

Opening the policy window for sugar-sweetened beverage tax: Lesson learned from Mexico

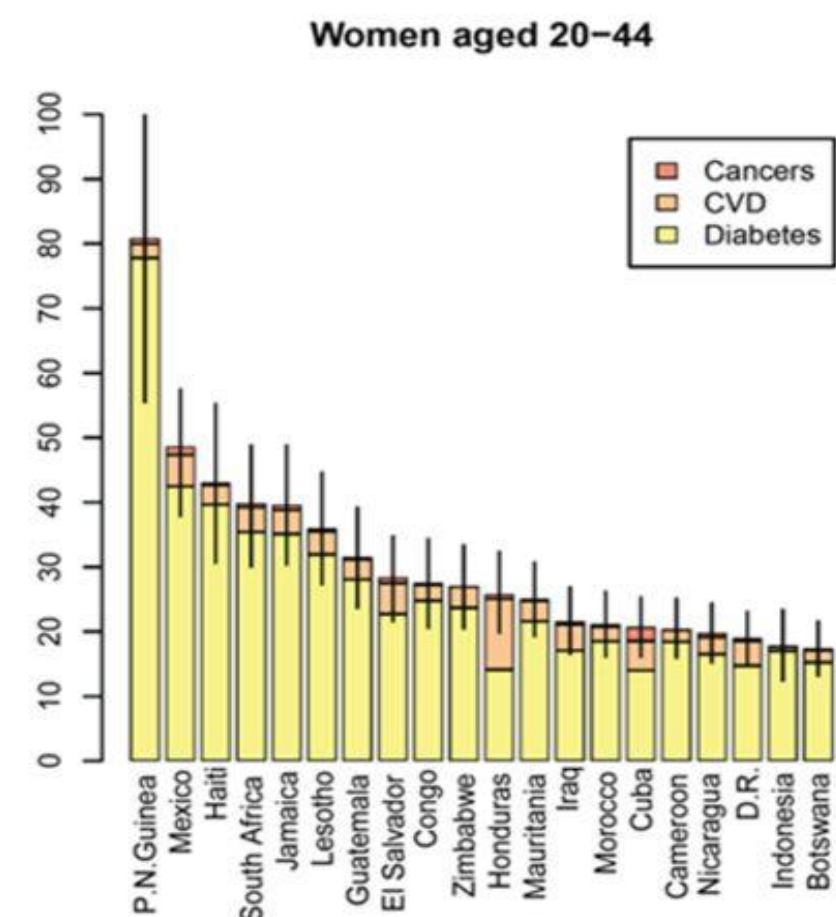
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AIM / OBJECTIVE

Worldwide, a model showed that 184000 death/year attributable to sugar-sweetened beverage (SSB) consumption. Accordingly, as the country with the largest absolute death from SSB, Mexico implements SSB tax measure which not successfully applied by several countries. Therefore, the objective of this research is to identify lesson learned from Mexican SSB tax enforcement and to analyze policy window of SSB tax implementation in Indonesia.

Figure 1. Twenty countries with higher mortality due to SSB consumption in 2010 (women aged 20-44)



Estimated Global, Regional, and National Disease Burdens Related to Sugar-Sweetened Beverage Consumption in 2010, Volume: 132, Issue: 8, Pages: 639-666, DOI: (10.1161/CIRCULATIONAHA.114.010636)

METHODS

Literature and media review

Chronological media review with time window (2011-2015) and literature review were conducted to draw lesson learned from Mexican SSB tax implementation. Literature review was conducted to analyze the policy window using multiple streams of Kingdon's theory.

