, 2011). The report of The Daily The Times, (2011, March, 09) has reported the increases in the prices hike and inflation in the last 12 months, where this increase has been noted as double to the original prices as previously recorded. Further, the daily commodities prices have been noted on rise for various items.

Inflation and price hike being the varying concepts differ across households where it is lucrative for some while adversity for others. In addition, the net producers are more benefited through more economic gains and surplus values while it is worth-mention that certainly the urban poor, who are food consumers and unlikely to be food producers; can be expected to suffer the most from rising food prices (ADB Report, 2008). The report, prepared by World Bank (2008), indicates that among the factors that create problems for doing business in any country included policy instability, inflation, inefficient government bureaucracy, crime and theft, access to financing, tax rates, inadequate supply of infrastructure, inadequately educated workforce, tax regulations, foreign currency regulations, poor public health, restrictive labour regulations.

According to a survey on the inflation and price hike, it has been recorded by Rasmussen (2007) that the if the earning has a value of \$100 per week and the price of bread goes up by 7% from \$2 to \$2.14, then the impact on

the people is a loss of weekly purchasing power of 0.0014%. Similarly, if inflation is running at 7% generally, then it will be impacted people by a range of goods and services becoming more expensive, including potentially a variety of essential goods and services, food, electricity, transport, clothing etc. The study of Wilson (1982) in this context has concluded that the total impact on the purchasing power will likely be quite material and people will be able to consume less while some people may have to make hard choices to make their budgets work, potentially giving up so-called luxuries such as heating/cooling etc. Inflation carries a number of consequences for an economy as stated by Hyun and Kakwani (2006) which to them are including loss of real income, loss of business competitiveness, potentially higher unemployment, some adverse impacts to government budgets, risks of higher interest rates etc, but perhaps the biggest concern is the regressive effect on people with low and fixed incomes. This can have a serious effect on the quality of life and education as well.

The report also places Pakistan in 2010-2011 at 123rd in the world as compared to 101 in the last fiscal year's GCI (out of 133) and the data from economic indicators and survey data presents the results in 12 pillars that drive the stability in the country (Daily the Dawn, Sep,10 2010). Pakistan has been placed at 112th in the world ranking of institutions and at 110 in infrastructure while poor economy is the leading force behind such business (Ibid). From a list of 15 factors, respondents were asked to select the five most problematic factors for doing business in the respective countries and the responses concluded that the the country has been at the lowest in economic and financial indicators that can promote basic human rights including basic necessity of life, health, education and even purchasing power of the common people. The analysis of the information further concluded that most of the people have expressed dissatisfaction on the country overall infrastructure i.e. roads, railroad and ports, air transport and quality of electricity supply, telephone services and even water supply. On the economic and macroeconomic level of environment, the country was ranked at 133 at the position, the national budget balance was at the 90th, savings was 89th and the inflation has placed the country on 137 in the ranking (Ibid)

In the context of inflation, Carlos (2009) in his study concludes that inflation is a global matter of concern because large segments of population have been affected while the marginalized sectors are comparatively more affected where a larger proportion of income is destined towards purchasing edibles. However, to summarize the issue, it is to be concluded that there are multiple and severe consequences of price hike and inflation and the rise in the prices of the daily commodities and other necessities of life i.e. rice, food items, health and health services as well as educational expenses have deprived millions of people from the normal life. If inflation raises the bank raises the interest rate, meaning that the cost of borrowing increases so the amount of money borrowed by individuals and companies decreases, which in turn decreases the amount of money in the economy and thus to meet the needs have then more expenses to pay.

STATEMENT OF THE PROBLEM

Economic possessions stratify and divide society into upper, middle and lower classes where the lower class (poor) is more exposed to problems especially the menace of inflation that has become a matter of tension and restlessness for the masses. Basically inflation is considered as a social evil, having adverse impacts on social and psychological well-being of the individual, which is focus of the present study in order to illuminate its jeopardy for general public and their everyday lives. In this context, inflation and price hike are persevering to increase the ratio of poverty with the considerable increase in price of wheat and other daily commodities in Pakistan by 16 percent between June and December, leading to an increase of 1.9 percent in poverty indicated in Food Price Index (World Bank Report, 2008).

