



Price policies for healthier diets in Europe and call to tackle digital food marketing to children



World Health Organization

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Всемирная организация здравоохранения

Европейское региональное бюро

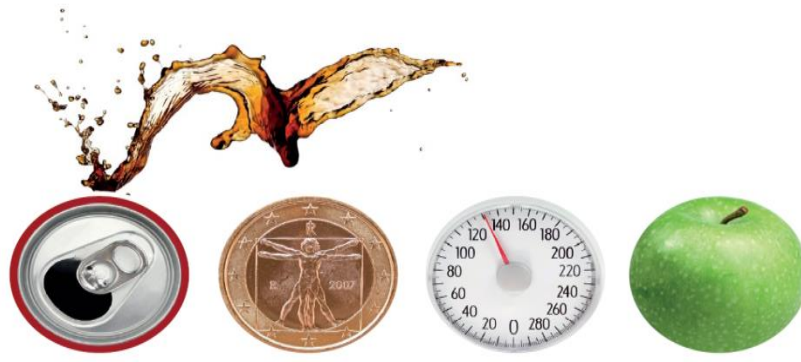
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WHO Regional Office for Europe

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Using price policies for healthier diets

- Given the well-established role of price as a driver of food choice, interest in taxes and subsidies to improve diets and prevent NCDs remains high
- Taxation specialists recognize that the tax system plays a role in supporting other policy objectives (+ experience with tobacco and alcohol)
- Governments may want to correct for the tendency of the market to encourage the consumption of products with a documented negative impact on health



Objectives of using price policies

Immediate objectives

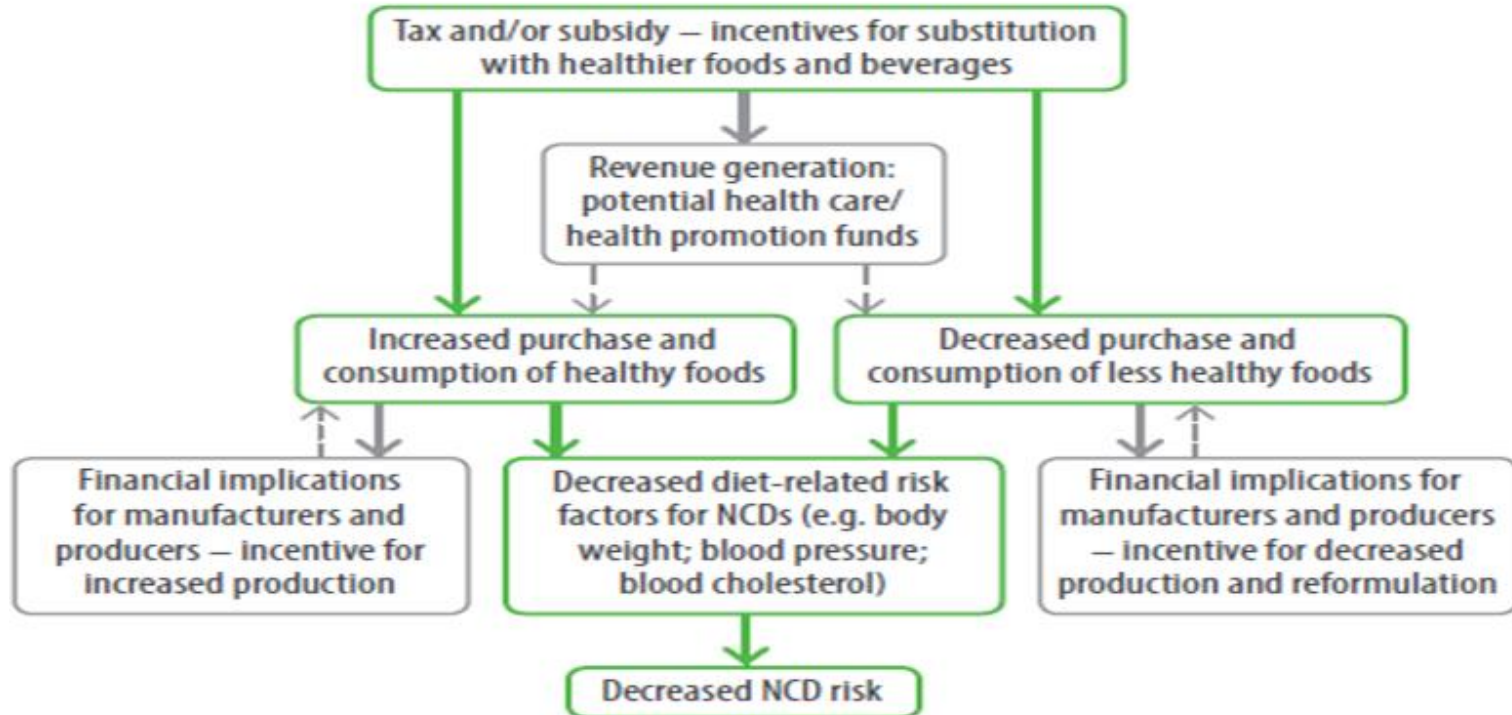
- reduce (or increase) the purchase and consumption of targeted foods or nutrients;
- stimulate food reformulation from food industry, retailers and other operators;
- generate revenue to be invested in health promotion programmes and policy action aimed at preventing obesity and other NCDs, including among vulnerable groups;
- create awareness among consumers and encourage choice of healthier options.