RESULTS

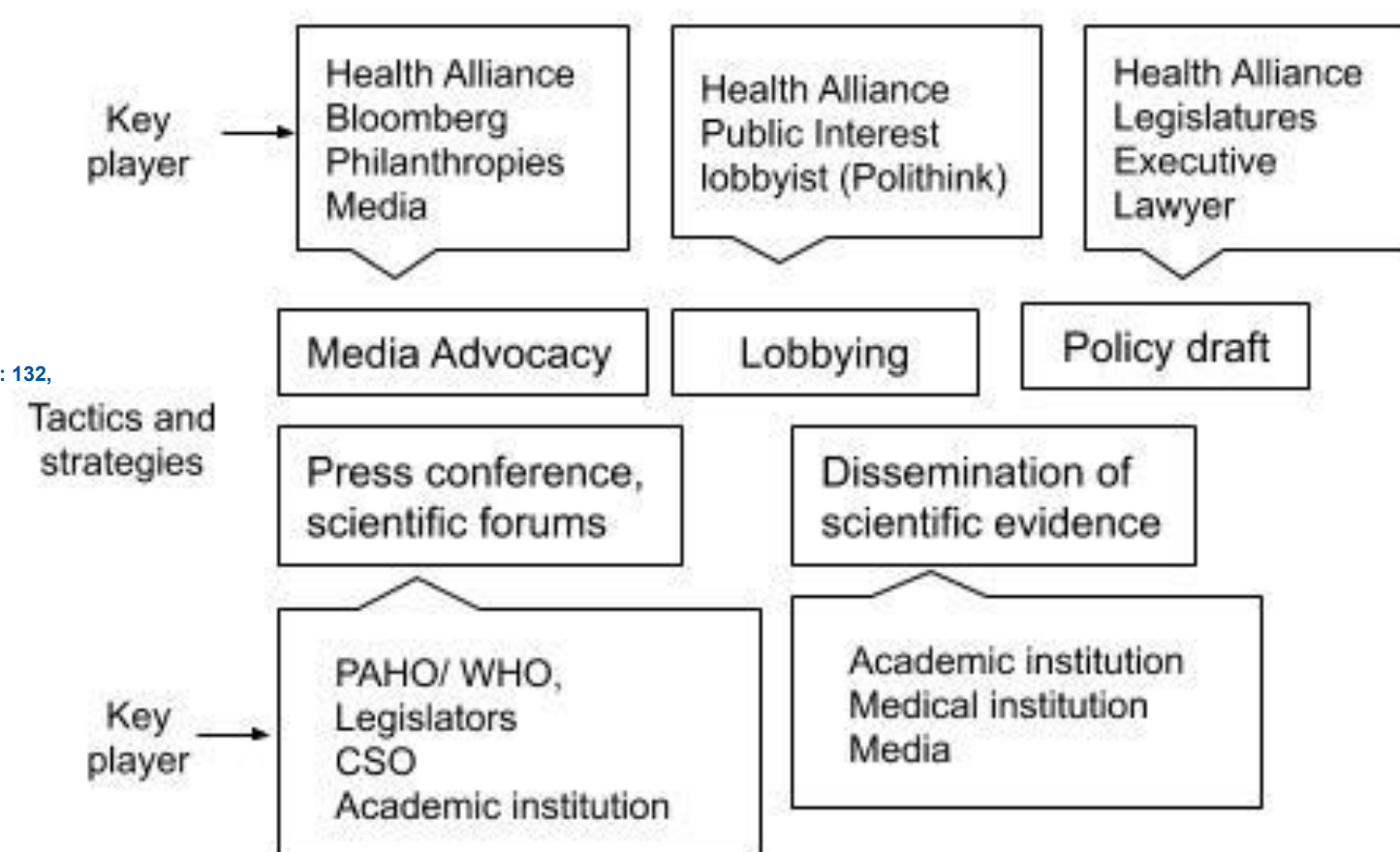
Lesson learned from Mexico

Mexican SSB tax successfully reduced its consumption by 5.5 %, which shown in the decrease of 7.3% in per capita sales and increase of purchase non-taxed beverages (36mL/capita/day) in 2014.

Broad-based coalition

Alianza por la Salud Alimentaria (Nutritional Health Alliance) was created in August 2012 which consisted of 22 NGOs and networks representing some 650 nonprofits and grassroots organizations with the breadth of interest represented. The coalition was benefited from having members and partners who know Mexican political system, have networks with legislature and media, works as a lawyer with the expertise of fiscal policy, so that broader reach advocacy can be conducted.

