Soft drinks tax slippery slope [1]

Written by Dr Eamonn Butler [2] | Monday 18 February 2013

With reports of 1,200 unnecessary deaths in a single NHS trust? some in the most cruel and inhumane circumstances? you might think that the clinicians trades unions might be keeping their heads down. But no. The umbrella organisation for medial practitioner groups is now calling for a tax on fizzy drinks. To combat obesity, they say.

To micro-manage our lives, more like. The average person gets about 2% of their calories from fizzy drinks, so even if a tax did make people drink less, it would have no noticeable effect on the weight of the nation.

Sure, some people drink a lot more sugary stuff. Will a tax dissuade them? International studies show that to make a measurable difference, the tax would have to be very large. People have strong favourites when it comes to food and drink, and they don't switch easily. A small tax would change nothing, and would just be a stealth tax. A large tax, the international studies show, simply prompts people to switch to other sugary drinks that are not taxed.

There are of course already non-sugary and low-calorie drinks on the shelves. If people don't buy them, that is their choice. Better labelling and better education might help people make more informed decisions, but we should not be trying to micro-manipulate peoples lives and choices.

You can imagine the bureaucracy of it. You would have to set up a quango to work out which drinks are 'sugary' enough to be taxed. Shopkeepers would need to account for the tax on some drinks but not others. If the tax is to fund diet education (as campaigners intend), then the Revenue has to separate it, the government has to set up yet other bureaucracies to spend it and monitor the spending, and so on. The money would buy nothing except more civil servants.

And as our report <u>The Wages of Sin Taxes</u> [3] notes, a tax on soft drinks hits poor families the hardest. Groceries, food and drink, is a much larger part of their budget. But it would not make a scrap of difference to the middle-class campaigners, and NHS clinicians on indexed-linked pensions, who are advocating it.

Campaigners claim, of course, that children are most affected by sugary drinks as they consume more of them than adults. Well, if we really wanted to improve the lives of our children, we might pay off the national debt that saddles each of them with a £17,600 bill to pay off.

Denmark introduced a 'fat tax' a year ago but it was so unpopular that they scrapped it. It was meant to hit things like crisps and chips, but actually was applied to meat, yoghourt, even gourmet cheeses. German supermarkets did a roaring trade as Danes shopped abroad to escape the tax. Specialist businesses selling meat or cheese were badly hit.

There is a big difference between disapproving of how people run their lives and trying to run their lives for them. If I believe that someone is harming themselves, I will certainly tell them, explain why, and argue that they should change their ways. But if they want to live that way, I have no right to stop them.

And yet we listen patiently while political campaigners? and 'experts' who know nothing about economics? try to impose their own lifestyle standards on everyone else. It's soda today, what's it going to be tomorrow? Chocolate? Cake? Cheese? Bread? Milk? Spare us, please, to get on with our own lives.

blog comments powered by Disqus [5]

Source URL: http://www.adamsmith.org/blog/soft-drinks-tax-slippery-slope

Links:

- [1] http://www.adamsmith.org/blog/soft-drinks-tax-slippery-slope
- [2] http://www.adamsmith.org/authors/dr-eamonn-butler
- [3] http://www.adamsmith.org/blog/tax-spending/the-wages-of-sin-taxes-the-true-cost-of-taxing-alcohol-tobacco-and-other-vices
- [4] http://disqus.com/?ref_noscript
- [5] http://disqus.com