Long-term objectives

- improve the overall quality of diet (nutrient and energy intake);
- contribute to a reduction in the prevalence of obesity and diet-related NCDs.

Objectives of using price policies

Figure 1: Pathways for the effect of fiscal policy interventions



Source: Fiscal policy options with potential for improving diets for the prevention of noncommunicable diseases (NCDs) (draft). Geneva: World Health Organization; 2015.

Evidence – summary

- Price policies applied to food can influence what consumers buy and could contribute to improving health
- Effects of taxes are highly dependent on the way that they are designed – likely to be a knock-on effect for foods and/or nutrients beyond those that are targeted
- Taxes are more effective when applied to non-core foods for which there are close untaxed healthy alternatives, such as SSBs
- Non-trivial taxes may be needed (i.e. 20%)
- Absolute impact of taxes on low socioeconomic groups is likely to favour health



Evidence summary

Figure 2: Summary of main findings of meta-review of systematic reviews on fiscal policies on diet

	Food/ beverage taxes	Nutrient-focused taxes	Subsidies
Effect on consumption	Strongest evidence for SSB taxes – reduce consumption by same percentage as tax rate.	Reduce consumption of target but may increase consumption of non-target nutrients; may apply to core foods; better if paired with subsidy.	Subsidies increase healthy food intake. Strongest evidence for fruit and vegetable subsidies.
Effects on body weight/disease outcomes	Substitution will affect total calorie intake. Most effective to target sugar-sweetened beverages. Limited evidence for disease outcomes.	Disease outcome affected by substitution – nutrient profile taxes less likely to have unintended effects than single nutrient-based taxes.	Subsidies may also increase total calorie intake and body weight. Very likely to reduce dietary NCD risk factors.
Differential effects	May be most effective for low-income populations; may have greater effect on those who consume most.	May be more likely to have regressive effects as more likely to apply to core foods.	Mixed socioeconomic status effects for population subsidies, may benefit wealthy. Targeted low-income subsidies effective.

Source: Fiscal policy options with potential for improving diets for the prevention of noncommunicable diseases (NCDs) (draft). Geneva: World Health Organization; 2015.

Full range of evidence to inform policy

Experimental studies

- Manipulating prices of different foods in discrete environments (e.g. supermarkets, cafeterias or vending machines) or laboratory settings has been shown to result in significant shifts in consumer responses towards healthier options at point of purchase

Cross-sectional and longitudinal studies

- Higher prices associated with lower consumption of affected foods, lower overall calorie consumption and lower population-level BMI, particularly among certain population groups

