

# Taxation or nudging: what is the best way to promote healthy eating in the family environment?

SARR Moustapha<sup>i</sup>

## Abstract

Food consumption patterns can negatively affect people's health when they engage in unhealthy eating behaviors. There is evidence suggesting that unhealthy food consumption is associated with an increased risk of childhood obesity, which in turn is associated with increased risks of non-communicable diseases. Therefore, due to the strong link between diet and the rise of obesity and overweight in children, improving children's diets has become an important issue for public decision-makers. Food products consumed by children most often come either from the school environment (the school canteen) or from the family environment. The implementation of nutritional policies aimed at improving children's diet within the family environment seems more delicate due to the lack of control that public decision-makers have over this environment. Nevertheless, there are public interventions, such as unhealthy goods taxation or Nutri-Scores, that aim to improve diets within the family. These interventions mostly target parents who are primarily responsible for food choices in the family.

Although we observe an increasing effort to prevent health problems related to unbalanced diets in children and a growing literature in the study of children's eating habits, little is known about the type of public intervention that is most suitable for promoting healthy eating within the family. The purpose of this paper relates to the study of the effectiveness of public policies aimed at promoting healthy eating within the family. Specifically, we theoretically study the effectiveness of standard policies such as taxation of unhealthy goods and of a policy based on the use of nudge in a framework where parents have misperceptions about the effects of food consumption on their children's future health.

We find that due to parents' misperception of the long-term consequences of their consumption patterns on their children's future health, the decentralized solution is nonoptimal. We have also shown that a simple policy of taxing the consumption of the unhealthy good does not achieve the first-best solution. Moreover, we find that a mixed policy based on the taxation of unhealthy goods and the use of nudge is always preferable to a simple

policy of taxing the consumption of unhealthy goods when the objective of the public decisionmaker is to improve the nutritional quality of families' diets.

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<sup>i</sup> EconomiX-CNRS & University of Paris Nanterre, 200 Avenue de la République, 92001 Nanterre Cedex, France