

Example of law in public policy and administration article review

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New York's proposed statute discussion

Obesity and the resulting health problems can be interpreted as externalities in this situation. The drink-oriented businesses are concentrating their efforts on increasing the profits on the high-margin market rather than account for the health problems. The proposed cap would decrease the margin on the market of drinks and beverages and narrow the market. Thus, the proposal alone harms the city's budget and is not resolving the problem unless the initiative is supported widely and the problem of obesity is accepted by the public. For the "cap" to be justified the need to care for health has to come from the consumers but not the Mayor. Moreover, the drinks are still available for sale, only their distribution is limited which supports the idea that the effectiveness of the ban would be a problematic issue. The free market theory does not show its best efficiency when the growing market brings externalities and the social responsibility of the businesses does not necessarily arise.

This regulation is an example of the political approach to public administration: the elected official makes the policy decision. The lack of the businesses' social responsibility in their efforts to challenge the ban is supporting the need for limiting the market by the regulations from agencies. The fact that such regulations are widely supported means that the social costs of obesity become higher than the profits and incoming taxes from unregulated markets.

On the other hand, we can see an expansion of influence of the agency issuing the regulation which may be a long-term concern and a potential threat for free competition on the food and drinks markets.