Key players involvement



Political interest

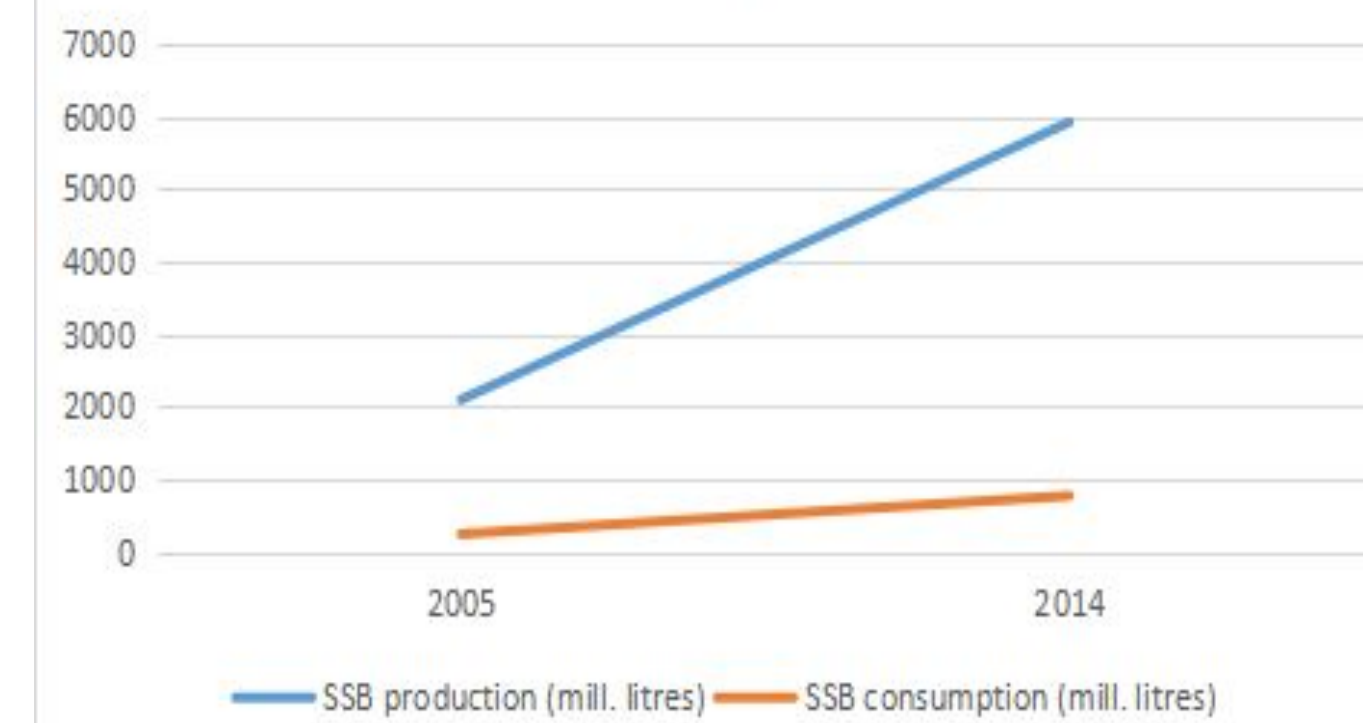
- Mexico has three largest parties, such as Institutional Revolutionary Party (PRI), the National Action Party (PAN), and the Party of the Democratic Revolution (PRD).
- Parties have more power than individual legislator
- The draft of tax policy is supported by Senator Peimbert from PAN and Presiden Nieto from PRI
- At the time, Mexico was suffering from economic issues which required reformation. Fiscal reform was required to fund health expenditure.

Policy Window in Indonesia on SSB tax

Problem stream

- The SSB consumption and production was increasing (2005 to 2014) (See on figure 2)
- In 2018, the soda industry's production was increasing by 23.44% contributing to the 3.90% of year on year medium to large scale industry growth.
- Health expenditure on diabetes and metabolic disease were growing by 13.8% in 2015 and 15.9% in 2016 which can hurt the financial sustainability of BPJS Kesehatan.

Figure 2. Trends of SSB production and consumption in 2005 and 2014 in Indonesia



Sources: Ministry of Industry, 2017 and SUSENAS 2005, 2014 in Rosyada, 2017

Policy stream

Indonesia has issued several policies to control the use of sugar in Indonesia but none has directly regulated sugar consumption. The carbonated drink is meeting the characteristic of goods duties (UU No. 39 Tahun 2007)

Politic stream

In 2015, health development efforts have been at the top of political concern shown in Nawacita program, while in 2019 Indonesia will have the legislature and executive transitions which will open the window of opportunity for tax implementation.

CONCLUSIONS

As with Mexico, Indonesia will require broad-based coalition, key players involvement, and political interest to success the tax enforcement utilizing today's policy window. Further research required to explore the feasibility of SSB tax implementation in Indonesia.

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