The political economy of sugar-sweetened beverage taxation in Latin America: lessons from Mexico, Chile, and Colombia

This paper compares, and analyses governance challenges related to the adoption of sugar-sweetened beverage taxes in Latin America—with a focus on Mexico, Chile, and Colombia. The three countries were selected for the case study given the comparable nature of their political and economic systems, institutional arrangements, and regulatory instruments. Despite similar contextual factors, the outcomes of implementing the fiscal policy were different in each region. The paper also focuses on outlining the role of Transnational Corporations in influencing the policy agenda.

A systematic search was conducted to identify and qualitatively synthesise research published between January and May 2018. These included scientific publications, reports, articles, legal documentation, and press releases available in English and Spanish. A total of 71 peer and non-peer-reviewed documents were included in the synthesis.

The review identified that the following factors influence the implementation of an SSB Tax:

a. Ideas, framing of SSB taxation and power dynamics

In each of the three countries, how SSB taxes were framed had a direct influence on their success. For instance, different actors (civil society organisations, Ministry of Finance, Transnational Corporations) communicated varying concerns about SSB consumption, and/or implementing fiscal policies.

1. Relationships and power in coalition building

In each of the three countries, coalitions were formed to both oppose or support the tax. The success of pro-tax groups was highly dependent on adherence to principles of transparency, accountability, and participation.

It was concluded that adherence to good governance principles, including alliances with CSO, international actors, and the government is an important consideration to counter the industry’s opposition to implementing SSB taxation. ‘Intergovernmental support was critical to framing the SSB tax aims, benefits, and implementation; and for countries to adopt it’.