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ORIGINAL ARTICLE



## SOCIAL AND PSYCHOLOGICAL EFFECTS ON DAILY WAGERS DUE TO INFLATION IN HYDERABAD.

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### ABSTRACT

**BACKGROUND:** Inflation has effected deeply all walks of life of people but the most acutely effects daily wagers, who depend on everyday wage, experience social and financial distress as their incomes lose their worth, causes them to experience greater stress, anxiety, and depression. This research aims to offer a thorough evaluation of the difficulties encountered by daily wagers during inflation by exploring the underlying financial variables, societal contexts, and psychological wellness. **OBJECTIVE:** To identify the social and psychological effects on daily wagers due to inflation. **ETHODOLOGY:** The descriptive cross sectional study was conducted among 422 daily wagers both male and female aged 19-60 years old in Hyderabad city, using 11-self-administered questionnaires for social effects and 21-items depression, anxiety and stress scale for psychological effects. The outcome variables were effects on earning, paying for basic necessities, family's lifestyle, social life, saving money and depression, anxiety, stress. Statistical analyses were conducted to analyze the data. **RESULTS:** Depression, anxiety and stress were found 43.4%, 76.3% and 83.9% among daily wagers respectively. The study participants were reported to be effected on daily earning 84.6%, effected on paying basic necessities 88.4%, effected on social lives 83.2% and effected on saving money 84.6% respectively. **CONCLUSION:** This study has brought into light that inflation is one of the sticking points in the current situation that having an impact on individuals' daily earnings, paying necessities, social lives, saving money and their level of depression, anxiety, and stress.

**Keywords:** Social effects, Psychological effects, Daily wagers, Inflation

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**How to Cite This Article:** Chand R<sup>1</sup>, Siddiqui MI<sup>2</sup>, Ariser KN<sup>3</sup>, Jamal F<sup>4</sup>, Shaikh M<sup>5</sup>, Nazeer F<sup>6</sup> **SOCIAL AND PSYCHOLOGICAL EFFECTS ON DAILY WAGERS DUE**

**TO INFLATION IN HYDERABAD JPUMHS;2025:15:01,71-78.**

<http://doi.org/10.46536/jpumhs/2025/15.01.598>

Received On 25.12.2024, Accepted On 15 March 2025, Published On 31 March 2025.

## INTRODUCTION

Daily wagers who are employed for small period of time, are referred to as contractual labourers, every day workers, temporary labourers, and seasonal labourers. They may be construction worker, landless farm worker, domestic worker, mason, two wheeler mechanic, electrician, cobbler, carpenter, barber, weight Lifter, rickshaw driver, cart puller, roadside vendor, plumber, brick worker, fruit/vegetable vendor etc<sup>1</sup>. Pakistan is the world's fifth most crowded nation, with 224.78 million people expected to live there in 2021. The 67.25 million people in Pakistan are employed as labourers, contribute one of the largest labour forces, ranking among the tenth in the globe<sup>2</sup>.

Wages are the employment-related means of subsistence, providing for both his own and his entire household. The ability of low-wage labourers to maintain their buying power and level of life over time is made possible by the practice of adjusting pay for inflation. The government has established a minimum wage in order to protect workers in the formal sector and to ensure that they are able to meet their fundamental requirements<sup>3</sup>. The minimum wage for unskilled labourers in Sindh Province is PKR.32000 per month, which is equivalent to PKR.1230.77 per day. This applies to both adult and juvenile workers in all commercial and industrial enterprises<sup>4</sup>.

Inflation is defined as the steady increase in the prices of products and services over a period of time to a higher level than before with decrease in the value of currency. Inflation escalated because of the depreciating rupee, high commodity prices, and an overheated economy, which decreased households' actual purchasing power. Recently, Pakistan witnessed significant rates of inflation brought on by

challenging external conditions, such as rising food and energy costs globally, and local ones like an overheated economy and flood which are anticipated to impair the supply of essential household and agricultural items and adversely affect the most disadvantaged<sup>5</sup>. Pakistan is currently facing its most significant rise in inflation in nearly fifty years. The inflation rate has reached 38% in the past couple of months, which is the greatest in South Asia. The price of food has soared to 48%, a record up since 2016. Pakistan along with numerous other emerging economies, is confronted with the difficult challenge of tackling issues of destitution, inequalities, and inequities in society that are caused by inflation<sup>6</sup>.

