

Having it your way?

THE COMPLEXITY OF OUR CONSUMPTION

Most introductory economics texts, after the prerequisite overview and introduction of basic principles, move directly into a chapter on demand and supply.

In the good old days,” this was a straightforward exercise. One would expect to come across the following: “The quantity demanded of a good or service is the amount that buyers are willing and able to purchase in a given time period at various prices, *ceteris paribus*.” Then the author explains what is meant by “holding other things constant”—that list includes factors such as income, tastes and preferences, and the availability and prices of substitutes and complements.

For example: What determines the demand for a Big Mac meal at McDonald’s? Instructors or texts would explain that the quantity demanded of this sandwich, fries and soda combination would depend on its price. Then one would show the impact of a change in the price of a Burger King Whopper meal, a KFC bucket, pizza, or even a McDonald’s salad (all substitutes); a change in consumers’ incomes; and perhaps a campaign by the Surgeon General to warn about the dangers of obesity or high cholesterol.

But nowadays, activists, politicians, and special-interest groups want to fold in many more “*ceteris*”:

- Was this meal made in America? Heaven forbid that the beef was imported from Argentina or the tomatoes from Mexico.
- Was everything made by union labor—or at least in plants and restaurants where workers have a right to organize? Does McDonald’s act affirmatively in hiring and not discriminate against female and minority employees? Is there adequate OSHA and USDA inspections to ensure that worker and product safety standards are being met?
- In some political quarters one may want assurances that my dinner was not produced by illegal migrant farm labor; in others that these field workers who grew and harvested the lettuce and potatoes were paid a living wage, were not children, nor subjected to “sweatshop” conditions.
- Does the company adhere to strict environmental standards? What is the overall environmental impact of the production process, transportation, and waste disposal? Are the wrapping and packaging excessive? Recyclable? (And, of course: no plastics!)
- Are the components of the sandwich and fries organic (no pesticides)? Were the cattle raised in a free-range environment, not fed antibiotics or hormones, and slaughtered humanely? What about the chickens, pigs and fish? Are there any genetically-modified ingredients?
- Are consumers sufficiently well-informed and rational in their decision making, or do we need to nudge them to make better choices, and if they’re not sufficiently “nudgeable,” do we restrict, regulate—and then ban (think incandescent bulbs and Buckyballs)?
- Were any trans-fats used in cooking? Do any ingredients pose food allergy dangers, including to those who are gluten or lactose intolerant?
- Did the franchise display prominently nutritional information and the calorie count of this meal? Are there harmful “super-size” (or “McBloomberg”) concerns that would warrant regulating portion sizes? What about the empty calories in the soft drink and a Big Mac’s impact on your waist line, cholesterol level and heart? Should you be able to sue McDonald’s for serving unhealthy deep-fried choices that end up making you fat?
- Should I be allowed to order from a drive-through window, which happens to generate the majority of McDonald’s revenues but may also contribute to obesity, fuel consumption, and exhaust emissions?
- Should McDonald’s be allowed to sell or advertise to children? Include toys with their Happy Meals? Be required to offer fruit or vegetable alternatives to fries?
- Is the company’s investment portfolio “green” enough and devoid of holdings in rogue nations or sketchy firms? To which party or candidates does it make political contributions? Is McDonald’s, as a big international corporation, putting local mom-and-pop “burger joints” out of business?
- Are all of these considerations private and personal, or does society have a stake—steak?—in the decisions?



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Finally, in an ardent vegetarian environmentalist’s ideal world, even if McDonald’s satisfied all of the criteria above, it would still not be allowed to exist because eating meat entails more energy use and a larger carbon footprint than a diet of tofu, hummus and kale, and thus carnivores contribute disproportionately to global warming. It’s exhausting just thinking about all this. We may never get to the next chapter. Makes me want to drive my SUV to Chick-fil-A and get a spicy chicken sandwich, waffle fries, and a chocolate shake. □