Severity of the problem is an undeniable fact that has vacated the roots of development and the run is still continuous. The higher commodities' prices carried numerous impacts on consumers for outweighing the beneficial impact on medium and large farmers. In this regard, the country prominent newspaper has reported the increase in food price in the year 2008 while there has been drastic increase during 2010 as well which has a greater impact on the price hike of the daily items (The Daily DAWN, Feb 18, 2011). Since 2008, Pakistan has been experiencing high inflation which has been unprecedented in its severity as well as its prolonged duration. Cumulatively, the price level as measured by the GDP deflator has risen 104pc compounded in the past six years, with food prices having risen 130pc. This is the most sustained increase in prices in Pakistan's history. Inflation of this magnitude for such a period of time, leading to sluggish or negative real growth in wages, has adverse consequences for large parts of the population and has imposed substantial economic as well as social costs. Despite the devastating consequences of high inflation in Pakistan, successive governments in Islamabad have failed to understand or even tried to comprehend (Daily the Dawn, 2010).

Inflation; when it is substantial or shows the risk of becoming substantial is clearly perceived as a national as well as international problem of enormous proportions, which predominantly discontinues education in low-income families as they are compelled to pull their children from schools to earn money and support their families that directly increases child labor. Moreover, it also has negative impacts on health of the poor people as they have limited access to health care facilities because of unaffordable prices of medicines and doctors' fee (World Bank Report, 2008).

In-sighting the mentioned facts; currently it is a highly debated issue on both electronic and print media and a thundering alarm for the poverty stricken people. It has affected the society with immediate and far reaching consequences on the society particularly on the poor and vulnerable families in shape of reducing their purchasing power. Housing problems, housing rent burden, clothing problems, food scarcity and so many other have confined the masses to combat such an evil and live a luxurious life. In-short, the combination of such mercenaries increase the miseries of life, draws un-hygienic and un-healthy results that ultimately impedes the social development of the subject masses.

OBJECTIVES OF THE STUDY

1. To highlight and understand the various socio-economic impacts of price hike/inflation on the living condition of poor families
2. To investigate the psychological consequences of price hike on poor families

HYPOTHESES OF THE STUDY

1. There is a strong association between price hike, and socio-economic impact on poor families
2. The lower the ratio of inflation/price hike, lower would be its psychological consequences on the living situation of poor families

CONCEPTUAL FRAME WORK

The researchers have given operational definitions to various key concepts in order to clarify the problem and its various dimensions and what the researchers exactly want to find out. These concepts are explained as below in a co-relational manner with this research:

Poor

United Nations Organization's Report (2008) refers poor to that person, who earns less than one US dollar a day (currently two US dollars) while Poverty to Gillin and Gillin quoted in Alam (2004) refers to that condition in which a person either because of inadequate income or unwise expenditure does not maintain a scale of living high enough to provide for his physical and mental efficiency and to enable him and his natural dependents to function usefully according to the standards of society of which he is a member. In the context of present research study; poor is a person whose daily income is Rs. 300 (the amount that is considered not enough to fulfill his and his family's daily needs).

Family

Family to Burgess and Locke quoted in Hameed (2009) is a group of persons united by ties of marriage, blood or adoption constituting a single household interacting and intercommunicating with each others in their respective social roles of husband and wife, father and mother, son and daughter, brother and sister creating a common culture while Ogbern and Nimkoff (Alam, 2004) that it is a more or less durable association of husband and wife with or without children or a man or a woman alone with children. Family is the multifunctional of all the institutions in society, and is a system of organized social relationships involving workable and dependable ways of meeting basic social needs.

