

# Given that obesity produces significant social costs, public health authorities need to be far more pro-active in designing interventions

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*There is an escalating obesity problem in the UK. **Joan Costa-Font** argues that obesity is an example of market failure and that policy should focus on changing social rewards to unhealthy food consumption and tackling the prevailing social norms with regards to sedentary behavior at home and the workplace.*



Obesity in Europe has reached epidemic proportions. The prevalence of overweight and obese people in the adult in Europe varies [between 36.9 % and 56.7 % for women and between 51 % and 69.3 % for men](#). Britain ranks at the very top. This is not new, as far back as 2001, a [National Audit Office report](#) suggested that obesity was rising faster in England than in other parts of Europe. [Recent data](#) indicates that 65 per cent of men and 58 per cent of women in the UK were overweight in 2011, a more than 30% increase since 1993. It is highly uncertain how the so-called 'obesity epidemic' will evolve, but as I explain below, obesity is in itself is a problem of 'mis-adaptation' of individual behavior to lifestyles with lower demands for energy consumption. Given that obesity produces significant social costs, public health authorities need to be far more pro-active in designing interventions that influence the social rewards of being in a healthy weight.

## Diagnosing the problem

The proliferation of white-collar jobs is making life significantly more sedentary. Even in manufacturing and agriculture, technological developments have made them less energy demanding. Leisure-time physical activity has also decreased. The internet reduces the need to travel by allowing people to work, socialize and shop from the comfort of their homes. Public transport has brought important benefits in terms of allowing people to commute at low cost and low calorie expense. As a result, sedentary time has expanded dramatically; in England most people are sedentary for six or more hours both on weekdays and weekends. According to The Health and Social Care Information Centre, the average Briton watches [3 hours of TV](#) per day.

Our food preferences have not adjusted to such low calorie demands. On the contrary, food is still a source of 'immediate gratification' to counteract the demands of a faster world, which creates cognitive overloads and engender stress. Given that food is far more accessible and affordable than it was in the past, the latter is likely to give rise to an '[obesogenic environment](#)' which particularly affects those with a genetic predisposition for weight gain. So what does this tells us about how to tackle the obesity epidemic?

## Market failures highlighted by obesity

The choice of fat and sugary foods is often driven by limited information of the long-term consequences of consumption and limited self-control resulting. The widespread availability of these products easily escalates to a form of fat and sugar addiction. Similarly, obesity cannot be regarded as only an individual's problem as it has multiple knock-on effects; for example, in the design of the physical environment (airplane seats, elevator capacity etc.). Furthermore, given that it increases the propensity of a long list of chronic conditions (which in turn increase the probability of disability later in life), it is likely to exert short and long term cost sequences to the sustainability of our of health and social care systems. This suggests that obesity is the consequence of a number of market failures, namely information imperfection, limited self-control and most importantly, the existence of marked negative externalities to society. Policy intervention could play a role in counteracting the impact of these failures on individual behavior but how can we devise effective policy?

## The role of food prices and fat taxes

Economic factors, such as the low prices and higher availability of food relative to other goods, could be modified to a certain extent by some form of 'fat tax'. Advocates of the tax pick on the existence of an externality that can either be curbed by higher prices or compensated with the revenues raised from the tax. Examples of such taxes include taxes on foods whose content of saturated fat exceeds 2.3g/100g in Denmark or the proposal to tax fizzy drinks ( so-called 'soda tax') in New York, [which some British scholars have also been entertaining](#).

However, [fat or soda taxes exhibit several problems](#). First, we know from taxing other 'sin goods' that people addicted to fat and sugar are unlikely to modify their behavior with a change in relative prices. Second, fat taxes do not generally differentiate between the overweight population and the rest; hence, it might well be creating a 'government failure' by taxing the wrong people. Similarly, changing the relative prices of unhealthy foods might not modify the '[obesogenic environment](#)', and result in further inequalities in unhealthy lifestyles. Instead, other factors need to be considered, such as interventions that make a difference to the calories burned at work or doing home chores, or promoting active leisure pursuits. Finally, given that not every one metabolizes food in a similar way, blind taxation on fats or sugars could be an unhealthy penalty for some or create serious unintended consequences for others.



## Interventions in the environment

If changing the relative prices seems to be problematic, interventions should instead be combating sedentary behaviors and the current productive model. Arguably, sedentary lifestyles do not necessarily equate to high calorie consumption. There are different policies to be encouraged; including what can be labeled as 'fitness subsidies' to encourage healthy activities and promote the consumption of healthy foods.

Other potential ways of correcting market failures is using the media to change social norms to counteract information problems and help reinforce individual commitment to a healthier lifestyle. Other policies include regulating sedentary behaviors at the workplace and within cities. These policies would be expected to incentivize unconscious physical activity (for example, reserving lifts for disabled use, reducing the number of stops in public transport so that people are likely to walk more, etc.). As most people will have limited awareness of such activities food intake unlikely to expand, producing a positive 'fitness effect' overall. However, the latter examples illustrate that tackling the obesity epidemic is not just the responsibility of health policy makers. It is something that should be taken into consideration in the drafting of other policies which determine, for example, how we plan workplace routines to how we design public transportation.

*Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.*

## About the Author

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