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

In recent years, the World Health Organisation has recommended the use of fiscal policies to influence food prices “in ways that encourage healthy eating.” This review considers international evidence on the impact of food taxes and subsidies. The current landscape favours the consumption of highly processed, energy-dense foods given their lower price compared to less energy-dense and more nutrient-rich foods. The poor health outcomes associated with the consumption of energy-dense food may justify levying taxes on such food to pay for health care and to decrease consumption. Studies included in this review look at the effect of the tax on four key factors: (i) effect on consumption, (ii) effect on consumption and body weight, (iii) effect on food consumption and health and (iv) effect on body weight.

Studies included in this review showed that taxes and subsidies on food have the potential to influence consumption considerably and improve health, particularly when they are large. However, the review simultaneously highlights the lack of adequate evidence to inform policy-making and consequently the need to conduct further research in four key areas.