



Title: Agenda setting and stakeholders' participation in debates surrounding the Mexican soda tax

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Aims

- To examine stakeholders' participation in the agenda setting and how it shaped the policy outcomes. It is part of a comprehensive policy analysis of the soda tax implemented in Mexico in 2014.
- To document empirical evidence on the policy process and influence of non state actors.

Background

- In 2012, civil society organizations (CSO), Mexico's Ministry of Health, and food and beverage industry leaders were advocating for a public health policy to address overweight and obesity in Mexico (71.2% of the population are obese or overweight)¹.
- This resulted in a regulatory initiative launched in 2013, including a tax on sodas and snacks (10% and 8% respectively).
- The final policy was implemented in September 2013 despite being criticised by advocacy groups due to perceived loopholes and acceptance by the food industry ².

Methodology

Qualitative methodology:

- Thirty semi-structured interviews were conducted with stakeholders involved in the policy process and 145 documents were analysed.
- A deductive-inductive approach, through a thematic analysis.
- Deductive themes included the following topics: knowledge of the policy, participation, influence, self-perceived power; and main perceptions of “the problem”, “the policy”, and of the implementation process.³

Academia (n=5)

Senators (n=2)

Deputy (n=1)

Ministry of Health (n=3)

Ministry of Finance (n=4)

F&B industry (n=4)

Civil Society reps (n=6)

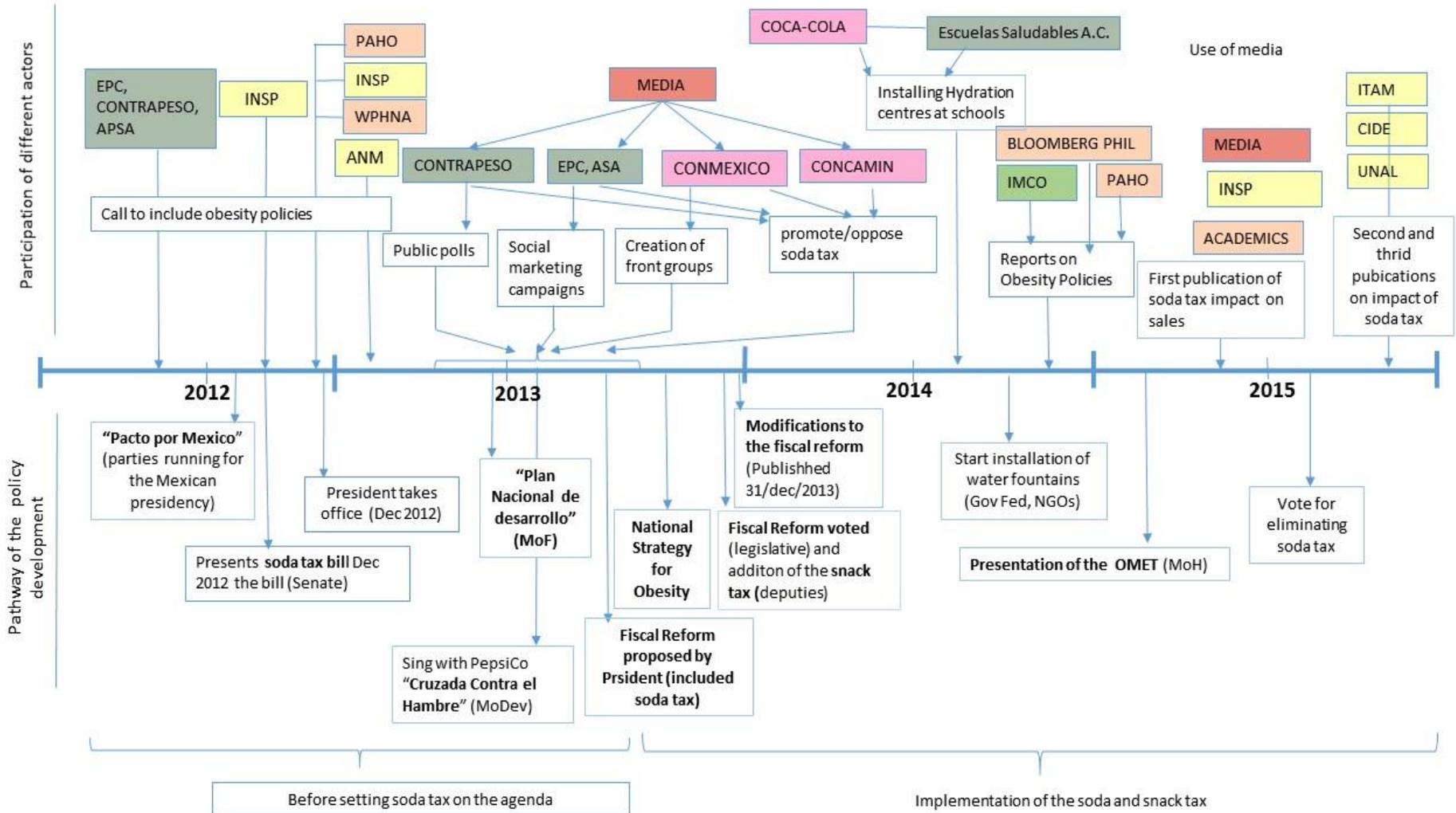
Media (n=3)

Think Tanks (n=2)

3. Ritchie, J., & Spencer, L. (1994). Qualitative Data Analysis for Applied Policy Research. In A. Bryman & R. Burgess (Eds.), *Analyzing Qualitative Data* (pp. 173-194). London: Routledge.

