

Warning: Mandated GMO labeling comes at a cost

The GLP aggregated and excerpted this blog/article to reflect the diversity of news, opinion, and analysis.

As economist David Henderson [points out](#), many believe that government-mandated warnings are a largely harmless way to protect the public against various risks. But this assumes that the government is an “entity that will somehow provide the right kind of information.” In reality, government officials often have incentives to mandate warnings that are misleading or flat-out wrong.

There is also a long history of misleading government-sponsored information campaigns against such activities as homosexual sex and masturbation. More recently, the European Union has imposed mandatory labeling of GMO foods, even though [such foods are no more dangerous than no-GMO competitors](#).

Why would governments mandate misleading and inaccurate warnings? Often, governments use warnings to stigmatize an unpopular activity or group. Elected officials must get on the good side of majority public opinion, and denouncing the unpopular is a strategy for courting popularity.

Inaccurate warnings may be the result of interest-group lobbying. Producers of non-GMO food products have obvious incentives to promote labeling that might scare consumers away from their competitors. Or it may be a [“baptist-bootlegger”](#) coalition between well-meaning, but poorly informed members of the general public, and self-interested lobbies.

Unnecessary government warnings can contribute to information overload, wasting our time and diverting our attention away from more useful information. Lastly, mandatory warnings require expenditures for enforcement, compliance, and monitoring. They also tend to privilege large firms (which can more easily afford compliance costs), over smaller ones.

None of this proves that government-mandated warnings are never justified. But we should view this them with greater skepticism. Perhaps government-mandated warnings should come with their own warning labels:

WARNING: Following government-mandated warnings like this one will sometimes be hazardous to your health, your happiness, or your pocketbook.

Read full, original post: [A warning about government warnings \[updated with some additional points\]](#)