Social

By social we mean that a person is interactive in nature and thus he or she will be involved in communication and understanding of the minds of one another. It also is related to society whereas society is a web of social relationships in which people interact and behave with one another in groups (Encarta, 2009). In addition, the characteristic of living organisms and the interaction of organisms with others and to their collective co-existence, irrespective of whether they are aware of it or not, and irrespective of whether the interaction is voluntary or involuntary (Morrison, 2006).

Economic

Economic is set of norms related to the production, distribution and consumption of goods and services. Besides, it is concerned with both actions and thoughts which are deeply rooted in group habits and customs of the people (Chaudhary, 1984).

Psychological

Psychology is the scientific study of behavior and mental process while the term psychological refers to the behavior and mental process, which include physical actions that can be seen or heard as well as the mental process, which cannot be seen or heard include thought about prejudice and emotions such as anger (Matlin, 1999).

Impacts

The term Impact refers to the violent contact of some objects with each other. It also means that the force of collision, shock or the power of an event, idea etc. to produce changes or having effects usually over the other object. (Websters', 2008:714). In this study the impacts are confined to those adversities, which are brought over the social, economic and psychological well-being of the subject masses particularly the poor.

THEORETICAL FRAME WORK

A great deal of economic literature as well as different schools of thoughts concern the question of what causes inflation and what effects it has are divided into two broad areas: quality theories of inflation and quantity theories of inflation. Further many theories of inflation combine the two, in which the quality theory of inflation rests on the expectation of a seller accepting currency to be able to exchange that currency at a later time for goods that are desirable as a buyer whereas quantity theory of inflation rests on the equation of the money supply, its velocity, and exchanges (Haq, 2008).

In addition, economists made another combination of two slightly different theories of inflation, the Quantity Theory and Institutional Theory: the quantity theory emphasizes on the connection between money and inflation. Further, inflation as a monetary phenomenon has been highlighted in this theory as, if the money supply raises, the price level will rise and if the money supply doesn't raise, the price level won't rise. The quantity theory of money centers on the equation of exchange, an equation stating that the quantity of money times velocity of money equals the price level times the quantity of real goods sold. The equation is.

$$MV = PQ$$

Where M= Quantity of money, V= Velocity of money, P= Price level and Q= Quantity of real goods sold

Q is the real output of the economy (real GDP) and P is the price level, so PQ is the economy's nominal output (nominal GDP). V, the velocity of money, is the number of times per year, on average, a dollar goes around generating a dollar worth of income, or Velocity is the amount of income per year generated by a dollar of money (Rasmussen and Tetteh, 2007). The institutional theory emphasizes market structure and price-setting institutions and inflation. There is a significant overlap between the two theories, but they come to different policy conclusions. Supporters of the institutional theory of inflation accept much of the quantity theory-money and inflation does move together. According to the Quantity theory of money, changes in the money supply causes changes in the price level. The direction of causation goes from left to right;

$$MV \rightarrow PQ$$

Institutional theorists see it the other way around. Increase in prices forces government to increase the money supply or cause unemployment. The direction of causation goes from right to left;

$$MV \leftarrow PQ$$

According to the institutional theory of inflation, the source of inflation is in the price-setting process of firms. When setting prices, firms and individuals find it easier to raise prices rather than lower them and do not take into account the effect of their pricing decisions on the price level. All income is ultimately paid to individual owners of the factors of production; the revenue that firms receive is divided among profits, wages, and rent. Firms are simply intermediaries between individuals as owners of the factors of production and individuals as consumers. Give the institutional structure of our economy, it's often easier for firms to increase wages, profits, and rents to keep the peace with their employees and other owner's of the factors of production than it is to try to hold those costs down.

