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

Angela Carriedo MSC, PhD Candidate
Faculty of Public Health and Policy
London School of Hygiene and Tropical Medicine
email: angela_carriedo@lshtm.ac.uk
twitter: @acarriedo
Aims

Background

Methodology

Results:
  - Mapping of the process
  - Motivations behind the tax
  - Formal participation
  - Arguments and actions used on the debate
  - Framing of the outcomes
  - Links between actors

Conclusions
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 present a case study of a policy process highly debated and mimicked alcohol and tobacco health policies.
In 2012, civil society organizations (CSO), Mexico’s Ministry of Health, and food and beverage industry (F&B 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 announced in 2013, including a tax on sodas and snacks (10 MXP per Litre and 8% respectively).

The levy started to be effective on January 2014, despite being criticised by advocacy groups due to perceived loopholes and acceptance by the food industry\(^2\).

It came as part of the National Strategy [NSCPOOD] and on the Fiscal Reform.

Methodology

Qualitative methodology:

- Thirty semi-structured interviews were conducted with stakeholders involved in the policy process and 145 documents were analysed.

- Analysis had 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

Public actions and debates during the agenda setting

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

- **2012**
  - "Pacto por Mexico" (parties running for the Mexican presidency)
  - Present soda tax bill Dec 2012 (Senate)
  - Sing with PepsiCo “Cruzada Contra el Hambre” (MoDev)

- **2013**
  - President takes office (Dec 2012)
  - "Plan Nacional de desarrollo" (MoF)

- **2014**
  - National Strategy for Obesity
  - Fiscal Reform proposed by President (included soda tax)
  - Fiscal Reform voted (legislative) and addition of the snack tax (deputies)

- **2015**
  - Start installation of water fountains (govt, NGOs)
  - Vote for eliminating soda tax

- **Timeline**
  - Before setting soda tax on the agenda
  - Implementation of the soda and snack tax

- **Use of media**
  - ITAM
  - CIDE
  - UNAL
  - ACADEMICS
  - First publication of soda tax impact on sales
  - Second and third publications on impact of soda tax
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. (Think tank member)
I proposed the soda tax, with help of the civil society members [...] originally it (the initiative) was a 20% tax [...] (legislator)

The MoF came to us, they overtook the idea [...] why did it changed to 10%, I have no idea [...] I did not support that [...] (legislator)

The soda tax... that topic is not ours, you have to ask the Ministry of Finance (MoH representative, 2014)

The idea, is not new, it has been there for ages. (Ministry of Finance)

The new president needed revenue, but he could not tax all foods, as he would loose credibility so sodas were the perfect excuse, without loosing credibility. (Think Tank member)
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)
All the industry was there (the workshops for the NSCPOOD), the sub Secretariat of Health and some members of the NGO’s (F&B industry rep)

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)

[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)
Influencing public opinion

- “The right to health” vs. “The right to choose”
- Discourse about singling out a product vs. multiple causes.
- Marketing strategies (providing fridges to stores, advertising campaigns, social marketing campaigns).
- Social responsibility actions partnered with the government (Conacyt, Conagua, Ministry of Social Development).
- Economic impact of job losses, and impact on the poor.
- Use of revenues for public health intervention.
<table>
<thead>
<tr>
<th><strong>INSP (National Institute of Public Health)</strong></th>
<th><strong>UNAL (Universidad Autónoma de Nuevo León)</strong></th>
<th><strong>ITAM (Instituto Tecnológico Autónomo de México)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> 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).</td>
<td>Reduce in consumption was estimated in 3%. Therefore <strong>the tax did not change substantially the median caloric intake</strong> of Mexican (if so, it reduced calorie consumption in 0.215) but increased importantly the fiscal revenue. (UNAL, 2015 p. 7)</td>
<td><strong>Although</strong> the price of calories increased by 4% the <strong>quality of calories consumed decreased 1% only.</strong></td>
</tr>
<tr>
<td>4% decreased in untaxed beverages (<strong>36 mL/capita/day</strong>) higher than the counterfactual (mainly by bottled water). (Colchero, A. et al, BMJ, 2015)</td>
<td></td>
<td>The elasticity of calories in -0.3 [...] although these &quot;low&quot; elasticity limits the <strong>power of taxes to decrease obesity</strong>, they imply high tax collection potential.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The estimated <strong>change in price ranges form 12-14%</strong>. (ITAM, 2015 p. 12)</td>
</tr>
</tbody>
</table>
We have transferred the impact of this initiative (the soda tax) 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_)

**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)
<table>
<thead>
<tr>
<th><strong>Actions taken under a regulated environment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SSB industries</strong></td>
</tr>
<tr>
<td>• Agreements to stop increasing taxes on the current administration.</td>
</tr>
<tr>
<td>• Partnerships for improving access to water.</td>
</tr>
<tr>
<td>• Improve social responsibility actions and engagement with minorities and low income groups.</td>
</tr>
<tr>
<td>• Expand market to other emerging economies.</td>
</tr>
<tr>
<td>• Lobbying for soft policies.</td>
</tr>
<tr>
<td><strong>Governments and international organisations</strong></td>
</tr>
<tr>
<td>• Support other middle income countries to include similar policies.</td>
</tr>
<tr>
<td>• Snowballing soft drinks taxation in other countries.</td>
</tr>
<tr>
<td><strong>Civil society</strong></td>
</tr>
<tr>
<td>• Support and alliances to support similar initiatives in LA other countries.</td>
</tr>
<tr>
<td>• Mimic actions and discourses used in Mexico to advocate for the soda tax.</td>
</tr>
<tr>
<td><strong>Academics</strong></td>
</tr>
<tr>
<td>• International academics endorse Mexican success on an obesity policy action.</td>
</tr>
<tr>
<td>• Increase awareness through solid and peer reviewed evidence on the impact and on the policy process.</td>
</tr>
</tbody>
</table>
Links and networks between actors

[Diagram showing complex network of connections between various entities such as MoSD, Mo Educ, CONAGUA, COFAERPIS, CONCAMIN, etc.]
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 😊

angela_carriedo@lshtm.ac.uk