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# ANALYZING THE PUBLIC HEALTH CRISIS IN INDIA FUELED BY THE GROWTH OF THE FAST-FOOD INDUSTRY

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#### **ABSTRACT**

India has experienced significant levels of economic development in the past two decades. Combined with the influence of western culture and lifestyle, an expansion of the Indian workforce and an increase in disposable income, the food consumption habits of the Indian population have changed significantly. fast-food brands have capitalized on these changes in the Indian market which has resulted in a steep spike of fast-food consumption, especially amongst the younger population. Frequent fast-food consumption has been found to be a health concern because most fast-food rich items are rich in saturated fats, trans fats, simple carbohydrates, and sodium- nutrients which are associated with hypertension, cardiovascular diseases, type 2 diabetes and mental illnesses including depression, Alzheimer's disease, and Attention Deficit Hyperactivity Disorder, fast-food consumption also hampers the learning capacity and physical activity of children which are considered to be social costs that negatively impact development. The economic costs of treatment of diseases caused by frequent fast-food consumption are also borne by individuals or the state. This paper has explored the need to reduce fast-food consumption in India because it has grown to a point where it can be described as a public health crisis. The impact of solutions such as an imposition of a fat tax has also been analyzed. Lastly, this paper seeks to provide policy recommendations to reduce fast-food consumption in India centered around regulating the market and generating public awareness about the harms associated with it.

**Keywords:** Public Health, Fast-Food Consumption, Indian Food Industry, Public Awareness

#### INTRODUCTION

Fast-food is defined as a type of mass-produced food designed for commercial resale that places a strong priority placed on the "speed of service" as compared to other relevant factors involved

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in culinary science. fast-food was initially created as a commercial strategy to accommodate the larger numbers of busy commuters, travelers and wage workers who do not have the time to eat in conventional restaurants and eateries. By prioritizing the speed of service the fast-food industry has created a system through which the demand for food is satisfied is a more convenient and time-effective manner. The growth of fast-food has been fueled by urbanization, economic development and higher rates of participation of individuals in the economy. In 2018, the fast-food industry was worth an estimated \$570 billion globally (Gupta, et. al., 2018). fast-food is characterized by the usage of mass-produced pre-prepared ingredients. The growth of fast-food restaurants in a country is correlated with the levels of economic development and it's exposure to global markets. Over the past two decades, fast-food brands have expanded multifold. This is partly due to the economic development in densely populated countries such as India and China, which has opened up some of the biggest markets in terms of potential for fast-food producers.

Since the turn of the century, fast-food restaurants have strategically implemented their offerings to align with the distinct and established eating habits, also known as the customs around food, eating and cooking, of different host countries. The food culture of India differs significantly from that in the west. However, fast-food chains have actively dissociated from western food and customs around food whilst conducting their operations in India. For example- many brands including McDonald's do not sell their signature dishes in India because they contain beef or pork, the consumption of which is prohibited by Hindus and Muslims respectively. By pandering to the beliefs of the largest religious communities in India, McDonald's has become one of the largest brands in the Indian Food Industry. The busiest restaurant operated by McDonald's in the world is located in Moscow, Russia. It has been operational since 1990 and is one of the first foreign outlets of the fast-food giant. The marketing campaign adopted by McDonald's emphasized one of the key characteristics of Russian culture and food which is centered around the usage of local produce (Cladwell, 2004). The convenience that characterizes fast-food restaurants, combined with their ability to understand and serve local demands have fueled the growth of fast-food restaurants in the developing world.

Fast-food restaurants have come under criticism over a wide range of concerns including alleged animal cruelty cases of worker exploitation, and claims of cultural degradation. However, the most important cause for concern is the claims of the negative impact of fast-food on the health of individuals, especially adolescents (Jeffery, 2006). In 2014, the World Health Organization published a study that claimed that deregulated food markets which fueled the growth of fast-food restaurants to blame for the obesity crisis and suggested countries to formulate policies that could reverse this trend (Reuters, 2014). Studies conducted in India show that the consumption of fast-food is increasing at an alarming rate in the country, especially by the younger

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populations. A multi-country study concluded that 38.7% of adolescents in India reported frequent fast-food consumption and 12.6% replied very frequent consumption (Braithwaile, et. al., 2014). High consumption of fast-food has been identified to have a contributory role in the increasing trend of obesity in India from 9.7% to 13.9% over a decade (2001-2010) (Ranjani, et. al., 2016). It has also been associated with increased risk of the early development of diet-related noncommunicable diseases, including hypertension, dyslipidemia, impaired glucose tolerance, metabolic syndrome, musculoskeletal disorders, and cancers, and is indicative of a health crisis faced by many developing countries, including India (Sahoo, et. al., 2015). The discourse around the impact of fast-food consumption on public health is fairly recent. However, solutions including regulations of food markets by governments, self-regulation by businesses and the imposition of Pigouvian Taxation on fast-food to reduce consumption are being implemented in phases across the world (Nestle, 2002).

