

Seminario de Microeconomía Aplicada - On the Design of Food Labeling Policies

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Abstract: We study a regulation in Chile that mandates front-of-package warning labels on products whose sugar or caloric concentration exceeds certain thresholds. We find that after the introduction of the regulation, consumers reduced their overall sugar and caloric intake by 9% and 6%, respectively. This change is explained by consumers buying healthier products and firms reformulating their products. On the demand side, labels induce consumers to substitute within categories rather than between categories. On the supply side, we document bunching at regulatory thresholds, with substantial heterogeneity across categories. We provide insights to inform the design of effective food labeling policies.

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Tiempo de exposición: 1 hora 30 minutos