

# Opening Plenary: Using Economic Policy Instruments to Improve Health: Challenges and Opportunities

**Prof Anne Marie Thow**  
*International Health Economics  
Association Congress*  
**20 July 2025**



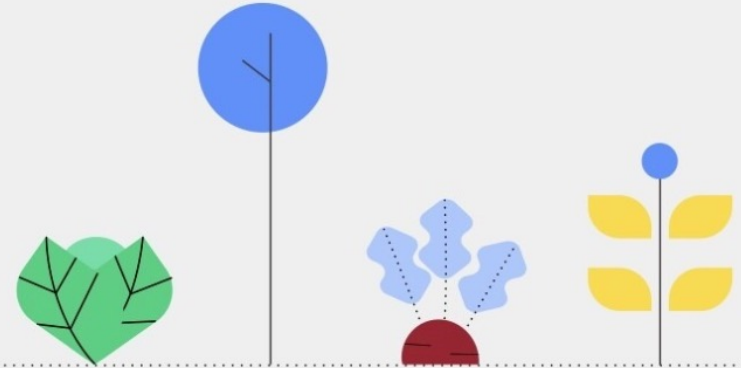




# A vision for healthier food environments

## Vision

By 2035, nutritious food choices are widely available, accessible and adopted at scale. This positive societal shift is enabling people to lead happier, healthier and more productive lives.



## Five strategic levers

To enact the Forum's vision and definition of quality nutrition for all stakeholders

Grow and manufacture  
diverse, nutrient-  
dense food

Reformulate  
unhealthy,  
processed food

Make nutritious  
food more affordable  
and accessible

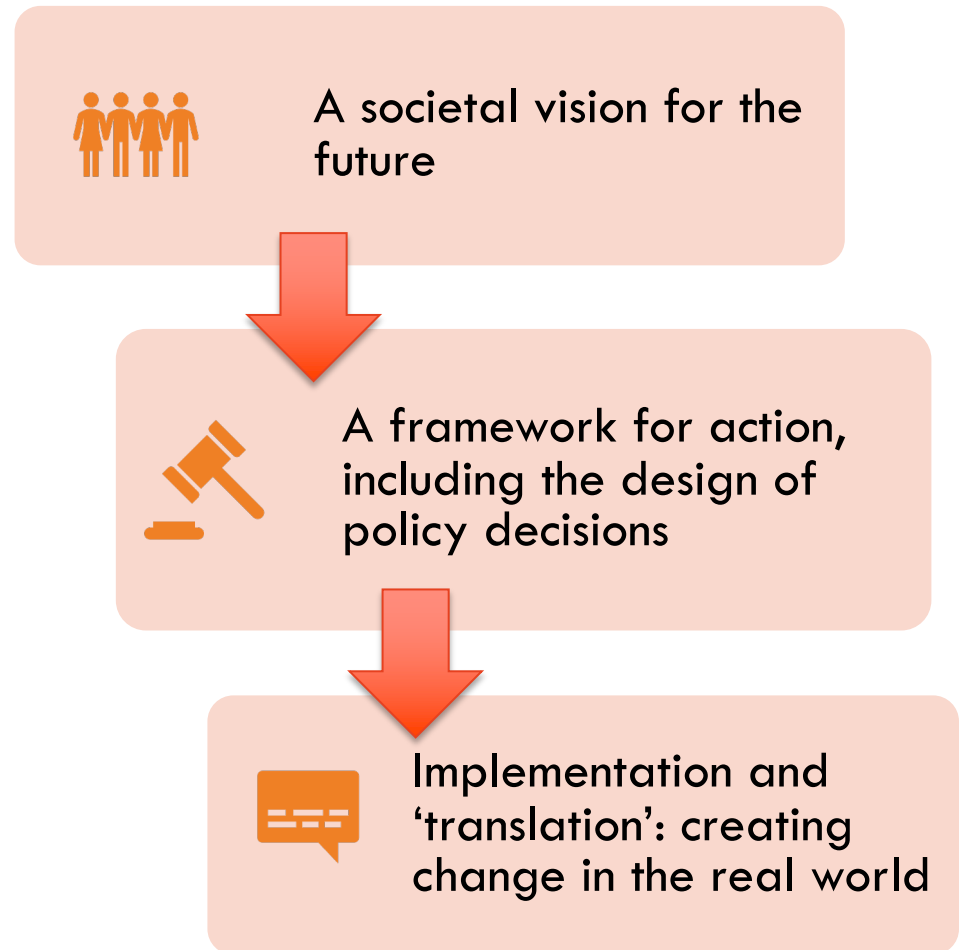
Create a retail  
environment that  
makes nutritious  
choices the default