Firms then pay for that increase by raising the prices they charge consumers. In response to the rising price level, the government increases the money supply so that there is sufficient demand to buy the goods at the higher prices (Rasmussen and Tetteh, 2007). The mentioned theories provide a base for the current research as inflation is directly associated with quantity and quality of economic goods and as variables, these bring changes in the societal order and production institutions. Besides, such types of variables are also affecting the life of people both in clockwise and anti clockwise direction. Similarly, the impacts of such inflation and price hike are the main sources in producing and weakening the bonds of social control, which leads to societal disruption. The model derived from the study is given in the following diagram.

METHODS AND PROCEDURES

The purpose of this research study is to find out the socio-economic and psychological impacts of inflation and price hike on poor families. In addition, the research activity is an attempt to know the relationship of inflation with increase in poverty and inequality, child labor, students’ drop-out etc. The study was undertaken in District *Malakand*, *Khyber Pakhtunkhwa* province of Pakistan. The samples have been taken from three Union Councils of district *Malakand*. i.e. Union Council (Lower), Union Council (Middle) and Union Council (Upper), coded as UC-1, UC-2 and UC-3 respectively. Due to more exposure to the issue under study, data has been collected from poor families, categorized in segments of peasants/tenants, day laborers/daily wagers, taxi/rickshaw/van pullers, cart pullers/vendors, kiosk holders, small traders/shop owners and salaried workers (peons/guards/clerks) denoted by C1, C2, C3, C4, C5, C6 and C7 respectively. The mentioned categories of samples are selected through disproportionate stratified random sampling technique using interview schedule as a tool of data collection; the details of samples are mentioned in the following table:

Categorization of Segments for Sample

S.No	Name of the Category	Denotation	Sample size
1	Peasants/tenants	C1	40
2	Day laborers / daily wagers	C2	40
3	Taxi/rickshaw/van pullers	C3	40
4	Cart pullers/vendors	C4	40
5	Kiosk holders	C5	40
6	Small traders/shop owners	C6	40
7	Salaried workers (peons/guards/clerks)	C7	40

The collected data is analyzed through statistical tools, specifically by applying Chi-square test. For convenient analysis and understanding of inflation the response of the respondents has been categorized into “to some extent” and “to greater extent” denoted by (TSE) and (TGE), coded by digits 1 and 2 respectively. Further, the socio-economic impacts of inflation on poor families have been divided into different variables for valid and authentic measurement. The variables are poverty and inequality, crimes, drug addiction, social instability, low standard of living, low purchasing power, students’ drop out, adverse impacts on saving, child labor, lack of educational and health services, negative familial response towards children, depletion in productive assets, disruption in business planning, discouragement for investors, low agricultural productivity, borrowing and social discontentment”, which are coded by digits 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 respectively during analysis. Psychological impacts caused by inflation are also divided into variables i.e. depression, tension and anxiety, restlessness, stress and strain, violence and aggression, suicidal tendencies and hopelessness”, which are coded by digits 1, 2, 3, 4, 5, 6 and 7 respectively. In addition, responses of the respondents have been enumerated in the form of frequencies in tables, which are further explained qualitatively by mentioning the percentage on the concerned variable followed by pictorial presentation in bar-charts. Further, the mentioned percentages have been comparatively analyzed by ratio (:) to demarcate between the responses for “to some extent” and “to greater extent”.

RESULTS AND DISCUSSION

The data statistically illustrates that inflation and price hike tend to instill the socio-economic impacts on poor families that is explicitly depicted by results of the study. The impacts of inflation to some extent (TSE) are favored by few of the respondents and to greater extent (TGE) are marginalized by majority of the respondents who evidently enumerate that the menace of inflation and price hike increases poverty and brings inequality in the life standard.

It is observed that being a burning issue, it also increases the ratio of crimes, entangles the poor in the mire of drugs, adversely affects their stable lives, lowers the standard of living due to non-fulfillment of basic needs of life; indicated by respondents like wise (16% :84%), (36% :64%), 10% :90%), (20% :80%) and (40% :60%) respectively.

