

Food taxes: Just another income source?

The recently debated and discussed “food fat tax” is more aptly called “health related food tax”. Various governments around the world have been proposing a supplementary tax on unhealthy foods such as fatty and sugary foods at various levels (Campbell, 2012). While this may seem logical as a step towards reducing the consumption of such unhealthy foods, we will also need to reflect on the outcome of a similar step on tobacco taxation.

An article by Mytton et al described these food taxes and the evidence behind them for health outcomes (Mytton et al, 2012). The article also quoted a tax rate of 20% for achieving meaningful health benefits. The authors acknowledged that perhaps less affluent people are likely to be hit hardest; however, they stand to gain the most through health improvement and reduction in incidence of diet-related diseases. These benefits are likely to be progressive, cumulative and long term. With the impending “pandemic” of obesity, the message could not have come at a better time.

The evidence for health benefits for food taxation is very minimal, as outlined in the article. As a possible surrogate, most evidence for such a “super tax” on unhealthy consumer products comes from taxation of tobacco. Data on this suggest that raising the cigarette taxes over a period between the 1960s and 1990s have led to a drop in smoking rates and the number of people requesting smoking cessation support. The magnitude of this change is directly proportional to the tax hike and seen more in teenage smoking and among underprivileged populations (Peterson et al, 1992). It must also be remembered that despite these tax hikes, smoking is more prevalent among the more deprived population than the affluent, perhaps reflecting the lack of awareness and attitudes of this cohort (Oreidin and Foulds, 2011). There are other factors that are difficult to account for that confound the analysis, such as

literacy and socioeconomic status (Wasserman, 1992). Other examples may be quoted of such “unpopular tax hikes” including the green tax for petroleum products. Taxes do not always help reduction in consumption of a commodity; more importantly what we aim for is health benefits and not merely a reduction in consumption.

Other measures such as subsidising healthy foods, including vegetables and fruits, either through reduced tax or through agricultural subsidies are an interesting proposition. In addition, spreading awareness through quick healthy cooking methods using healthy ingredients may be useful. We may recall the impact of such strategies on school meals and the “five a day” concept. Another subsidy pathway may be encouraging companies manufacturing “junk foods” to improve their products through low-salt or low-sugar approaches. Encouraging people to be physically active through reducing the cost of gym membership and improving accessibility to gyms by extending opening hours is vital in tackling the “pandemic” of obesity. Some walking schemes such as the “walking bus to school” concept may be appealing to children.

There is an urgent need to make concerted efforts to raise awareness among people, especially children, on the hazards of obesity and to educate and support the at-risk population. ■

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