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HEALTHIER SOCIETIES FOR HEALTHIER POPULATIONS

Tying health taxes to health promotion is popular and effective in Thailand

The ringfencing of alcohol and tobacco consumption taxes for spending on health promotion has coincided with reductions in risk factors for non-communicable disease, the ThaiHealth programme shows, write **Viroj Tangcharoensathien, Prakrit Vathesatogkit, and Supakorn Buasai**

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Thailand is one of only a few countries where taxes on unhealthy goods are dedicated to health promotion at the population level. The Thai Health Promotion Fund (ThaiHealth) is a public organisation established in 2001 that aims to tackle the commercial determinants of health and other health risks, including alcohol and tobacco consumption and traffic injuries.¹ It is wholly funded by a 2% surcharge, in addition to excise tax, on tobacco and alcohol and has a multisectoral governing board that includes the prime minister, the minister for public health, and appointed experts. ThaiHealth works with multisectoral partners, including government agencies and civil society networks in all 77 provinces. Its work has broad support and has coincided with improvements in some disease risk factors. Other countries should consider this model.

Sumptuary taxes

Sumptuary taxes can reduce the demand for, and consumption of, products that harm people and society, increasing tax revenues and improving health,² as seen in Latin America, Vietnam, and Thailand.³⁻⁵ Thirty five countries have introduced such taxes on tobacco, nine on alcohol, and 85 on sugar sweetened beverages.^{6,7} In most examples, revenues are allocated to general health financing or to specific programmes to treat diseases related to consumption of the product being taxed.⁸ Only a few countries, including Thailand, allocate revenues to fund health promotion.⁹

Investing in health promotion and disease prevention has been shown to be cost effective, improve health, and stimulate economic growth.¹⁰ But most health spending is on treatment instead of tackling exposure to risk factors, especially for non-communicable disease, and creating healthy populations.

ThaiHealth's annual expenditure on health promotion is about \$2 per person, much smaller than the current health expenditure in Thailand of \$305 per capita. In 2021, 73% of total health spending in Thailand was on personal medical service and goods and just under 11% on prevention.¹¹ Health promotion funded by Thailand's health systems focuses on clinical preventive services such as vaccination, maternal and child health services, and screening for secondary prevention. The Ministry of Public Health also has a small health promotion budget.

ThaiHealth fills the gap, tackling determinants of ill health at the population level through direct health promotion campaigns, strategic support for regulation and legislation, evidence generation to inform policy, and raising public awareness. It also builds health literacy among the public and media. ThaiHealth's work aligns with national health policy, tackling non-communicable disease risks such as tobacco, alcohol, diet, and physical inactivity.

Effective action

ThaiHealth has made a difference. It provided evidence that led to the 2008 Alcoholic Beverage Control Act, banning advertising, setting a minimum legal drinking age of 20, creating new warning labels, and restricting hours of alcohol sale. It also provided evidence for legislating the Tobacco Product Control Act in 2017, which applies World Health Organization recommendations and provisions in the Framework Convention on Tobacco Control. ThaiHealth has promoted physical activity globally and regionally and supported the first national physical activity plan (2018-30).¹²

Measures of non-communicable disease risk factors have shown improvement since the establishment of ThaiHealth. Adult tobacco use fell from 25% in 2001 to 17% in 2021.¹³ Alcohol consumption fell from 33% in 2004 to 28% in 2021. And the proportion of adults engaging in at least 150 minutes of moderate intensity or 75 minutes of high intensity aerobic exercise a week increased from 66% in 2012 to 75% in 2019 (it fell in 2021 because of pandemic restrictions). Road traffic deaths also fell, from about 22 000 in 2011 to about 17 000 in 2021.¹⁴

Industry challenge

Legislating for health taxes requires broad political support. The tobacco and alcohol industries argued that ThaiHealth's surcharge would increase retail prices, negatively affect poorer people, and stimulate illicit trade.¹⁵ Industry's misinformation was counteracted by evidence that increases in price decrease demand and deter new smokers and drinkers. In addition, proposed amendments by conservative politicians to cap ThaiHealth's revenue and restrict its spending fell because of robust civil society response and public objection.¹⁶

ThaiHealth shows the importance of specifically linking health tax revenues to health promotion

schemes. Scotland's Public Health Supplement, a levy on alcohol and tobacco retailers, generated substantial revenue but it was not earmarked for health promotion campaigns related to tobacco and alcohol.¹⁷ This made it harder to show that it had led to behavioural changes and health improvements in the population. In response to industry pressure, the Scottish government reduced the rate and limited implementation.¹⁷ Similarly, Ireland, which implemented a tax on sugar sweetened beverages in 2018, did not allocate the revenue to health and has struggled to show convincing benefits needed to maintain public support, especially as industry challenges the policy.¹⁸

As mandated by Health Promotion Foundation Act 2001, ThaiHealth publishes annual performance and financial reports to parliament and makes them publicly available; it also advocates internationally for innovative financing for health promotion. In collaboration with the South-east Asia Tobacco Control Alliance, a non-governmental organisation, it has set up the Health Promotion Fund Resource Hub.¹⁹ Openness, and the capacity to show health gains from tobacco and alcohol surcharges, are crucial to ThaiHealth's efforts to gain public trust and support.

Tackling the commercial determinants¹ of disease needs wider authorities to implement WHO interventions such as increased price, plain packaging, advertising bans, and restrictions on availability.²⁰ Institutions like ThaiHealth are not a silver bullet, but they can be an important part of a broad public health strategy.

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