



CHAPTER III

**A Critical Examination of the Factors behind the
Adulteration.**

CHAPTER - 3

A CRITICAL EXAMINATION OF THE FACTORS BEHIND THE ADULTERATION

3.1 An Introduction :

India being developing country, it is just possible for various types of imbalances to occur either temporarily or permanently. The supply and demand gaps occur either because of scarce supply or excess demand for certain commodities though the developing countries are primarily agricultural, the gaps between demand for and supply of agricultural products takes place. As a result the supply of and demand for final consumption goods vary. It has been experienced by many developing countries. India is not an exception to such type of situation. The supply bottlenecks in respect of agricultural products such as food grains, pulses and edible oils are common in India. In scarcity conditions where demand exceeds the supply of commodities the prices of such commodities tend to be high. These commodities respond to scarcity situations in terms of rising prices. When the prices show a tendency towards a rise, the available supplies of commodities are squeezed by the traders with a view to giving a further push to rising prices. Therefore, the rising prices of commodities which fall short in relation to demand for

them is the real factor behind the adulteration. In fact the manufacturers and the traders are motivated to adulterate their products due to scarcity conditions and rising prices.

3.2 Excess Demands :

In developing countries, the increasing volume of investment in the secondary sector gives rise to an increase in the Gross National Product (G.N.P.). The Net National Product (N.N.P.) as a result increases. This in turn gives rise to a rise of per capita income of the population. The rising per capita income generates an additional demand for the necessities which include mainly agriculture oriented food products. They are mainly cereals, pulses and edible oils. The income elasticity of demand for these products in developing countries works out to be almost unitary. Therefore, additional incomes generated through accelerated investment expenditure are directed towards the purchases of larger quantities of those agricultural products of consumption. Hence the demand for basic consumption goods takes place on a bulging scale. ✓

In addition to rising incomes, the high rate of population growth (2.5 to 3% per annum) contributes to demand for primary commodities. The high growth population sometimes is responsible for excess demand over supply. The additions to existing populations cause the demand for basic necessities to expand further. Thus, with

the expanding demand for the product the prices of the commodities such as food grains, pulses and edible oils tend to sky rocket.

3.3 Supply Bottlenacks:

The supply bottlenacks in regard to essential agricultural products emerge out of low productivity of the agricultural sector of the developing countries. The supply-demand imbalances are caused by the vagaries of the monsoon. The violent fluctuations in the supplies of agricultural primary products are characterised by their seasonal nature of output. The experience so far of the developing countries suggest that the overall supply of agricultural product always lag behind the demand for them. This lagging supply itself be held responsible for a continuous rise in their prices. Sometimes a marginal imbalance in supply of and demand for those products has been aggravated by the wholesalers and retailers through hoarding the commodities. So the supply bottlenacks in agricultural sector tend to become almost a common feature of the developing countries.

Thus the rising money incomes, the high growth rate of population and lagging agricultural production have contributed to scarcity conditions with respect to essential agricultural products. With growing population and rising per capita income, demand for basic agricultural

consumption products is likely to go on expanding until a very high standard ^{of} consumption is reached.

3.4 Scarcity Conditions and Adulteration :

In India where the agricultural production falling short of demand for them, a tendency toward food adulteration cannot be ruled out. In point of fact the agricultural sector itself creates opportunities for adulteration of agricultural products. The intra agricultural production imbalances sometimes become quite pronounced, e.g. the imbalances as between the output of cereals and pulses on the one hand and output of edible oil seeds on the other give rise to scarcity conditions in respect of particular goods, like edible oil seeds. Therefore, adulteration of food items cannot be made to halt but to rise. Due to variations in individual commodity supply and demand, the relative prices do not move in unison. The relative prices of those products whose supplies are short tend to be higher. The prices of such scarce commodities exhibit a trend to move on higher and higher levels of rise. In such kinds of situation and cases of commodities the traders and the manufacturers are more prone to take advantage by resorting to malpractices amounting to adulteration.

3.5 Profits and Adulteration :

Besides the above discussed real factors there are other factors which cause adulteration. Among other factors

profit motive is more important. At trading and manufacturing levels maximisation of profit is the prime objective. Every manufacturing and trading firm according to economic law, aims at earning more profits. There are various ways of earning profits. Of the various ways adulteration of products is the unjustifiable way of making profits. The manufacturers, wholesalers and the retailers earn more profits by selling the mixtures of the principal commodities with the parity commodities whose relative prices are lower than those of major products. In other words the producers and the traders mix up their products with substances equivalent but not desirable from the human consumption point of view. In scarcity conditions selling of dubious products becomes common feature of commodity markets in the developing countries. In India where commodity markets are not properly linked with one another, the possibilities of variation in the prices and of selling dubious products are relatively more. In short, it is the difference as between relative prices of equivalent product, though moving in upward direction, their pace differ depending upon the intensity of scarcity, that motivate the trading community to adulterate the products. From the traders' point of view, maximisation of profit through adulteration can be justifiable but not from the consumers' point of view.

3.6 National Ethos and Adulteration :

Apart from those economic factors, food adulteration could partly be attributed to over all character of the trading communities. The trading community does not essentially belong to the class of entrepreneurs. They always aim at making quick profit whenever they get opportunities. One of the ways of making windfall profits in scarcity hit areas is selling adulterated product. Even the manufacturers sometimes are tempted to adulterate their products and enlarge the profit margins but not by reducing the cost of production. One cannot, therefore, rule out the possibility of adulteration even at manufacturing level. In developing countries like ours such trade practices are found to be most common in the product markets. It is on all these counts phenomenon of adulteration tended to be almost all pervasive and rampant.

3.7 Institutional Measures and Adulteration :

Knowing fully well the adverse effect of adulteration the Governments of developing countries have enacted legislation for prevention of food adulteration. Still adulteration continues in these countries. In India too there are enactments purporting to prohibit certain kinds of adulteration. The Central Government of India has passed the Prevention of Food Adulteration Act (P.F.A.) 1954, and for its implementation F.D.A. department has been established at state levels. Despite the legislative measures and

their implementation, the incidents of adulteration seem to have been ^{occurring} intermittently. These incidents might have been due to inadequacy of legislative measures and inefficient administration. The purpose for which the legislative measures have been adopted has not been achieved in actuality due to large scale evasion of provisions of P.F. A. Act. Therefore, to some extent the inadequate legislative measures and inefficient administration be held responsible for continuation of adulteration in various forms.

Thus the foregoing discussion reveals that economic, social and institutional factors have been responsible for adulteration of food articles in the past. Under the existing circumstances these factors will contribute to an increasing adulteration in future also. It is, therefore, necessary to take corrective measures on all fronts.