It has been further elucidated by the results that inflation has adverse impacts on poor families; although there is a minnow variation in the sense that the impacts are to some extent (TSE) marked by few while these are to greater extent (TGE) marked by majority. The respondents expressed that inflation has negative impacts as it lowers the purchasing power of the poor people, increases students' dropout, affects their saving, causes child labor because children are sent for earning instead of getting education, reduces educational and health services, instigates modification in familial behavior; clarified by the percentages in parenthesis respectively for each indicator i.e. (39% :61%), (50% :50%), (10% :90), (15% :85%), (06% :94%) and (10% :90%). (See Table-1)

Table-I
ASSOCIATION BETWEEN INFLATION AND ITS SOCIO-ECONOMIC IMPACTS

Socio-economic Impacts * Inflation Cross tabulation

Socio-Economic Impacts	Inflation			Total
	To extent	some	To greater extent	
Poverty/inequality	08		42	50
Crimes Increase	04		07	11
Drug addiction	01		09	10
Social instability	01		04	05
Low standard of living	02		03	05
Low purchasing power	05		08	13
Students' dropout	05		05	10
Adverse impacts on saving	01		09	10
Child labor	10		55	65
Lack of educational and health services	01		15	16
Negative familial response towards children	01		09	10
Depletion in productive assets	03		05	08
Disruption in business/planning	01		22	23
Discouragement for investors	01		18	19
Low agricultural productivity	01		04	05
Borrowing power	01		07	08
Social discontentment	05		07	12
Total	51		229	280

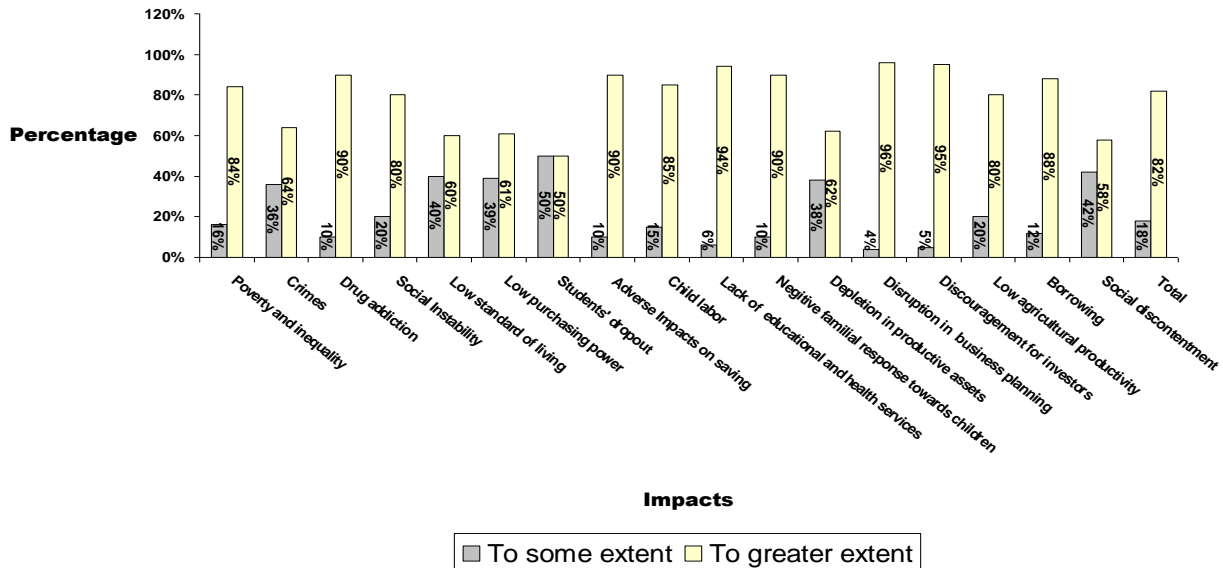
$P=.000^{**} < .05$, which means that the result is highly significant and there is strong association between price hike/inflation and its socio-economic impacts on poor families. ($\chi^2 = 3.123$, df. = 34)

