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Big Brother Declares War on Consumption

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Big Brother declares war on consumption

Huntsman Post

Big Brother declares war on consumption

Huntsman professors William F. Shughart II, J. Fish Smith Professor in Public Choice, and Michael Thomas, clinical assistant professor, have teamed up with Adam Hoffer, assistant professor of economics at the University of Wisconsin–La Crosse, to write this opinion piece that was posted online in USA Today on Aug. 3, 2013.

USA TODAY

Doctors routinely advise patients to avoid a wide range of unhealthy behavior, such as smoking, excessive alcohol consumption, a poor diet, and lack of exercise. Beyond these salutary suggestions, however, there is also a growing paternalistic trend to prohibit activities like smoking—and through targeted taxation, governments are taking aim at food deemed unhealthy for having too much fat, preservatives, salt, or sugar. New York City Mayor Michael Bloomberg's ban on large, sugary drinks was just ruled unconstitutional in a unanimous decision by the state Supreme Court's Appellate Division—but this ruling isn't likely to discourage hardened advocates.

Research in the new field of "behavioral economics" generally supports such policies, but what scholars often overlook is the impact taxes and regulations have on the poorest members of society. The simple fact is that poverty reduces the scope of choice. If an added tax drives up the cost of a Big Mac, it doesn't necessarily make economic sense for someone on a limited budget to spend the time and money to travel to the nearest "organic" grocery store and then prepare a meal at home. Many will pay the penalty for their dietary choice because it's still the most viable option available. They'll have to spend more to buy the same unhealthy meal. The only one benefiting is the tax collector.

To read the full editorial click here.