Amplify consumer  
connection  
between food  
and health

Source: World Economic Forum, 2024

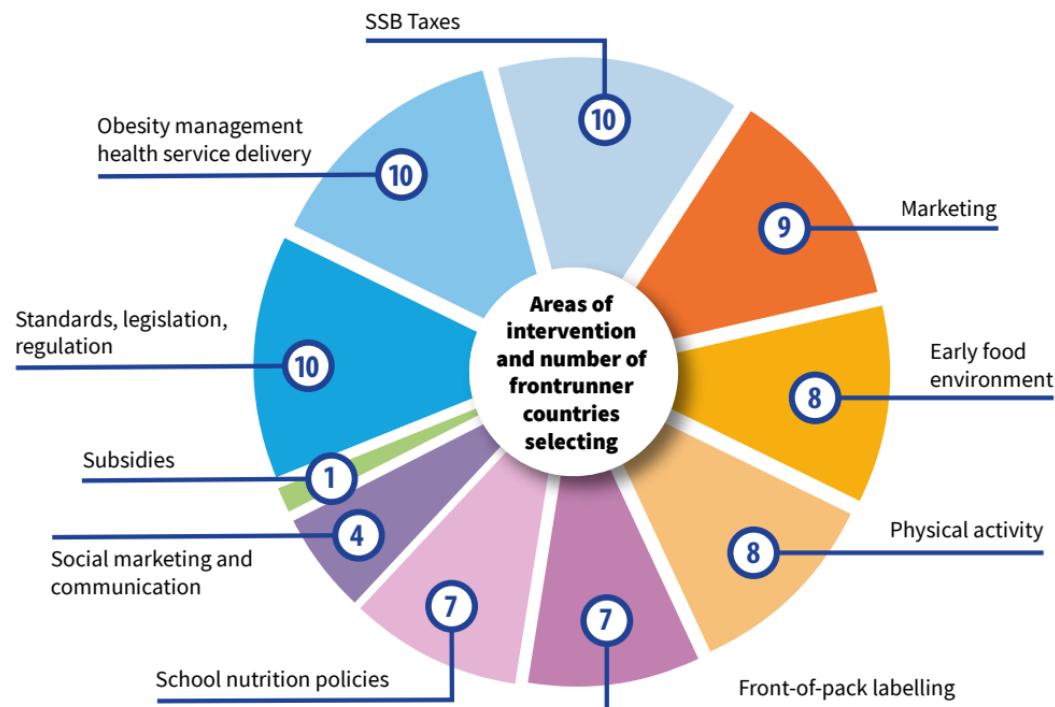
# What is policy?

Policy is 'the process by which governments *translate their political vision into programs and actions to deliver desired changes in the real world*' (UK Cabinet Office 1999)





## Obesity interventions prioritized by frontrunner countries



**Economic warning**

**Current annual global costs of obesity *US\$ 990 billion***

**Annual cost of obesity as percentage of total GDP in 2060 *3.29%* on average across all countries**

**Potential total savings *US\$ 429 billion* per year on average  
(if overweight and obesity prevalence is reduced by *5%* between *2020* and *2060*)**

**The world cannot afford *NOT* to act!**

2004



WORLD HEALTH ORGANIZATION

# GLOBAL STRATEGY ON DIET, PHYSICAL ACTIVITY AND HEALTH

(2) **Fiscal policies.** Prices influence consumption choices. Public policies can influence prices through taxation, subsidies or direct pricing in ways that encourage healthy eating