#### **BACKGROUND**

Food is a central position in Indian culture. Moreover, the presence of diversity in gastronomic preferences due to cultural differences across different regions and communities in India makes it an attractive market for fast-food brands. The entry of American fast-food chains into India in 1996 opened up the market of the quick service restaurant (QSR) industry. The following years saw the establishment of many international fast-food chains such as including McDonald's, Dominos, Pizza Hut, and KFC. The growth of the QSR restaurant industry coincided and was caused by the growth of the Indian middle class, which was the byproduct of liberalization. Rapid urbanization, growing awareness and access to Western lifestyles, the inclusion of women in the workforce, and higher disposable income were primary contributors. Reports suggest that the Indian fast-food market is expected to grow at a compound annual growth rate (CAGR) of 18% owing to changing consumer behavior and demography (Sushma, 2019). fast-food brands have also started to co-opt parts of Indian cuisine in their business model. Research suggests that India is experiencing a "nutrition transition" that is characterized by increasing consumption of fast-food and junk food and growth in the number of meals purchased and/or consumed away from home. High fat and sugary products are considered to be more addictive than healthy food, especially for children and adolescents. Efficient marketing and increasing cost-effectiveness have enhanced the popularity of fast-food in both rural and urban regions of India.

The discourse around the impact of fast-food on health has evolved over the past few decades. However, this has been limited to the west and has rarely trickled down to developing countries, which are gradually transitioning into primary markets for fast-food brands. The World Health Organization conducted research that compared the number of fast-food transactions with body mass index (BMI) in 25 high-income countries between 1999 and 2008. It was found that there

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was an increase in the average number of annual fast-food transactions from 26.61 to 32.76 per person. The average BMI increased from 25.8 to 26.4 which is reflective of the growing trends of obesity attributed to the consumption of fast-food (Reuters, 2014). Due to the growth of similar research, there has been pressure on governments in the west to take firmer action and tackle the growing rates of fast-food consumption and public health problems associated with it including obesity, diabetes, heart diseases, and cancer. These problems develop have the potential to develop into public health crises', as they already have in many communities inside India and abroad (Singh & Mishra, 2014). Not only does this impact the holistic development of individuals, especially children, but it leads to higher economic costs associated with healthcare.

A Pigovian tax is a tax that is imposed on any market activity that generates negative externalities. These externalities include those costs that are incurred by society as a consequence of these activities and are otherwise not reflected in the market price. The tax is intended to correct an undesirable or inefficient market outcome and does so by including the social cost of the negative externalities with the price of a commodity (Sandmo, 2008). A fat tax is an example of Pigovian taxes that is placed upon fattening food and beverages (Wang, 2008). Its tax aims to discourage unhealthy diets and offset the social and economic costs of obesity. Fat tax on fast-food restaurants is considered to be an effective way of reducing the consumption of fast-food and the costs associated with it.

#### DISCUSSION

Fast-food brands have been accused of purposely increasing portion size and calorie content to promote unhealthy consumption. McCory, et. al., conducted comprehensive research that aimed that sought to assess changes in fast-food menu offerings over a period of 30 years. This included food variety, portion size, energy, energy density, and selected micronutrients. Results showed that the contents of carbohydrates and fats have increased significantly over the past thirty years that has contributed to the increasing rates of obesity in the United States over the past few decades (McCory, et. al., 2018). The consumption of fast and junk food in India is increasing at an alarming rate. A survey conducted by Gupta, et. al., in 2018 in Kullu, Himachal Pradesh showed that 78% of children (individuals aged 12-18) consume one fast-food item every day whereas 22% consume two fast-food items daily. The consumption of fast-food was found to be directly proportional to the socio-economic background of the students (Gupta, et. al., 2018). Himachal Pradesh is a mountainous state that does not enjoy a high level of economic development due to the absence of industries. These numbers are expected to be higher in more developed and urban cities in India, because of the greater presence of fast-food brands and higher disposable income of individuals. A study was conducted to assess the impact of fast-food consumption on children aged 9-13 in Lucknow in 2014. The Body Mass Index (BMI) of

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students who consumed fast-food regularly was determined and students were classified as 'Normal', 'Overweight', or 'Obese. Results showed that only 15% of the children who consumed fast-food regularly were found to have normal BMI, whereas about 35% of them were overweight and 50% of them were obese (Singh & Mishra, 2014).