The public's backs have been bent by inflation, which exerts an unnoticed impact on all facet of our life, through the expense of living to the supply of meals. It has an effect on daily wagers who get regular earnings like wages. There has been an uptick of the retail cost of products, but there has not been a corresponding increase in employee's pay. The standard way of their lives decreases in tandem via the drop in actual earnings of labourers. Their capability of saving rupees is also affected because they are day to day earners<sup>7</sup>.

Mental health is a condition of mental well-being that allows individuals to deal with the pressures of everyday life, achieve their potential, study and work effectively, and make a positive contribution to their society<sup>8</sup>. Approximately 350 million individuals and around one out of twenty people across the globe are suffering from depression, making it the fourth most significant societal cost of all disorders in the context of the number of years of life that are compensated for impairment<sup>9</sup>. Approximately four percent of the world's nation is now suffering from some form of

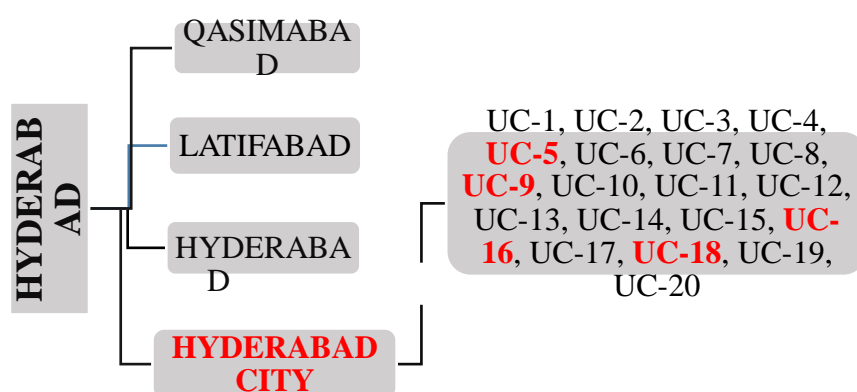
anxiety illness. It is estimated that 301 million individuals throughout the globe were suffering from an anxiety in the year 2019, making it the most prevalent kind of psychological illness<sup>10</sup>.

A significant portion of daily wagers in Pakistan survives only on their end meet because of inflation. This has a negative impact on the basic level of life and makes it more difficult to provide for one's family. This social and psychological trauma is an eye opener for policymakers to make such policies that can improve the living standard of daily wagers. This study highlights the social and psychological

effects of inflation on daily wagers in Hyderabad.

### RESEARCH METHODOLOGY

The descriptive cross-sectional study was conducted on daily wagers who were living in four union councils of the cluster of administrative subdivision of Hyderabad City Taluka of District Hyderabad within six months of period from September 2023 to March 2024. Four union councils (UC-5, UC-9, UC-16, UC-18) were selected randomly through chit method while 422 study participants were chosen by non-probability convenient sampling.



The sample size was calculated via Rao soft. by taking 50% prevalence. The inclusion criteria were both male and female aged 19 – 60 years, belonging to any caste and religion who were living and working in Hyderabad city for more than six months. The physically disable persons, persons with diagnosed case of mental disorder and non-consenting participants were excluded from study.