2024

# Fiscal policies to promote healthy diets

WHO guideline

## WHO recommendation on taxation of beverages

WHO recommends implementation of a policy to tax sugar-sweetened beverages (SSBs).  
(Strong recommendation)

## WHO recommendation on taxation of foods

WHO suggests implementation of a policy to tax foods that do not contribute to a healthy diet.  
(Conditional recommendation)

## WHO recommendation on a subset of targeted food subsidies

WHO suggests implementation of a policy to subsidize foods that contribute to a healthy diet.  
(Conditional recommendation)



## Current Focus Areas (2021-2025)

### Policy & Standards

- UN Model Tax Convention updates
- Transfer pricing guidelines
- Environmental taxation guidance
- Extractive industries taxation

### Emerging Issues

- Digitalized & globalized economy
- Wealth & solidarity taxes
- Crypto taxation
- Relation of tax to trade & investment

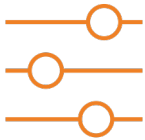
### Practical implementation

- Tax treaty negotiation
- Avoidance and resolution of tax disputes
- Indirect taxation guidance
- Health taxation guidance
- Digitalization of tax administration





# UNDERSTANDING POLICY CHANGE



## 1<sup>st</sup> order change

frequent routine  
bureaucratic changes to  
the 'settings' of policy  
instruments while  
maintaining policy goals.



## 2<sup>nd</sup> order change

less frequent, significant  
changes to policy  
instruments (or use of new  
instruments) while  
maintaining policy goals.

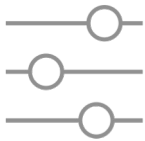


## 3<sup>rd</sup> order change

rare; reappraisal and  
rejection or change of the  
dominant paradigm;  
rethinking the goals of  
policy and the role of the  
state

Source: Hall PA. Policy paradigms, social learning, and the state: the case of economic policymaking in Britain. Comparative politics. 1993 Apr 1:275-96.

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# 1. Market failure and nutrition

## Externalities

- By increasing disease risk, the consumption of unhealthy products may also increase health care expenditures and decrease the ability of those affected by diseases to participate in economic production, which, in some instances, may constitute externalities.

## Internalities

- Consumers may fail to internalise information on the unhealthy effects of products, and their behaviour can be influenced by a choice environment that is not conducive to healthy consumption.

## Information asymmetries

- Asymmetries in access to information and understanding of unhealthy diets, in the form of limited understanding of the characteristics of food, and ingredients that are associated with poor health outcomes.



## 2. Is it appropriate for governments to deliberately seek to modify food prices to try to incentivise healthier food choices and better health outcomes?

- Food prices are politically sensitive
- Food crisis characterised by income and livelihood collapse, food system shocks, and uneven food price trends
- A healthy diet is unaffordable for more than a third of the global population
- Equity has been a critical consideration

### 3. Perceptions of industry impact

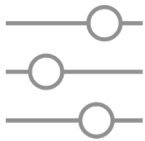
Industry Insights / Rising Opportunities in Indonesia's Food & Beverage Sector: Key Growth Insights for 2024 and Beyond

Nov 02, 2024

# Rising Opportunities in Indonesia's Food & Beverage Sector: Key Growth Insights for 2024 and Beyond

With a continually increasing population and soaring demand, Indonesia's food and beverage (F&B) industry has reached a crucial point in supporting the economy, contributing 7.15% to the national GDP in the first half of 2024. Despite rising production costs and regulatory changes, the sector has maintained stable growth, projected to increase by 4.53% in 2024. As we approach 2025, opportunities in this sector continue to expand, although challenges such as rising production costs and regulatory shifts will demand that businesses innovate and adapt to maintain growth.

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A public-interest group's advertisement in a Mexico City subway station asks: 'Would you drink 12 spoonfuls of sugar? Soda is sweet, diabetes isn't.' ILLUSTRATION: EL PODER DEL CONSUMIDOR

# The effect of fiscal policy on diet, obesity and chronic disease: a systematic review

Anne Marie Thow,<sup>a</sup> Stephen Jan,<sup>b</sup> Stephen Leeder<sup>c</sup> & Boyd Swinburn<sup>d</sup>

**Objective** To assess the effect of food taxes and subsidies on diet, body weight and health through a systematic review of the literature.

