

Fiscal policies for healthy diets: Can taxes and subsidies change what you buy?

Introduction

Both the World Health Organization and the Lancet Series on Adolescent nutrition recommend that governments adopt fiscal policies to combat diet-related non-communicable diseases (NCDs). However, rigorous, systematic evidence regarding the effects of these interventions is lacking.

Methodology

We synthesize the available evidence regarding the impacts of taxes and subsidies that directly affect consumer prices on availability and accessibility of foods and beverages, purchasing behavior, diet quality, health and well-being outcomes as well as considerations for implementation, sustainability and equity.



Findings

Our initial search returned 2,113 de-duplicated studies, and ultimately 24 impact evaluations and two systematic reviews met final eligibility criteria and represented unique evaluations. Our meta-analysis of these studies suggests that taxes may decrease purchases of taxed beverages (SMD = -0.18 [95% CI: -0.29 to -0.07], n = 15). Results should be interpreted cautiously due to considerable heterogeneity (Q(14) = 335.19, p = 0.01, $\tau^2=0.03$, I² = 95.82%).

1

Most studies evaluate taxes in high-income settings; findings may not be generalizable to L&MICs.

Most of the 24 impact evaluations were in HICs, and six studies took place in L&MICs contexts.

2

Overall, the evidence base is inconclusive on whether fiscal policies can meaningfully influence the availability and accessibility of food and beverages, diet quality, and health outcomes

We did not find evidence that taxed beverages were substituted with untaxed 'healthier' beverages or with sugary food. Since only four studies evaluated subsidies, the evidence base is too limited to draw conclusions about the effects of subsidies on purchasing or diet quality.

3

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4

Data limitations prevented authors from conducting key analyses to better understand the impacts of fiscal policies

We assessed all 24 impact evaluations as having some concern or high risk of bias for at least two criteria.

5

Health information campaigns delivered in conjunction with the rollout of fiscal policies may facilitate beneficial effects on consumption and diet

Several tax policies were implemented alongside health information campaigns to inform consumers of the adverse health effects of consumption of sugar sweetened beverages (SSBs) or high-sugar foods. Authors reported that exposure to this health information may have influenced consumption.

6

Policymakers implementing taxes should consider collaborating locally to mitigate cross-border shopping

Larger tax jurisdictions may limit opportunities for tax evasion and may further reduce the consumption of taxed products.

7

Product reformulation can potentially reduce consumption of sugars, even for consumers who do not change their purchasing behaviour.

In countries that taxed sugar directly, SSB manufacturers reformulated products to reduce added sugars and pay a lower tax rate.

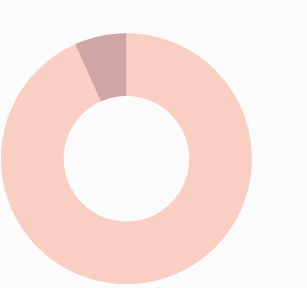
8

Tax policies pay for themselves and may be cost-effective to implement

Revenue from taxes can be allocated for health and nutrition programming.



2,113 studies found



contains 24 impact evaluations and 2 systematic reviews

Conclusion

The evidence base is too limited to draw conclusions about the effects of taxes on beverages and calorie-dense foods on purchases, or on the effects of subsidies on purchasing or diet quality. Overall, the evidence base is inconclusive on whether fiscal policies can meaningfully influence the availability and accessibility of foods and beverages, diet quality, and health outcomes. Policymakers implementing fiscal policies should consider information campaigns on health benefits and health risks associated with certain food and beverage consumption. For taxes, exposure to health information may amplify signaling effects of taxes and reduce avoidance behaviors, such as cross-border shopping. Future evaluations should diversify data sources to better understand impacts on diet and health outcomes.