The participants meeting the eligibility criteria, were administered an interview based three section questionnaire after taking a written consent from each. In the first section, sociodemographic variables such as age, gender, residential status, family structure, number of dependents and daily earning, were focused on to understand the participants' background

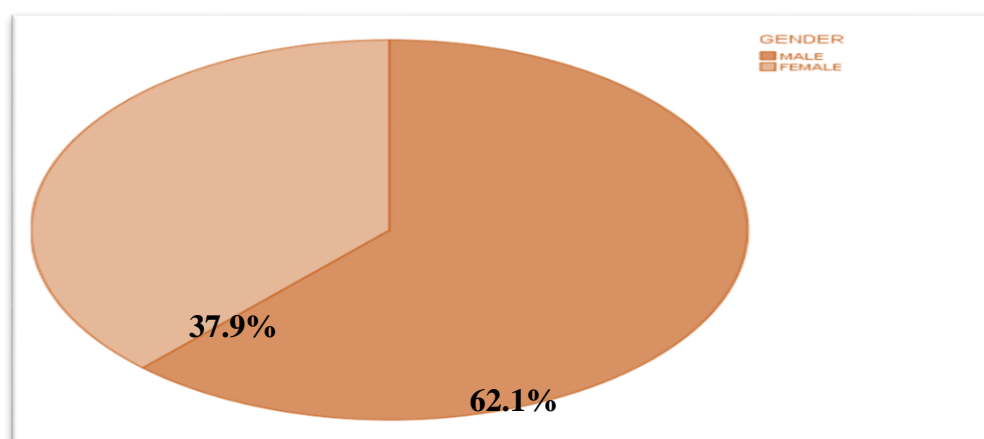
and how it might influence their social and psychological health. The second section was self-designed 11-items of questionnaire (validated by piloting the 10 percent of the research sample), includes variables related to social effects like effects on daily earning, ability to save money, paying basic necessities and social life were explored to inquire the participants' current social status and effect. The third and last section was 21-items structured questionnaire i.e. Depression Anxiety Stress Scale-21 (DASS-21)<sup>11</sup> which assessed the current depression, anxiety and stress level among participants due to inflation. DASS-21 scale is a structured questionnaire, contains 21-items which is a subset of three scales. It is Likert scale, ranging from 0 (Did not

apply to me at all) to 3 (Applied to me very much, or most of the time). Each Depression, Anxiety, and Stress scale score is the product of its component values. To determine the ultimate score, values were multiplied by 2. The high value revealed the high degree of negative psychological wellness.

The data were entered in Statistical Package for Social sciences for windows (SPSS) version 26 for windows for final analysis. The categorical variables were expressed in numbers and percentages. The numeric data were expressed as mean  $\pm$  standard deviation.

## RESULTS

**Graph. I: Gender distribution of study participants**



**Table. I: Demographic profile of study participants**

Groups	Male n=262 (62.1%)	Female n=160 (37.9%)	Total n=422(100%)
<b>1. Age distribution of participants (in years)</b>			
19-25 Years	27 (10.3%)	9 (5.6%)	36 (8.5%)
26-32 Years	51 (19.5%)	24 (15%)	75 (17.8%)
33-39 Years	81 (30.9%)	31 (19.4%)	112 (26.5%)
40-46 Years	57 (21.8%)	64 (40%)	121 (28.7%)
47-53 Years	36 (13.7%)	26 (16.2%)	62 (14.7%)
54-60 Years	10 (3.8%)	6 (3.8%)	16 (3.8%)
<b>2. Marital status</b>			
Single	36 (13.7%)	0	36 (8.5%)
Married	201 (76.7%)	142 (88.8%)	343 (81.3%)
Widow/Widower	16 (6.1%)	13 (8.1%)	29 (6.9%)
Divorced	8 (3.0%)	4 (2.5%)	12 (1.9%)
Separated	1 (0.4%)	1 (0.6%)	2 (0.5%)
<b>3. Residential status</b>			
Own	125 (47.7%)	38 (23.8%)	163 (38.6%)
Rental	137 (52.3%)	122 (76.2%)	259 (61.4%)

<b>4. Family structure</b>			
Nuclear	130 (49.6%)	81 (50.6%)	211 (50.0%)
Joint	132 (50.4%)	79 (49.4%)	211 (50.0%)
<b>5. Number of dependents</b>			
0-2	27 (10.3%)	24 (15.0%)	51 (12.1%)
3-4	105 (40.1%)	58 (36.2%)	163 (38.6%)
> 4	130 (49.6%)	78 (48.8%)	208 (49.3%)
<b>6. Level of daily wage</b>			
< Rs.1000 per day	190 (72.5%)	127 (79.4%)	317 (75.1%)
Rs.1000-2000 per day	72 (27.5%)	33 (20.6%)	105 (24.9%)

Majority of participants were in between 40-46 years of age (mean 3.3 and SD 1.2). The 81.3% sample was married and 49.3%

had more than four number of dependents. The 75.1% of participants' daily wage income were less than 1000 rupees.