**Methods** We searched the English-language published and grey literature for empirical and modelling studies on the effects of monetary subsidies or taxes levied on specific food products on consumption habits, body weight and chronic conditions. Empirical studies were dealing with an actual tax, while modelling studies predicted outcomes based on a hypothetical tax or subsidy.

**Findings** Twenty-four studies met the inclusion criteria: 13 were from the peer-reviewed literature and 11 were published on line. There were 8 empirical and 16 modelling studies. Nine studies assessed the impact of taxes on food consumption only, 5 on consumption and body weight, 4 on consumption and disease and 6 on body weight only. In general, taxes and subsidies influenced consumption in the desired direction, with larger taxes being associated with more significant changes in consumption, body weight and disease incidence. However, studies that focused on a single target food or nutrient may have overestimated the impact of taxes by failing to take into account shifts in consumption to other foods. The quality of the evidence was generally low. Almost all studies were conducted

*Bull World Health Organ* 2010;88:609-614 | doi:10.2471/BLT.09.070987

Original Investigation | Nutrition, Obesity, and Exercise

# Evaluation of Economic and Health Outcomes Associated With Food Taxes and Subsidies

## A Systematic Review and Meta-analysis

Tatiana Andreyeva, PhD; Keith Marple, MS, MBA; Timothy E. Moore, PhD; Lisa M. Powell, PhD

Fiscal policies to promote healthy diets

WHO guideline

### Abstract

**IMPORTANCE** Fiscal policy is a promising approach to incentivizing better food choices and reducing the burden of chronic disease. To inform guidelines on using fiscal policies, including taxes and subsidies, to promote health, the World Health Organization commissioned a systematic review and meta-analysis of the worldwide literature on the outcomes of such policies for food products.

**OBJECTIVE** To assess the outcomes of implementation of food taxes and subsidies on individual food consumption, and population-level diet and health.

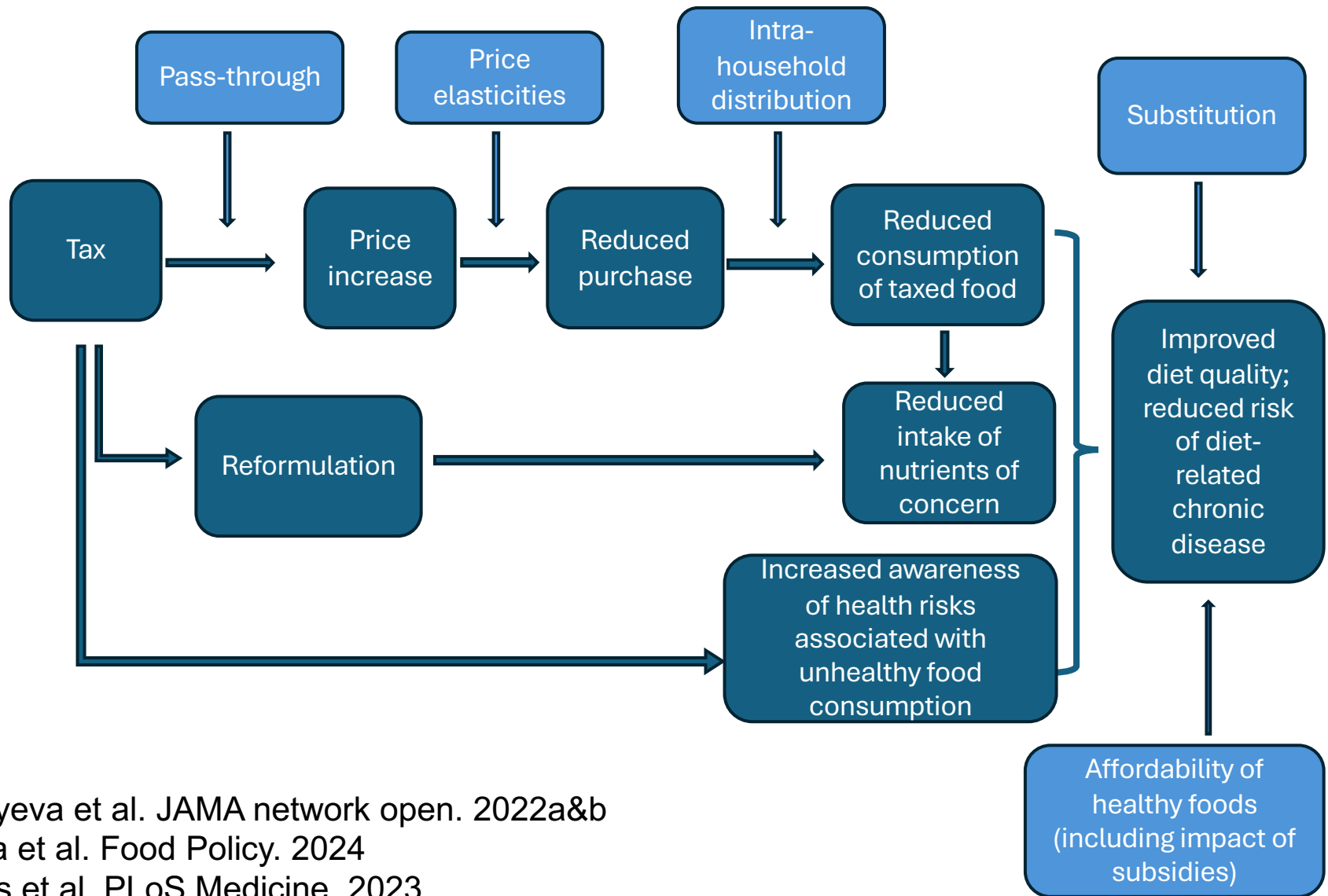
**DATA SOURCES** Eight bibliographic databases and government websites were searched for studies published from database inception through January 2019, with no language or publication restrictions.