Evidence to inform policy

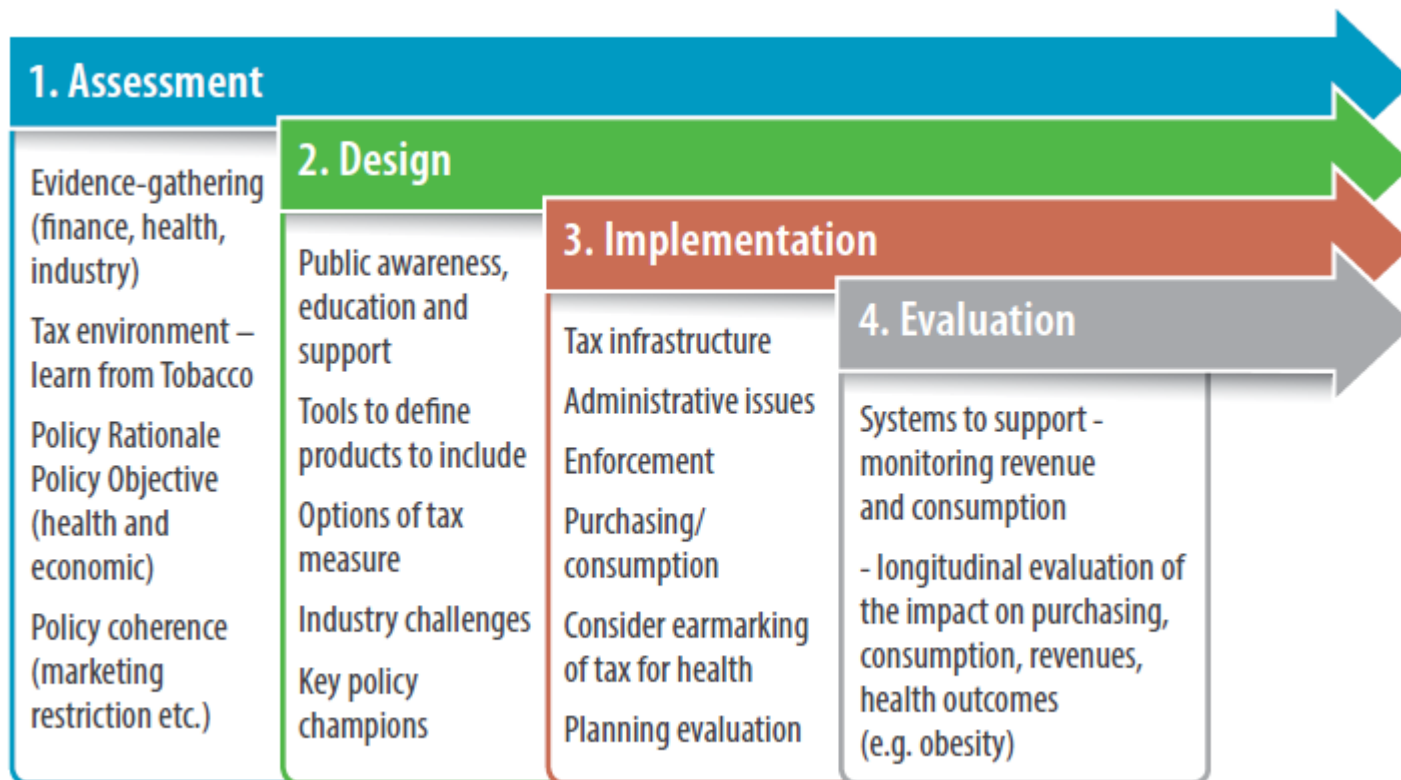
Modelling studies

- All modelling studies looking at sugar-sweetened beverage taxes showed a reduction in consumption proportionate to the tax applied, and many showed a reduction in overall calorie intake
- Even where the changes in food purchasing/consumption are small, these could still lead to meaningful changes in important risk factors across the whole population
- Modest average changes may hide more important changes among certain sub-populations

Evidence – other important factors

- **Price elasticity of demand**
- **Substitution effects**
- **Price pass-on**
- **Health inequalities**
 - There is no strong evidence to suggest that corrective taxes that generate revenue for a government cannot also have a positive and progressive public health outcome at the same time

Implementing taxes



Key observations

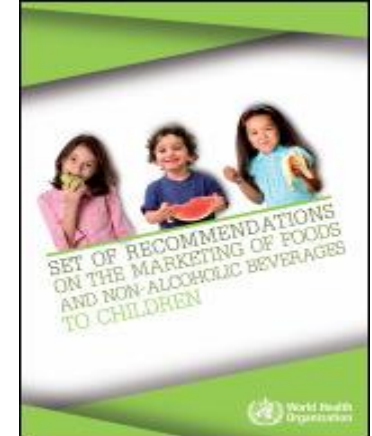
- Significant scope for countries across Europe to advance the implementation of price policies for healthy diets in the coming years
- Most accurate and effective *objectives* for price policies will focus on their upstream potential to influence purchasing and consumption behaviour, rather than on downstream effects such as body weight or disease
- Careful consideration needed when *identifying the foods and/or nutrients* that will be subject to the tax to reduce risk of unhealthy compensatory purchasing

