

# Seminar: HEALTH TAXES POLICIES IN LATIN AMERICA AND THE CARIBBEAN:

Are we making progress?

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## Combating Harmful Industry Interference

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# An old problem which needs to be addressed from a public health perspective

*Sugar, rum, and tobacco, are commodities which are no where necessities of life, which have become objects of almost universal consumption, and which are therefore extremely proper subjects of taxation.*

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776

However, the public health community has for too long treated these unhealthy commodity industries like part of the solution and not the problem. It's not even a topic of theoretical conversation, much less a subject of research.

# The Elephant in the Room: Unhealthy commodities

Alcohol, tobacco, ultra-processed food and sweetened beverages:

- Unhealthy, unnecessary products
- Drivers of the NCD epidemic
- Transnational corporations with a LOT of influence and

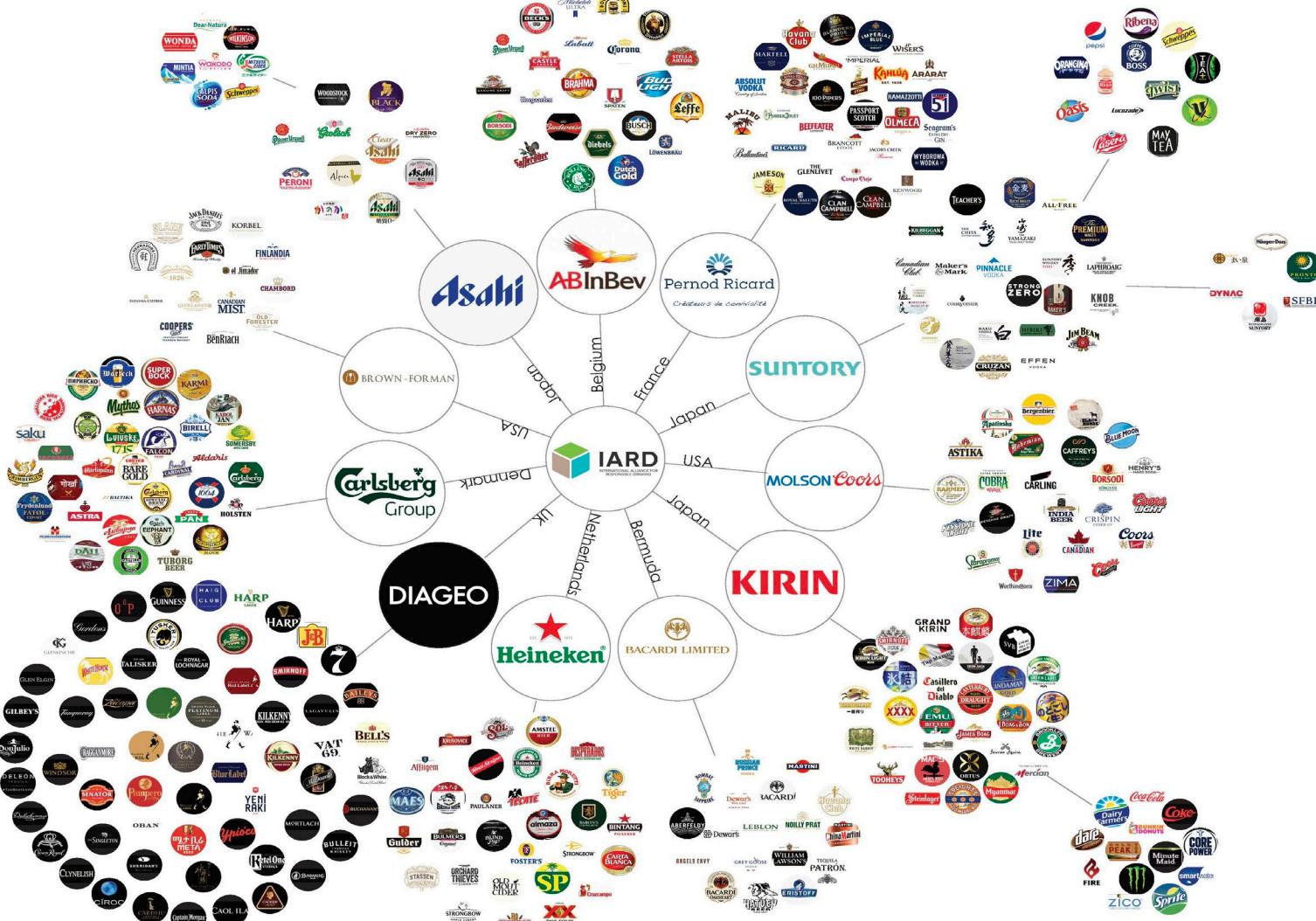
Which are not regulated



# A WEB OF INTERACTIONS



# THE LOBBYING FRONT GROUP OF BIG ALCOHOL



**IOGT**  
INTERNATIONAL

# Corporate Consumption Ideology

1. Lifestyle, not the products themselves, is the main influence on health
2. Companies produce what customers want
3. Advertising helps consumers choose wisely
4. Government should not tell people or companies what to do
5. Free trade is good for everyone
6. Criticizing big business is unwise
7. Promoting consumption is essential for economic growth and prosperity.



