

- 1 (a) Discuss the extent to which the UK obesity problem can be seen as market failure in the food industry.

(8)

Market failure is when a market has negative impacts on society or a third party. Obesity is seen as market failure as it can lead to health problems such as diabetes and a premature death and costs the NHS ~~£10.2 billion~~ a burden of £1 billion a year according to McKinsey & Company.

It could be suggested that this is failure in the food market due to the increase in sugary drinks and unhealthy foods which are demand goods and overconsumed which means obesity can be seen as market failure in the food industry.

However obesity has an inverse correlation with Socio-economic status as ~~poor~~ obesity is twice as likely to be seen in professional women (18.2%) compared to unskilled women (35.2%). This would suggest obesity is market failure of the education system and can be caused by information failure.

In conclusion I think obesity is caused by failure in the food industry as unhealthy foods has a direct link to obesity however it depends on whether the public is informed or not on its negative impacts.

