Food Inflation: Consequences & Problems in Sustainable Economic Development in India

(Dr. S.Kasi, Assistant Professor, Department of Economics, Thiagarajar College, Madurai)

Abstract

The vast changes in the global economic system as well as political alignment have explored certain problems. The process of a continuous and general rising price level is one such problem described as Inflation. The process of spiraling price level affects everybody from plebian to patrician. In a way inflation can be considered as a hidden tax levied on the people without their acceptance. The famous statement of Milton Friedman, a celebrated monetarist of Chicago school bring to the fore a cup-let regarding inflation. That is we have inflation because we expect Inflation and we expect inflation because we have had inflation. Traditionally Inflation in India has primarily been caused by supply shocks and drought but now, demand driven factors also found. This paper makes an attempt to analyse the rate of inflation empirically among the BRIC countries, in general and India, in particular. A comparative analysis of WPI on Food and Non Food commodities, Production and yield per hectare is also discussed.