**Table. II: Psychological characteristics of study participants**

<b>Psychological Characteristics</b>	<b>Male (n = 262)</b>	<b>Female (n =160)</b>	<b>Total (n = 422)</b>
<b>Depression</b>			
Normal	139 (53.1%)	100 (62.5%)	239 (56.6%)
Mild	40 (15.3%)	21 (13.1%)	61 (14.5%)
Moderate	58 (22.1%)	27 (16.9%)	85 (20.1%)
Severe	25 (9.5%)	12 (7.5%)	37 (8.8%)
Extremely Severe	0	0	0
<b>Anxiety</b>			
Normal	56 (21.4%)	44 (27.5%)	100 (23.7%)
Mild	27 (10.3%)	13(8.1%)	40 (9.5%)
Moderate	86 (32.8%)	36 (22.5%)	122 (28.9%)
Severe	79 (30.2%)	59(36.9%)	138 (32.7%)
Extremely Severe	14(5.3%)	8 (5.0%)	22 (5.2%)
<b>Stress</b>			
Normal	44(16.8%)	24 (15.0%)	68 (16.1%)
Mild	32(12.2%)	21 (13.1%)	53 (12.6%)
Moderate	86(32.8%)	55 (34.4%)	141(33.4%)
Severe	88(33.6%)	54(33.8%)	142(33.6%)
Extremely Severe	12(4.6%)	6 (3.8%)	18 (4.3%)

The 43.4% of daily wagers had reported the symptoms of depression, with 46.9% frequency in males and 37.5% in females. The 76.3% of daily wagers had reported the symptoms of anxiety, with 78.6%

frequency in males and 72.5% in females. The 83.9% of daily wagers had reported the symptoms of stress, with 83.2% frequency in males and 85% in females.

**Table. III: Social effects due to inflation of study participants**

Social Effects Due To Inflation	Male (n = 262)	Female (n = 160)	Total (n =422)
<b>1. Effect on Earning</b>			
Yes	226(86.3%)	131(81.9%)	357 (84.6%)
No	36(13.7%)	29 (18.1%)	65 (15.4%)
<b>2. Effect on Paying Basic Necessities</b>			
Yes	237(90.5%)	136(85.0%)	373 (88.4%)
No	25 (9.5%)	24 (15.0%)	49 (11.6%)
<b>3. Effect on Social Life</b>			
Yes	222(84.7%)	129(80.6%)	351 (83.2%)
No	40 (15.3%)	31(19.4%)	71 (16.8%)
<b>4. Effect on Saving Money</b>			
Yes	224(85.5%)	133(83.1%)	357 (84.6%)
No	38 (14.5%)	27(16.9%)	65 (15.4%)

The effects on daily earning, paying basic necessities, their social lives and saving money had been reported 84.6%, 88.4%, 83.2% and 84.6% respectively.

### DISCUSSIONS

The social and psychological effects on daily wagers due to inflation are a crucial field of investigation that need to be done. The salaries of waged workers are subjected to fluctuations, which are significantly impacted by the unstable condition of the economy. Their social and mental health undergo dramatic shifts as a result of this instability, which makes them more susceptible to cost fluctuation. It is essential to have an extensive comprehension of these effects in order to generate specific strategies that can tackle not only the instant financial stresses but also the more widespread psychological implications that are experienced by this group.