# **Reducing consumption poses a risk to business: A reason the industry tries to get involved in PH**

Analysis of alcohol, food, soda and gambling industry documents and websites and minutes of reports of relevant health select committees, using standard document analysis methods

Two main framings are used:

- (i) these industries argue that aetiology is complex, so individual products cannot be blamed
- (ii) population health measures are 'too simple' to address complex public health problems

Petticrew et al. J Epidemiol Community Health 2017;71:1078-1083

# Tobacco, Alcohol, Food and Beverage Industries: Common Approaches to Oppose Regulatory Policy

**Aim:** operate to protect their commercial interests.

**Tactics:**

- Oppose regulation.
- Pledge self-regulatory measures.
- Fund biased studies.
- Encourage public private partnerships to influence policy-making.
- Defend non-regulatory alternatives, such as providing information.
- If regulations cannot be stopped:
  - Try to weaken them;
  - Raise Legal challenges;
  - Delay implementation;
  - Violate them.

# Main Arguments Against Health Taxes

- Raising taxes leads to **economic losses** to the government and massive job losses in the retail sector
- Raising taxes will lead to **illicit trade** and consumption, as well as tax evasion and tax avoidance
- Raising taxes are **against** the rule of the **WTO** and free trade agreements
- Consumers will switch to cheaper and **more dangerous** products
- The **poor** and working-class consumers are **adversely targeted by taxation policies**
- Consumers **have the right to consume what they want** and it is not the job of governments to interfere
- Countries with **high taxes also have high consumption**
- **People who consume in moderation should not pay the price** for the few who consume excessively and substitution of other products which would be more harmful.

# Tobacco, Alcohol, Food and Beverage Industries: A political economy analysis

A political economy analysis positions the consumption of these within environments where behaviors and health outcomes are shaped by social, political and economic structures, suggesting that a better understanding of these factors could help to overcome impediments to public health

It recognizes that global political economic conditions structure product environments and create environments of risk.

I can be a powerful tool for bridging the traditional concerns of politics, economics and public health in order to bring stakeholders together in a whole-of-society approach, leading to policy coherence across sectors in the government to protect public health and sustainable development.

It brings to the front the critical issue of conflicts of interest, which need to be avoided or minimized, in order to make progress on health taxes

# What can be done?

Design health taxes to be easy to administer, hard to manipulate and difficult to circumvent

Develop national frameworks to achieve greater policy coherence, partnerships and stronger systems for surveillance

Clearly define the roles and responsibilities of each stakeholder and do collaborative advocacy for health taxes

Governments can also improve their capacity to counter the strategies used by industry by setting rules about their ability to interfere with the political process, undertaking due diligence and having transparent processes in decision-making. This can be advanced by:

- Expanding people's right to know and corporations' duty to disclose health consequences of corporate practices and products.
- Requiring corporations to pay for health and environmental consequences of products and practices.
- Establishing local and national health standards for product design and marketing.
- Protecting science and universities from corporate intrusion.
- Restoring the 'visible hand' of government in public health protection.
- Preventing corporations from using money and power to manipulate democratic processes.

# What can be done?

- Avoid direct partnerships with commercial or vested interest groups, or their representatives, in the development or implementation of policy. Commercial conflicts of interest should be made explicit, and input from industry-financed groups on policy implementation must be critically evaluated in light of their vested interests. Public health must be placed above commercial interests.
- Establish an independent governmental agency to address product-related issues and advise on policy options. Such an agency should be protected from influence of commercial and vested interests.
- Use tax revenues to establish funding sources independent of commercial and other vested interests to carry out research, public health advocacy work, prevention and treatment.
- Ban price promotions and other marketing strategies that encourage overconsumption.

# Public Health Professionals and Academia

- Avoid funding from industry sources for prevention, research and information dissemination activities. Refrain from any form of association with industry education programs.
- Improve dissemination of information for advocacy and policy development to combat the extensive lobbying power of the industry.
- Make research published in peer-reviewed journals available and interpretable for non-technical audiences.
- Insist on industry support for evidence-based policies and cessation of anti-scientific lobbying activities.
- Insist on rigorous adherence to conflict-of-interest principles.
- Support independent research in developing countries on the public health impact of taxes on unhealthy commodities.
- Make all information and details relating to funding and/or partnership work transparent and available for public scrutiny.
- Monitor industry activities, track spending for lobbying and campaign contributions, and protect whistle blowers to disclose unethical activity



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