Public actions and debates during the agenda setting

Figure 2. Policy design and implementation pathway and stakeholders' participation



Motivations behind the policy change

- [...] It (the soda tax) had to do (its implementation) with the fact that **the president liked it**, because it is (a very good way) to increase revenue. *(Civil society member)*
- The soda tax was achieved as a **result of civil society 's pressure**. I think there was pressure not only by one institution, it was like a snowball: it grew, and nothing could stop it. *(Congressman)*
- Tax on soda and sugary drinks [...] **was something that we were able to put in the agenda, with a perfect justification** [...] somehow we **have to start preventing people** of these harmful products. *(Civil society member)*

Arguments: “Right to health” vs “Right to choose”

- *It is a **human right** to have on a regular basis, permanent and free, either direct or by buying it, access to an adequate diet [...].(Alianza por la Salud Alimentaria website, consulted Feb 2016)*
- *“**Soda tax is a measure that is ineffective**, under such an argument, tacos should be taxed, it messes with **our free choice and consumption**.” (quote on webpage , consulted Feb 2016).*

Arguments: single a product vs. multiple causes

- *Mexico has the highest rate of death due to consumption of sugar-sweetened beverages, which are a leading cause of obesity. **Reducing consumption of these sugary drinks could save lives.** (Bloomberg Philanthropies Report, 2014 p. 8)*

VS.

- *Obesity is a **multifactorial problem** where different factors merge, such as eating patterns, lifestyle, genes, physical activate [...] high availability of foods and lack of physical activity are the two main factor associated, though there is also other factors such as lack of sleep, temperature changes, smoking cessation, use of drugs, among others [...] **soda consumption is not the main cause of obesity in this country.** Therefore is difficult that a soda tax directed to a specific product, will generate important changes in obesity. (UNAL Report, 2015 p. 19)*

Marketing strategies

*In alignment with the rollout of our commercial model, **we aggressively increased our cooler coverage**—a distinct competitive advantage—across our franchises (Femsa, Annual report 2012, p. 23)*

*We launched bold new brand positioning with our global Pepsi “Live for Now”; and “Mexico launched successful **campaigns to endorse connecting consumers with the brand, as the tour of FIFA World Cup, “Share a Coke” and “Make someone happy,” among others** [...] strengthened yet more loyalty to our brand (Femsa Coca-Cola Annual Report, 2014, p. 23)*

Vs.

*“Our program partners created subway advertising campaigns in Mexico City **depicting the negative effects of obesity**. The Director of the Latin American Office of the Food and Agricultural Organization of the United Nations praised the ads and **called for their replication across Latin America.**” (Bloomberg Philanthropies Report, 2014 p. 13)*

Formal participation of non-state actors

- We **called everyone who wanted to participate**, at least from here [...] (the sub secretariat of health). (MoH representative)
- We are very surprised that at the negotiation tables, **you could see they had more representatives from the industry** than experts on the topic, or from the civil society. (International organization)
 - Well, for the National Strategy [NSCPOOD] **we were not invited**, and as far as I know, any of the civil organizations. (Civil Society member)
 - I think **it is necessary that food and beverage industry representatives participates on the process**, it is a legal industry. (MoH representative)

Influencing the final policy outcome

- *I have no doubt the industry had a very important **persuasion role**, specially the sugar cane industry **in modifying or reducing the tax proposed**, but it is also **corruption and influence on legislators** [...] (Academia)*
- *We are very surprised that at the negotiation tables, you could see **they had more representatives from the industry than experts on the topic**, or from the civil society. (International organization)*
- *[The) **Ministry of Health**, interestingly, at the beginning **didn't support actively the tax** [...] MoH discourse was: it is the Ministry of Finance topic, not ours. This was weird because obviously it was a health tax. (Academia)*

Framing of soda tax impact by three different reports in 2015

INSP (National Institute of Public Health)

UNAL (Universidad Autónoma de Nuevo León)

ITAM (Instituto Tecnológico Autónomo de México)

- **Sales** of taxed beverages **decreased in 6%** (-12ml/capita/day) the rate of decreased in sales was put up to 12% in December 2014 (up to 17% in the LSE houses).
- 4% decreased in untaxed beverages (**36 mL/capita/day**) higher than the counterfactual (mainly by bottled water). (Colchero, A. et al, BMJ, 2016)

- Reduce in consumption was estimated in 3%. Therefore **the tax did not change substantially the median caloric intake** of Mexican (if so, it reduced calorie consumption in 0.215) but increased importantly the fiscal revenue. (UNAL, 2015 p. 7)

