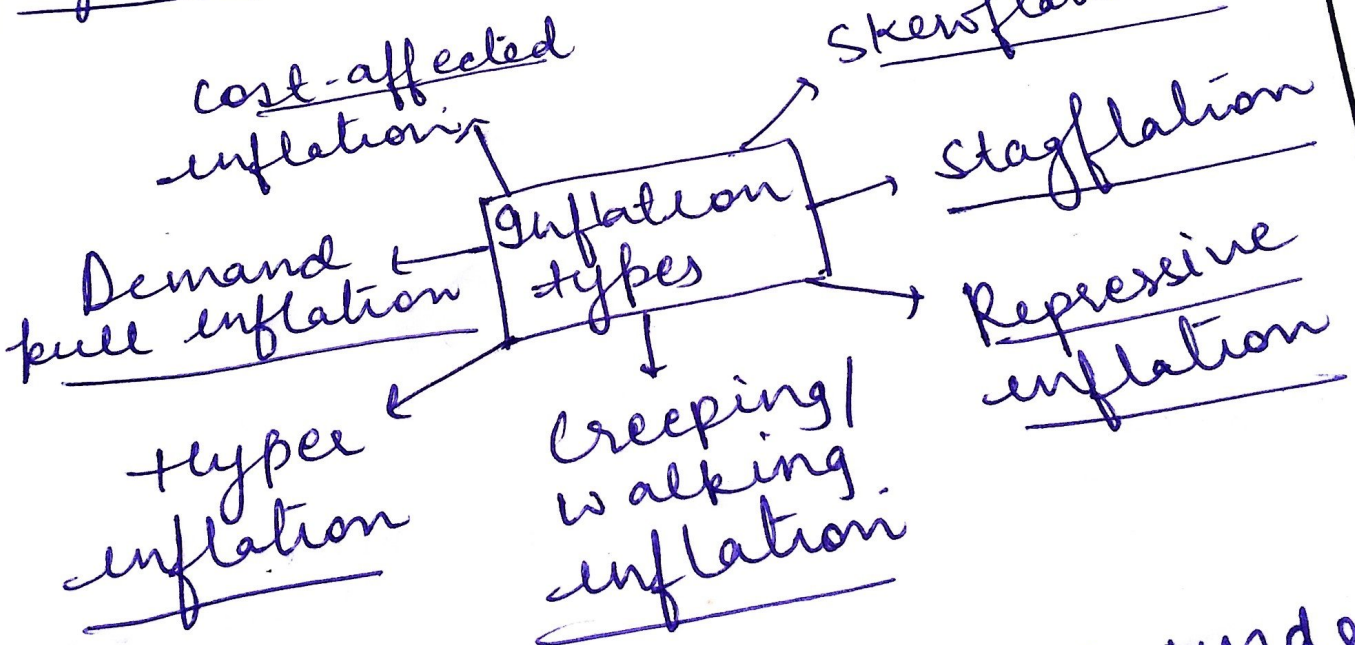
Q.) Discuss the concept and types of Inflation. What is the nature of ongoing inflation in the economy. Suggest measures to counter it (250 W).

Inflation is defined as general increase in the price of a product

In India, Inflation considers to be at tolerable level if it's between 2-6%. At present, Inflation rate is 5-6%.

Types of Inflation :-



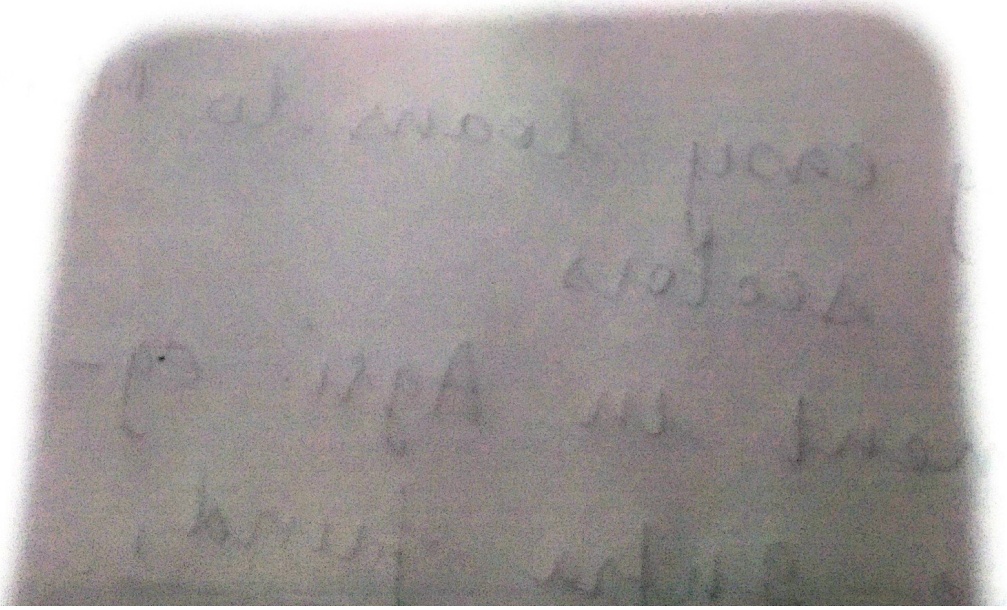
From 2013-19, Inflation was under control. After that, it has been

increasing due to various reasons:-
1) Pandemic
2) supply side constraints
3) Slowdown of economy

It has been suggested that country is passing through stagflation stage which is marked by high inflation and low growth rate. However that is not a complete picture, GDP growth rate and investment Percentage (36%) give us hope for the best.

Measures to curb inflation

(•) Fiscal stimulus for various sectors such as aatmanirbhar bharat
(•) Not following Dovish / easy Monetary policy
(•) Providing easy loans to MSMEs, and other sectors
(•) Investment in Agri. eg- Agriculture Infra fund, operation greens for all fruits.

(•) More investment in the economy.
(•) Looking for long term measures rather short term.

John Meynard keynes says that there there is proportionate relationship between employment rate and inflation. However after limited rate, It will be burdensome for individuals which in turn will hurt India 5TD dream.