**STUDY SELECTION** Only primary studies of food taxes and subsidies were included for analysis.

**RESULTS** A total of 54 articles were included in the systematic review, of which 15 studies were included in the meta-analysis. Most food subsidies targeted fruits and vegetables and populations with low income, whereas the evidence on food taxes was primarily from the nonessential energy-dense food tax in Mexico. Sales of subsidized fruits and vegetables increased significantly, with an estimated price elasticity of demand of  $-0.59$  (95% CI,  $-1.04$  to  $-0.13$  [ $P = .02$ ]; 95% prediction interval,  $-2.07$  to  $0.90$ ;  $I^2 = 92.4\%$  [95% CI, 89.0%-94.8%;  $P < .001$ ]), suggesting inelastic demand. There was no significant change in the consumption of subsidized fruits and vegetables, with an estimated price elasticity of demand of  $-0.17$  (95% CI,  $-0.49$  to  $0.15$  [ $P = .26$ ]; 95% prediction interval,  $-1.01$  to  $0.67$ ;  $I^2 = 76.2\%$  [95% CI, 54.3%-87.6%;  $P < .001$ ]). Food excise taxes were associated with higher prices and reduced sales. Evidence was limited on the differential outcomes of food taxes and subsidies across subpopulations.

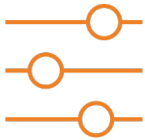






Andreyeva et al. JAMA network open. 2022a&b  
Pineda et al. Food Policy. 2024  
Rogers et al. PLoS Medicine. 2023  
Gračner et al. JAMA pediatrics. 2022