Inflation and price hike in one form or another, always been found as a menace in affecting smooth running of society and individuals' activities signified by the present study. Results of the research palpably show that inflation has impacts whether TSE or TGE depletes the productive assets, disrupts business planning, discourages investors (whether local or foreigners) to invest, limits agricultural productivity by increasing prices of seeds and fertilizers, increases the borrowing of money and causes social apathy and discontentment among the poor people with percentages of (38% :62%), (04% :96%), (05% :95%), (20% :80%), (12% :88%) and (42% :58%) respectively (See Table-1).

Resultantly, the socio-economic impacts of inflation that is proposed in the hypothesis “Higher the ratio of price hike/inflation, higher would be the socio-economic impacts on poor families” has been judged by applying chi-square test where the value of $P=.000^{**}<.05$, shows that the result is highly significant and there is a strong association between inflation and the socio-economic impacts on poor families.

Figure-1

Fig. 1 Socio-Economic Impacts of Inflation on Poor Families



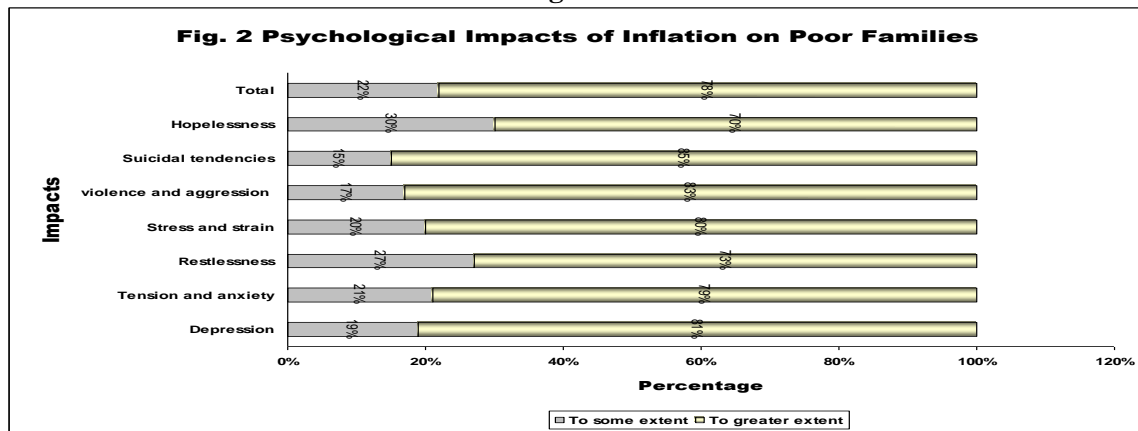
Another aspect of this research study is psychology of the people that is affected by inflation. Information mentioned in the following table illuminates that inflation has negative impacts, whether to some extent (TSE) or to greater extent (TGE) over psychology of the people. It makes the people psychologically depressed, creates the waves of tension and anxiety, push them into the cave of unrest, the unaffordable conditions to fulfill daily commodities and tangle them in stress and strain; illustrated in the following percentages; (19%:81%), (21%:79%), (27%:73%) and (20%:80%). Enacting to the impacts of inflation on the psyche of human beings, this research study reveals that inflation; whether TSE or TGE, has adverse impacts over psyche and mental level of individuals as it instigates violence and aggression among the subject respondents, which increases suicidal tendencies and causes hopelessness; figured in a respective form of percentages in parenthesis as (17%:83%), (15%:85%) and (30%:70%). (See Table-II)

Table-II: ASSOCIATION BETWEEN INFLATION AND ITS PSYCHOLOGICAL IMPACTS
Psychological Impacts * Inflation Cross tabulation