In this study, majority of participants are males (62.1%) and a prevalence study was performed by Jannatbi LI et al. (2024) to evaluate depression, anxiety and stress among construction labourers where the most of study participants were male (69.8%)<sup>12</sup>. The finding of this research indicates that the prevalence of depression is 43.4% which are consistent with other several studies that were indicating the

depression frequency 38.6% - Xuan TB et al. (2019)<sup>13</sup>, 38.99% - Hasan SI et al. (2021)<sup>14</sup>, 39.9% - Irfan U et al. (2022)<sup>15</sup> and 49.3% - Jannatbi LI et al. (2024)<sup>12</sup> respectively. This study shows that the prevalence of depression is greater in males (46.1%) than females (37.5%) while a study of Vietnam concluded the depression rate more in females (76.8%) than males (23.2%)<sup>13</sup>. The findings of this study indicate that due to inflation 83.9% of the population is under stress. Stress levels are higher in females than in males. A similar study was conducted in the United States of America on stress due to inflation by Sophie M et al. (2024) reported the 78.1% of frequency of stress. Females were reported to be stressed greater than males<sup>16</sup>. Particularly in developing nations, anxiety and depression go largely untreated despite their prevalence<sup>17</sup>. Depression, anxiety, and stress were identified in 29%, 32.2%, and 34.8% of adult inhabitants of the Yazd Greater Area<sup>18</sup>.

There are a variety of manifestations that results from monetary pressure among daily wagers. Because of the erosion of monetary value caused by inflation, daily wagers may have difficulty meeting minimum demands that can lead to put tension on the connections within families and the cohesiveness of the community. It

is also possible that the constant instability and lower monetary autonomy continues to affect their standard of living. The 84.6% of daily wagers had reported to be effected on daily earning and 88.4% effected on paying basic necessities, 83.2% on their social lives and 84.6% on saving their money due to inflation respectively. Its results coincide with investigation of Jayati G. et al. (2023) that over eighty percent of Pakistanis are unable to pay for their fundamental needs and food. Inflation is undoubtedly unstable which may suggest that some parts of society are able to resist and keep their real wages stable<sup>19</sup>.

Daily wagers' income is affected by inflation due to rising expenses for goods, which diminish their ability to buy and lead to monetary misery, impoverishment, societal marginalization<sup>20</sup> and decrease ability to save money for unforeseen circumstances<sup>21</sup>.

## CONCLUSIONS

This study concluded the prevalence of depression, anxiety and stress on daily wagers due to inflation were 43.4%, 76.3% and 83.9% respectively. The social effects due to inflation on daily wagers were found to be above 80%. The findings from the study exhibits a significant effect on individuals' daily earnings, paying necessities, social lives, saving money and their level of depression, anxiety, and stress.

## LIMITATIONS OF STUDY

This study was conducted only on daily wagers of Hyderabad city with small sample size was over short period of time. We only used data spanning six months, insufficient to identify a sustained pattern of inflation related social and psychological effects. Further study is needed to determine the need of its importance to help further understanding of mental and social disorders and to identify gaps on social and psychological health on national level.

## RECOMMENDATIONS

1. The sound development of policies requires for improving, progressing and stabilising one's situation.
2. Cost effective and worthwhile strategy needs to be ingrained and carried out stressing the appropriate and feasible modifications in the rates.
3. The rule must include appropriate oversight and accountability to guarantee the uniform difference among purchasers' costs and the real value.
4. The notion of rigorous sentencing requires upgrade and courteous concern considering majority of the legislation breakers. Alike offenders ought to be punished severely in order to set an example.
5. Appropriate and unbiased use of journalism can be made to expose those responsible for the deliberate value hikes.

**ETHICS APPROVAL:** The ERC gave ethical review approval.

**CONSENT TO PARTICIPATE:** Each participant gave consent orally and in writing.

**FUNDING:** No organization provided assistance for the research. The author covered all of the costs.

**ACKNOWLEDGEMENTS:** We express our gratitude to everyone who participated in our research.

**AUTHORS' CONTRIBUTIONS:** Every individual who satisfies the requirements for authorship, and each author attests to their involvement in the study in order to assume public accountability for this manuscript. The final manuscript was discussed and accepted by all writers.

**CONFLICT OF INTEREST:** No conflicting interests were disclosed.

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