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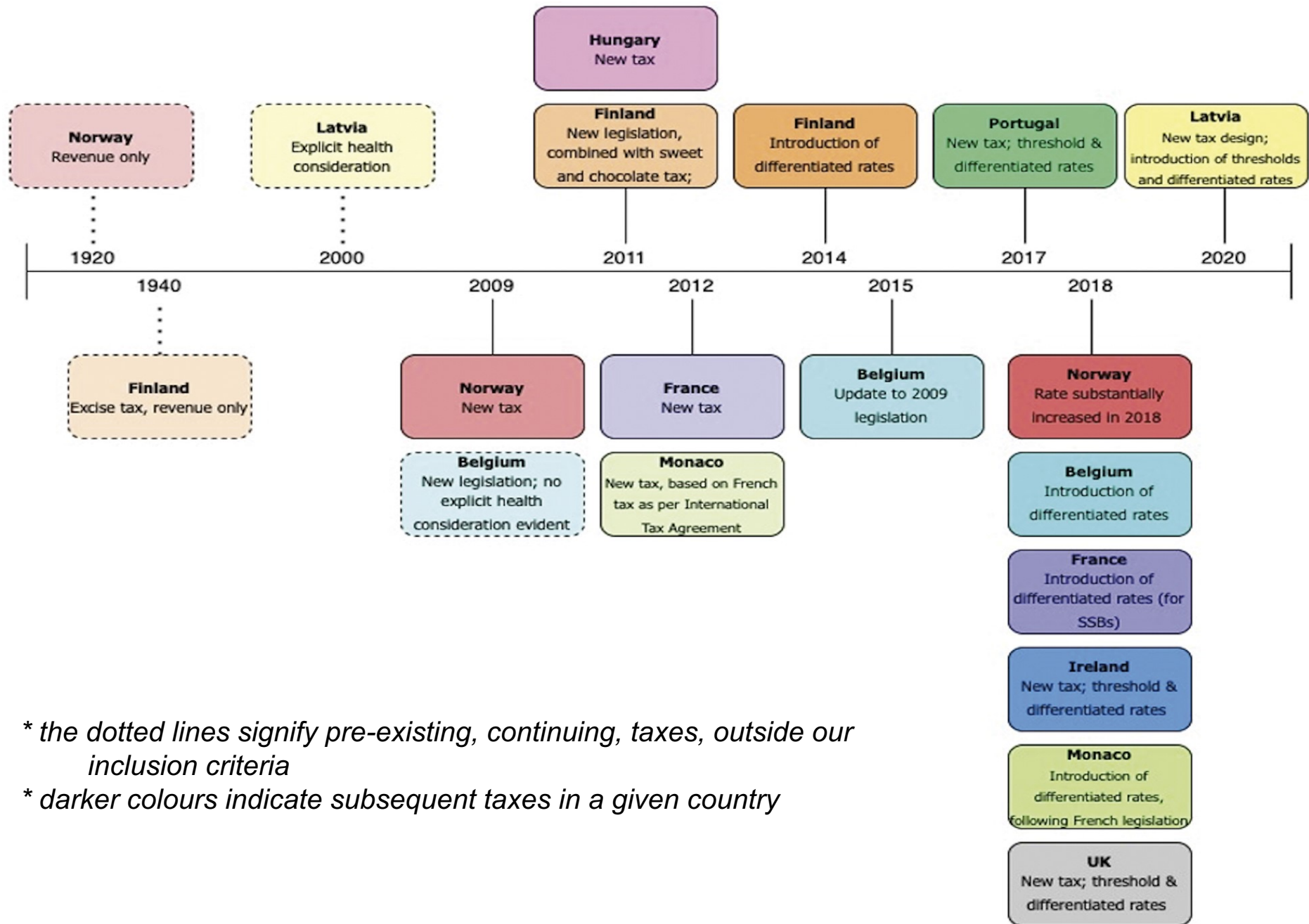
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\* the dotted lines signify pre-existing, continuing, taxes, outside our inclusion criteria