- **Although** the price of calories increased by 4% the **quality of calories consumed decreased 1%** only.
- The elasticity of calories in -0.3 [...] although these "low" elasticity **limits the power of taxes to decrease obesity**, they imply high tax collection potential.
- The estimated **change in price ranges form 12-14%**. (ITAM, 2015 p. 12)

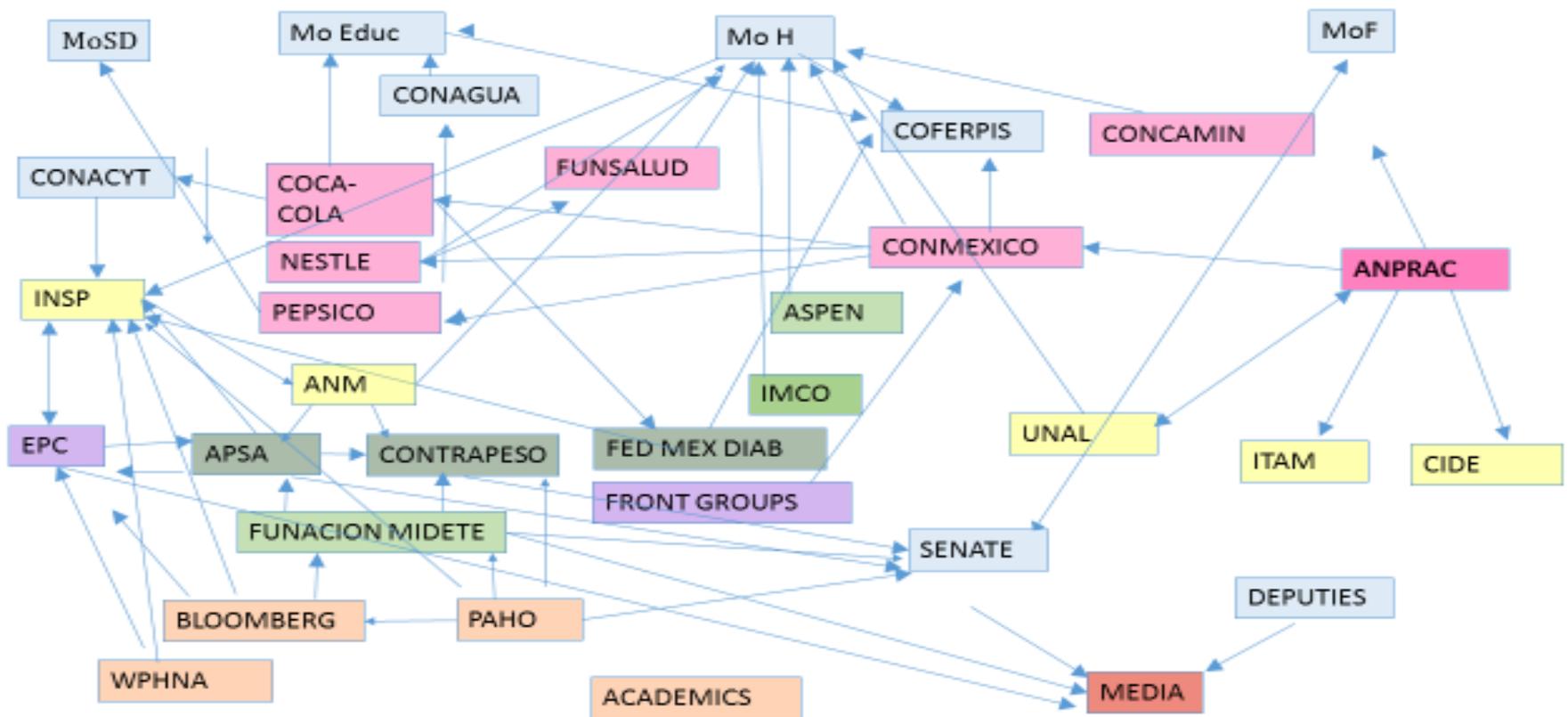
Actions influencing the agenda setting

*As of the beginning of 2014, the Mexican authorities imposed a new tax on sweetened beverages and high calorie foods. We have transferred the impact of this initiative through price increases in first quarter 2014, **supporting consumers with a solid price-packaging architecture in order to assure they can access affordable options.*** (Coca-Cola Annual Report, 2013_)

Changing in consumer preferences was the main concern that soda companies had. The tax of 10% was not the main concern:

Changes in consumer preference and public concern about health related issues could reduce demand for some of our products. The non-alcoholic beverage industry is **evolving as a result of, among other things, changes in consumer preferences and regulatory actions** (Coca-Cola Annual Report_2013)

Influencing the final policy outcome



Conclusions

- **Strategies used by non-state actors** can help explain the agenda setting behind taxing soda.
- **Informal and parallel actions** to the formal policy process **used by non-state actors in the media** and in **academic forums**, also help explain the policy change and the **context for the change**.
- This information can enable health researchers and policy actors **to develop strategies to improve and beware of the role and influence of non-state actors** and the **conflicting interests** that might endanger a health policy solution.
- Lessons drawn from this research may have **implications for public health governance** in similar topics and in other middle-income countries.



Thanks 😊

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