Key observations

- Biggest gap in the evidence base for price policies for nutrition is not a lack of practical examples but a lack of formal evaluations of these examples
- Monitoring is critical to capture changes in:
 - price of targeted products and close substitutes at point of purchase;
 - purchasing patterns
 - nutritional composition of targeted products and close substitutes;
 - dietary intake and behaviour

Digital marketing of HFSS foods to children: introducing the issue

- WHO Set of Recommendations call for a reduction in the total exposure of children to HFSS marketing and a reduction in the persuasive power – across all marketing channels
- WHO European Food and Nutrition Action Plan recognised major gaps and loopholes in existing policies
- Child mobile (smartphone & tablet) ownership is increasing rapidly across WHO Euro
- Children are increasingly exposed to persuasive, individually-tailored marketing techniques through, for example, social media sites and “advergames”



Digital marketing of HFSS foods to children: introducing the issue

- Children users are tracked online using behavioral analysis techniques such as “zombie cookies”, device fingerprinting, geolocation and the most tailored advertisement is delivered
- This data collected is highly valuable and sold by social platforms to advertisers:
- ***“Taken together, the creative tactics and analytics equate to a brand appointing a personal marketer to each child, locating and identifying those who are most susceptible to their messages, encouraging them to send marketing messages to their friends, and following them throughout the day, at moments of happiness, frustration, hunger and intent, delivering advertising with the maximum impact, and directing them to the nearest place to buy foods to ‘fix’ their current emotional state.”***

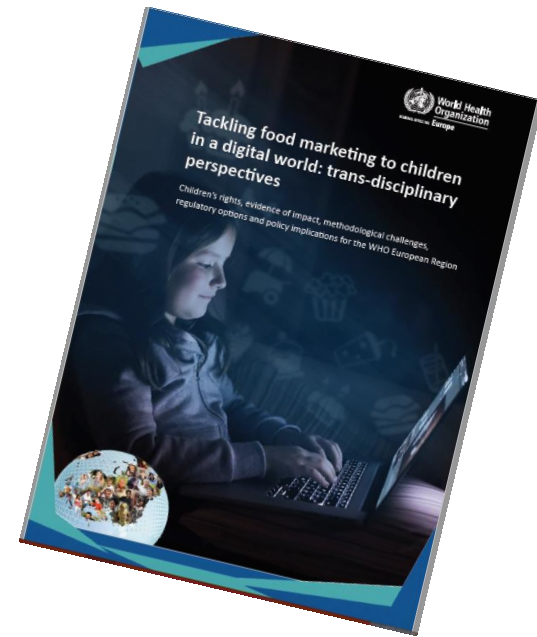
Marketing of food to children: a reminder of the “mechanisms” by which it influences diets

- Consistently shown in experimental studies to influence children’s food preferences and choices;
- Shapes children food consumption, dietary habits and increases their risk of obesity;
- Individuals must not only understand its persuasive intent but also require conscious awareness of it, and the ability as well as the motivation to resist.
- The latter factors are, research demonstrates, often not present among teenagers, undermining the notion of an age-based cognitive defence against advertising that is achieved beyond the age of 12.



New WHO report suggests clear steps for effective policy-making

- Governments in the Region should recognize the problem and acknowledge their duty to protect children online – “parental responsibility” argument unfair and insufficient
- Offline protections (e.g. TV restrictions) should logically be extended to online areas;
- The age range to which protection applies should be defined by governments, not commercial entities (at least 16 years according to WHO);
- Clear definition of the types of marketing covered and what is considered “marketing to children” (e.g. X Factor??)
- Compel private Internet platforms to remove marketing of foods high in saturated fat, salt and/or free sugars
- Action on internet marketing – by its nature cross-border – lends itself particularly well to EU level action (AVMS Directive an opportunity?)



Beyond regulation: recommendations for research and further action

- Strengthen corporate social responsibility
- Address the ethics of conducting digital research with data from children
- Audit company algorithms and extend rules governing data mining practices for under 18s
- Require companies to disclose marketing spending, activities and reach and children's engagement