\* darker colours indicate subsequent taxes in a given country

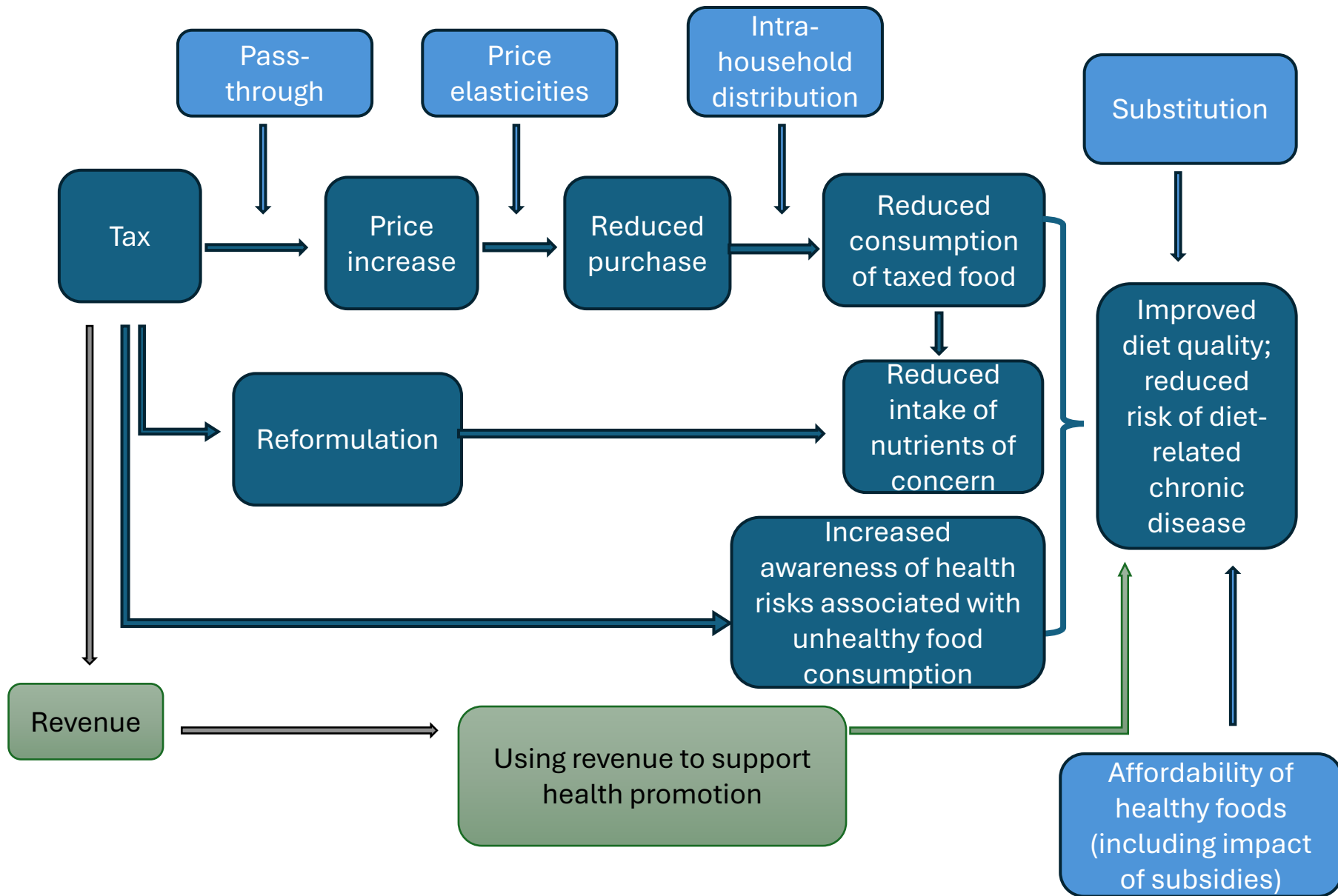
# Use of non-sugar sweeteners

## WHO guideline





# Trade offs





WORLD HEALTH ORGANIZATION

# GLOBAL STRATEGY

## ON DIET, PHYSICAL ACTIVITY AND HEALTH

- Promotion of food products consistent with a healthy diet. ... measures, including market incentives, to promote the development, production and marketing of food products that contribute to a healthy diet
- Agricultural policy and production often have a great effect on national diets. ...Member States need to take healthy nutrition into account in their agricultural policies.