Psychological Impacts	Inflation		
	To some extent	To greater extent	Total
Depression	06	26	32
Tension and anxiety	22	85	107
Restlessness	20	53	73
Stress and strain	02	08	10
Violence and aggression	03	15	18
Suicidal tendencies	03	17	20
Hopelessness	06	14	20
Total	62	218	280

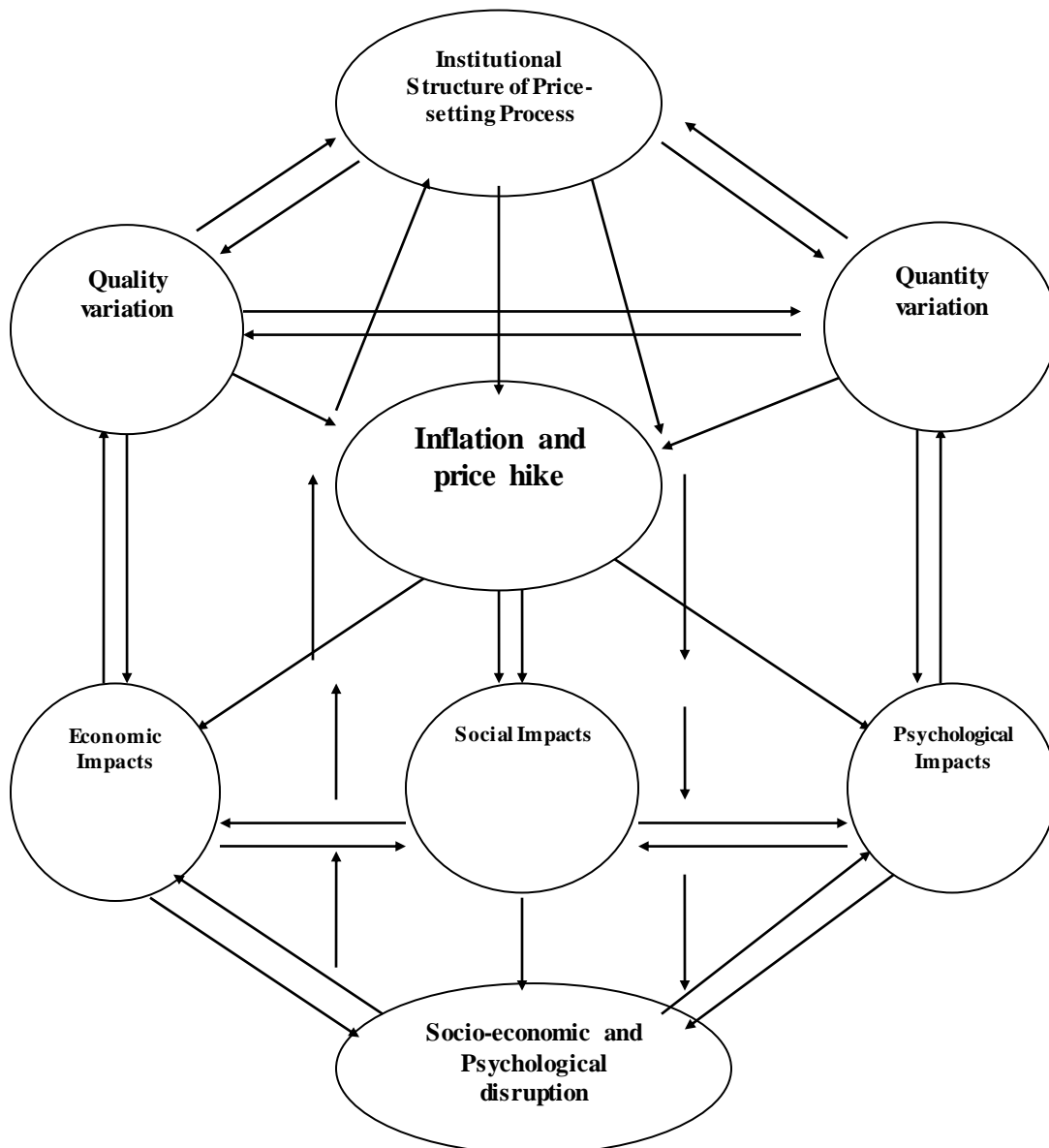
$P=.000^{**}<.05$, which means that the result is highly significant and there is strong association between price hike/inflation and its psychological impacts on poor families. ($\chi^2 = 2.848$, df. = 14)

