



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

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Outline

- **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.

Background

- 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.

1. Gutiérrez, J., Rivera-Dommarco, et al (2012). 2. SSA. (2013). Estrategia Nacional para la Prevención y el Control del Sobrepeso, la Obesidad y la Diabetes

Methodology

Qualitative methodology:

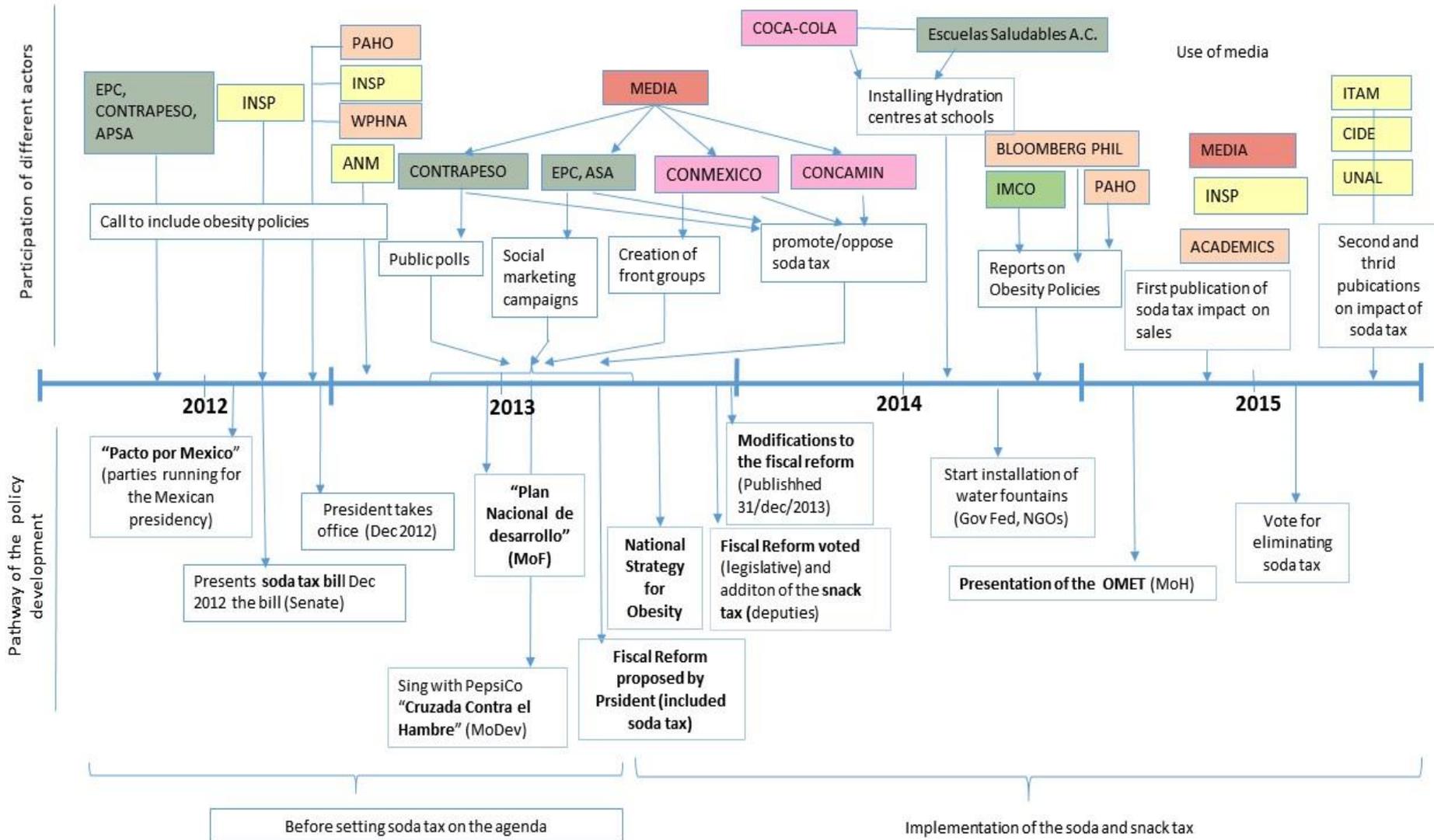
- Thirty semi-structured interviews were conducted with stakeholders involved in the policy process and 145 documents were analysed.
- Analysis had a deductive-inductive approach, through a thematic analysis.
- Deductive themes included the following topics: knowledge of the policy, participation, influence,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

Academia (n=5)	Ministry of Health (n=3)	Civil Society reps (n=6)
Senators (n=2)	Ministry of Finance(n=4)	Media (n=3)
Deputy (n=1)	F&B industry (n=4)	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. (Think tank member)

From a legislative power's initiative to an executive's power initiative

*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)*

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

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 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.

Framing the impact of the soda tax by three different reports in

2015

INSP (National Institute of Public Health)

- **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, 2015)

UNAL (Universidad Autónoma de Nuevo León)

- 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)

ITAM (Instituto Tecnológico Autónomo de México)

- **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)

Shaping actions under a regulated environment

*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)*

Actions taken under a regulated environment

SSB industries

- Agreements to stop increasing taxes on the current administration.
- Partnerships for improving access to water.
- Improve social responsibility actions and engagement with minorities and low income groups.
- Expand market to other emerging economies.
- Lobbying for soft policies.

Governments and international organisations

- Support other middle income countries to include similar policies.
- Snowballing soft drinks taxation in other countries.

Civil society

- Support and alliances to support similar initiatives in LA other countries.
- Mimic actions and discourses used in Mexico to advocate for the soda tax.

Academics

- International academics endorse Mexican success on an obesity policy action.
- Increase awareness through solid and peer reviewed evidence on the impact and on the policy process.

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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