Ingredients present in junk or fast-foods are known to impact health in adverse ways. Frequent fast-food consumption is a health concern because most fast-food rich in saturated fats, trans fats, simple carbohydrates and sodium all are nutrients that are associated with hypertension, cardiovascular diseases, and type 2 diabetes. The calorie content of fast-food consumed by children is 55% more than the calorie content of home food consumed by them. According to the research, the consumption of fast-food regularly leads to excess energy intake leading to an increased risk of overweight and obesity (Paerataku, et. al., 2003). Higher consumption of fastfood increases the risk of contracting mental illnesses including Depression, Addictive Phenomenon and Attention Deficit Hyperactive Disorder. The consumption of fast-food has negative social consequences as well. Schooling in India is considered to be challenging and requires a long attention span and stamina. Poor nutritional habits can undermine these prerequisites of learning, and deplete the ability of children to socialize, participate in sports and extracurricular activities, which are considered key to a holistic education (French, et. al., 2000). Unlike traditional food consumption, fast-food has a class angle to it because it is presently mostly accessed by those with strong socio-economic backgrounds. However, with the increasing popularity and affordability, fast-food is growing increasingly popular in lowerincome communities. The impact of fast-food consumption on individuals, especially children represents nothing less than a long-term public health crisis that requires policy interventions (Singh & Mishra, 2014).

Curbing the problems emerging from the growth of fast-food culture requires government oversight and regulations. A fat tax is considered to be an effective way of implementing oversight. The same model is applied almost universally on the usage of tobacco and alcohol. The increase in price is considered to directly affect demand negatively. Estimates suggest that a 1 cent per ounce tax on sugar-sweetened beverages may reduce the consumption of those beverages by 25% (Brownwell, et. al., 2009). The implementation of a fat tax in fast-food disincentivizes people from consuming it. However, these kinds of taxes continue to be an exception in the fast-food industry. Despite the recommendations of international bodies including the World Health Organization, the implementation of fiscal measures such as the fat tax has been limited to very few countries. This is primarily due to the lack of public discourse around the detrimental impacts of consuming fast-food combined with the political lobbying power that parent companies of fast-food brands posses at the international level. Denmark and Japan are amongst the very few countries to have implemented the fat tax in the past

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(Srikameswaran, 2003). Due to growing rates of obesity, the government of the South Indian state of Kerala introduced a special a 14.5% 'fat tax' on burgers, pizzas and other junk food served in branded restaurants which officials from the quick-service industry termed as 'detrimental' to consumption. Kerala became the first state in India to impose such a tax (Bhushan, et. al., 2016). It is too soon to evaluate the impact of such a tax on the health of individuals, but it is indicative of the growing public consciousness in India around the public health crisis caused by the increasing consumption of fast-food.

#### **CONCLUSION**

Urbanization, the influence of western culture and changing economic and market forces have resulted in radical dietary shifts with unprecedented rise in consumption of fast-foods in India. The adverse consequences of such dietary are profound, especially on the younger population and on other vulnerable communities. Not only does this expose the population of India to higher risks of contracting physical and mental diseases, it also puts immense economic and social pressure on the government.

Fast-food is becoming increasingly cheaper by the day. The organic food industry has also taken off in India over the past decade. Affluent sections of the society have recognized the impact of fast-food on health and have started switching to healthy alternatives which provides the same benefit of convenience as fast-food without being constituted of unhealthy ingredients. Therefore the consumption of fast-food is shifting to the economically weaker sections of Indian society. This curbs human development in those communities by increasing costs on healthcare and reducing the learning and development potential of children. The reversal of the class dynamics with respect to fast-food in starting to have a negative impact on communities from weaker economic backgrounds as healthier food items that fit the convenience of fast-food.

The model of Pigouvian taxation followed in Kerala has immense potential in curbing the consumption of fast-food in a market like India, which is characterized by consumers whose preferences for food consumption depend significantly on cost. However, it is important for the government to regulate the market more efficiently. This extends beyond the imposition of a nationwide fat tax to the regulation of nutritional content of fast-food. Awareness campaigns aimed at reducing fast-food consumption by educating people, especially children about the harms of regular consumption of unhealthy foods. In modern democracies, the state acts as a parental body and works to ensure the holistic development of citizens so that they self-actualize and fulfil their potential whilst contributing to the growth and development of society. In such as space, it is important for the government to play a bigger role in regulating fast-food markets and

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nudging consumers towards a more favorable lifestyle to ensure the efficient functioning of individuals and society.

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