Figure-2



The overall results of the study as discussed in tables and charts with theoretical model are diagrammatically presented in the following diagram.

Theoretical Model: The Flux of Inflation and Societal Disruption Model



THE MODEL HAS BEEN DERIVED FROM CITED LITERATURE AND ANALYSIS OF RESEARCH DATA

CONCLUSION

Of all the sizzling social evils; inflation has been regarded as one of the poking matter of concern in the present scenario that has been evidently highlighted by this research study. Excessive increase in the prices brings pathetic measures over the subject masses that ultimately influence their output, social role and function. The fact is undeniable that where-ever and when-ever such menace has come into prevalence; it has drawn adverse impacts over the individuals' character building and national development. This research activity palpably expounds that the evil of inflation and price hike is prevalent in its severe form in the subject area encompassing a variety of adverse impacts. The list of these impacts predominantly include distortion of social as well as psychological status of the individuals in shape of augmentation in poverty and inequality, enhancement in crime ratio, social instability and child labor.

The research study has explicit results in the course of impacts drawn over the masses in order to shudder the lucrative social role and status of the individuals. The deeply rooted prevalence of inflation and price hike in the target area has necessitated the people to spend a miserable life with an abject and abated status. It has been drawn-out during the research that hasty proliferation of inflation paves the way for plenty of social disorders like crimes, students' intensive drop-out, and low living standard. Besides, the results illuminate that the course of adverse impacts comprises of further jeopardized aspects, which prominently encompass the social apathy and discontentment, paralyzed agricultural productivity, and unsuitable environment that hinder motivation of the investors.

This research activity further highlights the intensity and severity of problems in the context of its consequences over psychology of the poor masses who are more exposed to the nuisance of inflation and price hike. In this regard it has been clearly illuminated that excessive depression among the victims has been brought, which further leads to creation of violent and aggressive attitude. Besides, the problem of social isolation has also been worsened that is accompanied by hopelessness and restlessness. Furthermore, in the course of psychological consequences of inflation; the suicidal tendencies have been noted as one of the deeply rooted impacts that has frequently been occurred and practiced among the subject victims.

In-short, the rise of inflation and price hike being havoc in the course of its devastating consequences is prevalent on the roots of social, economic and psychological development of the research area where the problem is worsening day by day. The overall research findings come to a unanimous conclusion that inflation is a monster, which is hindering the overall smooth functioning of the subject society as well as the nation with adverse effects on future.

RECOMMENDATIONS

This study extends and suggests that the general mass awareness is inevitable to overcome the evil of inflation and price hike that is prevalent on the roots of social and national development. Proper policy making and implementation is the basic essence of improvement, progress and stability that is barely prevalent in Pakistan. Mass-friendly and nation's-lucrative policy should be instilled and implemented emphasizing the affordable and reasonable changes in the prices. In addition, proper check and balance should be part of the policy to ensure the standardized gap between actual prices (net expenses) and buyers/consumers' prices. The principle of strict punishment needs improvement and cordial attention because most of the law violators are freed-out easily that leads to evils such as inflation and intentional price hike. Such violators should be dealt harshly and mercilessly to make a precedent. The role of media is marginally significant in illumination of the problems and for bringing attention of the concerned authorities towards the issues. In this regard, media should be properly and neutrally utilized to unveil the culprits who are intentionally involved in raising the prices, conspirators and hoarders etc.

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