# Upstream policy innovation in the Pacific Island region

## GO LOCAL, A CASE STUDY IN POHNPEI, FEDERATED STATES OF MICRONESIA

Federated States of Micronesia



*Traditional knowledge and skills are preserved in the community by collecting, sharing, and distributing different local varieties of banana. Credit: Chizuru Seki*

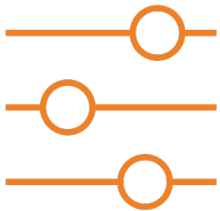


How Kiribati is shoring up food security and community resilience

Ministry of Commerce, Industry, Labour and Immigration

Promotion and development of SME in food and manufacturing activities

# Agriculture and trade policy change



## 1<sup>st</sup> order change

Use of existing trade and agricultural policy instruments to improve nutrition – e.g. tariffs, agricultural input subsidies in the Pacific Island and African regions



## 2<sup>nd</sup> order change

Trade-related policy innovation to address dumping of cheap fatty meats in Fiji, Samoa and Ghana



# Third order change?



Food and Agriculture  
Organization of the  
United Nations

2024

## THE STATE OF AGRICULTURAL COMMODITY MARKETS

TRADE AND NUTRITION:  
POLICY COHERENCE  
FOR HEALTHY DIETS



Food and Agriculture  
Organization of the  
United Nations



UN  
environment  
programme

50  
1972-2022

## A MULTI-BILLION-DOLLAR OPPORTUNITY

Repurposing agricultural support to transform food systems





# Learnings



**Evidence for action**



**Monitoring and evaluation**



**Innovative solutions**



**Support for collaboration**

# Strengthening future research for policy action



**Innovation**



**Knowledge  
equity**



**Making  
gender  
visible**



**Learning**

# Publication: Disease Control Priorities in Developing Countries, Second Edition



## Abstract

The purpose of this book is to provide information about what works -- specifically, the cost-effectiveness of health interventions in a variety of settings. Such information should influence the redesign of programs and the reallocation of resources, thereby helping to achieve the ultimate goal of reducing morbidity and mortality. As was the case with the first edition, this second edition of *Disease Control Priorities in Developing Countries* will serve an array of audiences. This second

# A need to balance evidence-based interventions with innovation for health



**Institute for Innovation  
and Public Purpose**

**REIMAGINING  
THE ECONOMY**

MALCOLM WIENER CENTER FOR SOCIAL POLICY

## **Mariana Mazzucato**

Professor in the Economics of Innovation  
and Public Value

University College London, Institute for  
Innovation and Public Purpose (IIPP)

## **Dani Rodrik**

Ford Foundation Professor of International  
Political Economy

Harvard University, John F. Kennedy School  
of Government

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# **Industrial Policy with Conditionalties:**



# Strengthening future research for policy action



**Innovation**



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**Learning**

*She had tried to convince her colleagues in London, who only knew of individual antenatal care, that group sessions worked well as a platform for education and emotional support. But she could not win them over, and so she thought evidence from a randomised controlled trial would be compelling. She knew there was hardly anything new that such evidence could say to people for whom group antenatal care was a norm that emerged long ago and is refined through learning... There was no equipoise – a state of [truly] not knowing if something is good or bad, works or not – an ethical precondition for randomised controlled trials*

# Strengthening future research for policy action



**Innovation**



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**Learning**

# Health as an Investment

Author(s): Selma J. Mushkin

Source: *Journal of Political Economy*, Vol. 70,  
(Oct., 1962), pp. 129-157

*“The only alternative is to impute some value to the services of housewives in the home, thus imputing an economic gain to reduction in their deaths or disabilities. Although proposals have been advanced ... no generally agreed way to do so at present exists. To simplify the estimate and to follow an approach consistent with national product accounting **it seems desirable to omit the valuation of housewife services.**”*



# Informal Care Costs According to Age and Proximity to Death to Support Cost-Effectiveness Analyses

Original Research Article | [Open access](#) | Published: 01 February 2023



Saskia de Groot ✉, Irene Santi, Pieter Bakx, Bram Wouterse & Pieter van Baal

## Conclusion

Our estimates of informal care costs facilitate including informal care costs in CEAs of life-extending healthcare interventions. Including these costs may influence decisions as it leads to reranking of life-extending interventions compared with interventions improving quality of life.

# Strengthening future research for policy action



**Innovation**



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**Making  
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**Learning**

**“Let those who know a little more teach those who know a little less. We must learn from life, learn among our own people, learn from books and the experiences of others, but always learn.”**

**--- Amilcar Cabral**