

## CAN WASHINGTON 'FIX' AMERICA'S OBESITY PROBLEM? FAT CHANCE

Many argue that the first lines of defense in the battle of the bulge have failed: Americans have proven unable to make healthy choices on their own, and markets have failed to provide the right circumstances for change. Thus, the argument goes, it's up to the government—ostensibly better-informed, benevolent policy makers—to step in and enforce what's in the best interest of the individual. But can Washington 'fix' America's fat problem?

A new Mercatus Center study looks at the outcomes of government regulations aimed at reducing America's obesity epidemic. Below is a brief summary of the research findings. To read "Fat Chance: An Analysis of Anti-Obesity Efforts" in its entirety and learn more about the authors, please click here.

## **KEY FINDINGS**

Policy makers' attempts to force Americans to make better dietary decisions—thus reducing obesity rates—have proven unsuccessful. According to the study's findings, this approach is doomed to fail for the following reasons.

**Misidentifies Source of Problem**. To fight obesity, policy makers have borrowed the regulatory approaches traditionally used to deal with market failures. However, evidence shows that this approach 1) misidentifies the source of the problem; and 2) is ineffective at mitigating the consequences of individual decisions.

- Consumers already have ample access to information on healthy dietary choices.
- Markets already are responding with products and services to address the problem.
- Individual decision-making—not market responsiveness—is the main factor.

**Assumes Policy Makers Make Best Choices.** Policy makers assume they are better informed and more rational than individuals when it comes to dietary choices.

- But they lack an understanding of individuals' specific circumstances and preferences, which is key to addressing obesity.
- As a result, policy makers often pursue one-size-fits-all regulations that cannot solve the problem.

**Triggers Unintended Consequences**. Regulation often results in unintended consequences—reducing innovation that focuses on consumer needs, redirecting resources in order to appease regulators, and limiting consumer choice.

**The Bottom Line**. Obesity is not the result of market failure. Americans do not lack the knowledge, rationale, or motivation to improve their health. Thus, pursuing regulations intended for a market failure will not solve the problem. For those ready to tackle their obesity, markets offer a wide array of innovative products and services. On the other hand, stringent regulations reduce well-being by crowding out private market innovation.