Excessive regulation

How health advocates are influencing government policies in consumer goods

Over the past 40 years, consumer goods industries have experienced a notable increase in regulatory interventions from governments facing difficult economic conditions, political pressure and growing public health concerns. Today, governments and health advocates are increasingly focusing on tackling lifestyle diseases linked to unhealthy diets and alcohol abuse by replicating policies deemed successful for tobacco control, even if their efficiency remains highly questionable.

This trend is growing at a faster pace. Around the globe, alcohol, soft drinks and food products are threatened by regulations that range from punitive taxes to advertising restrictions and large health warnings on packaging.

The most extreme example of this “slippery slope” is the requirement to ban branding on packs, commonly referred to as ‘plain’ packaging. This severe regulation unjustifiably deprives companies of their most valuable assets – their brands and trademarks – and is increasingly recommended by health advocates for other consumer goods. As was the case with tobacco, more and more studies are emerging which purport to show the efficacy of extreme regulation. They include focus groups, testing of attitudes instead of behaviours or are otherwise not reliable. Nevertheless, as with tobacco, governments will seek to rely on them when introducing a particular policy.
Calls for extreme forms of regulations are now shaping how governments address lifestyle illnesses, with punitive taxation and large health warnings leading

A 2016 study by Saint Mary’s University in Canada has been quoted to support stringent labeling and packaging regulation for alcohol. It concludes that “plain packaging [for alcohol] and warning size (similar to the graphic warnings on cigarette packages) affect perceptions about alcohol bottles. It also shows that plain packaging increases the likelihood for correct health warning recognition, which builds the case for alcohol warning and packaging research and policy.”

In 2016, researchers from Portsmouth University’s Department of Psychology in the United Kingdom tested the effectiveness of a range of health warnings on alcoholic beverages. According to the study, “pictorial health warnings were associated with significantly higher fear arousal, increased perceptions of the health risks of consuming alcohol as well as greater intentions to reduce and quit alcohol consumption”. It concluded that “pictorial health warnings on alcoholic beverages may be an important way of making the public aware of the health risks of alcohol consumption.”

The 2015 Tobacco Atlas, a publication issued by the World Lung Foundation and the American Cancer Society, promotes the applicability of plain packaging to other industries. A special section named “Sharing the tools” states that “packing regulations, a method employed to control tobacco use, can also serve to deter people from consuming other unhealthy products.”

It considers tobacco control as “a model for addressing other pressing Non-communicable diseases-related issues that require better regulations, including harmful use of alcohol and unhealthy diet”. It points to regulations such as advertising and promotion bans, packaging and labeling regulations, and taxation.

2 http://doi.org/10.1371/journal.pone.0153027
3 https://www.thetimes.co.uk/article/doctors-want-warnings-on-sweets-and-chocolate-to-scare-children-off-sugar-t95gshvm
Measures are being copy-pasted from tobacco control initiatives at a faster pace.

The British Government announced the introduction of a sugar tax on the soft drinks industry in its Finance Bill 2017.

Unlike Ireland, Mexico and South Africa, which have product taxes that directly increase the price paid by the consumer, the proposed format is a levy that producers and importers of sugary soft drinks would have to pay for products with added sugar.⁵ Companies would pay less tax if they reformulate their products to reduce or remove added sugar. The tax is due to take effect in 2018.

Since 2007, all alcoholic beverages in France are required to have a warning label either in the form of a pictogram or a sentence explaining that consuming alcoholic beverages during pregnancy, even in small quantities, can have serious consequences for the health of a child. The government is currently considering to double the size of this pictogram, from 0.5 cm to a minimum of 1 cm.

Wine producers, who claim not having been consulted on the proposal, have denounced the move as unnecessary and unfounded since there is a lack of studies to prove the effectiveness of the image used on the original warning in reducing alcohol consumption.⁸

According to research from the University of Auckland in New Zealand, “plain packaging and warning labels could significantly reduce adolescents’ and young adults’ preferences for and likelihood to purchase sugar-sweetened beverages (SSBs), and may therefore reduce consumption.”⁷ “These labelling measures warrant consideration as part of a comprehensive portfolio of strategies to reduce young people’s SSB intakes and reduce rates of childhood obesity.”⁷

The UK Government’s advisor on obesity has called for food policy to mirror tobacco policy to tackle obesity, stressing that a fizzy-drink tax is a “no brainer” and that voluntary industry action is insufficient.⁴

---

⁴ https://www.gov.uk/government/news/soft-drinks-industry-levy-12-things-you-should-know
⁵ https://www.gov.uk/government/news/soft-drinks-industry-levy-12-things-you-should-know
⁶ https://www.thetimes.co.uk/article/halt-obesity-with-proper-meals-and-taxes-says-adviser-2kb0f0wmsnx
Estonia introduced fix rate taxes for wine, cider and beer in 1995,9 and from 2017 to 2020 is continuing to increase them at an accelerated rate.10 11 The government is also considering a bill which would, among other things, restrict alcohol advertising, force supermarkets to separate alcohol from other goods and would not allow alcohol for sale to be prominently visible from the outside.12 Once the law goes into effect, stores will need to relocate alcohol displays elsewhere on their sales floor or consider other solutions, such as opaque display cases. Larger stores will need to designate areas separated from the rest of the premises with non-transparent walls for the sale of alcohol, while smaller shops will only sell the product behind a counter.

In 2017, France introduced a law that targets soft drinks, non-fizzy drinks, fruit syrups, fruit nectars and sports drinks, among other beverages containing added sugar or sweeteners.15 Restaurants and other outlets catering to the public have been banned from offering for free or at a fixed price unlimited sugary drinks in an effort to reduce obesity.16 France already had a tax on soft drinks, and vending machines have been barred from schools since 2005.

The American Medical Association (AMA), during its annual meeting held in June 2017, called for more regulation, including plain packaging, to be implemented for sugar-sweetened beverages.14

---

10 New coalition introduces its tax and economic policies, including extensive tax reforms. Vahtla, A. Estonian Public Broadcasting. 18 November 2016.
13 https://www.bakeryandsnacks.com/Article/2017/10/18/Portugal-plans-tax-attack-on-salty-snacks-in-2018
14 https://www.ama-assn.org/ama-adopts-policy-reduce-consumption-sugar-sweetened-beverages
15 Arrêté du 18 janvier 2017 relatif à l’interdiction de la mise à disposition de boissons à volonté, gratuites ou pour un prix forfaitaire, avec ajout de sucres ou d’édulcorants de synthèse. JORF n°0022 of 26 January 2017 texte n°38.