

The Country That Taxes People For Being Too Fat

It's the only country in the world to have successfully tackled obesity, but could it work elsewhere?



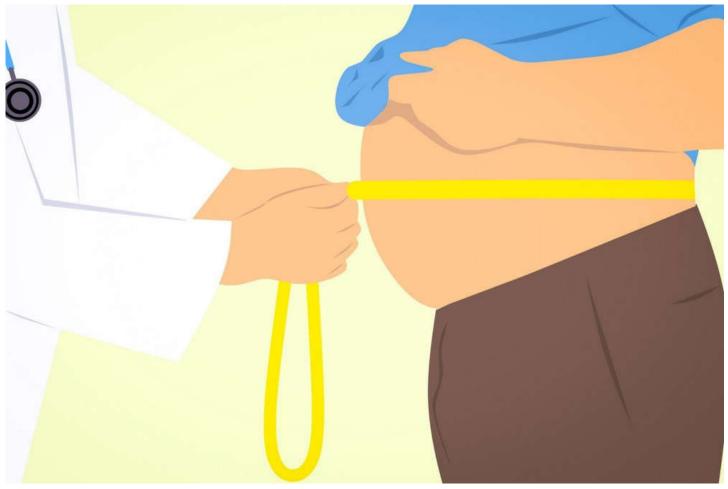


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In 1990, the obesity rate across much of the $\underline{\text{US was less than 15\%}}$. However, just twenty years later, 69% of all Americans were overweight, with 36% categorised as obese.

How did such a drastic change happen so quickly?

Broadly speaking, this was down to one reason; a lifestyle change. Poor eating habits, a lack of exercise and the increase in food tampering (like adding more sugar and calories) all contributed to rising obesity levels.

Almost every country has faced this epidemic, and few have managed to truly solve it—all except for one.

Somewhat controversially, this country introduced a 'fat ta' essentially forced every business to take a mandatory waist its employees every year. If the employee didn't make any i then the business would be fined.



The target was to reduce the obesity rate by 25%, but as of 2021, this country's nationwide obesity rate stands at a <u>mere 4.3%</u>, making the policy a resounding success.

But how exactly does this 'fat tax' work, and could it be used successfully in countries like the US?

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How The 'Fat Tax' Works

It might come as no surprise to learn that the country which implemented the fat tax was none other than Japan.

In 2008, it introduced the <u>Metabo law</u>, which required all men and women aged between 40 and 74 to have their waist measured by their employer on an annual basis. The limits were set to **33.5 inches (85cm)** for men and **35.4 inches (90cm)** for women, and anyone who breached these figures was required to attend weight loss classes funded by the employer's health insurance company.

In essence, it meant that if you were at risk of becoming obese, your company was required by law to help you get back into shape. In addition, if companies could not reduce the number of overweight employees by certain thresholds each year, they would be subject to fines and be required to pay money into a health care program for the elderly.

When the law came into effect, the <u>New York Times</u> reported the following:

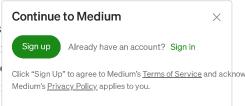
To reach its goals of shrinking the overweight population by 10 percent over the next four years and 25 percent over the next seven years, the government will impose financial penalties on companies and local governments that fail to meet specific targets. The country's Ministry of Health argues that the campaign will keep the spread of diseases like diabetes and strokes in check.'

However, waist measurement isn't the only marker of obesity. For women especially, this can fluctuate and create a lot of stress. For example, <u>Miki Yabe</u>, a 39-year-old manager at a major transportation corporation, went on a crash diet in the lead up to her company's annual health checkup. In the week before the dreaded day, 'Yabe ate 21 consecutive meals of vegetable soup and hit the gym for 30 minutes a day of running and swimming.'

Thankfully, her waist only measured 33 inches (84cm) which was safely under the limit; however, she had lost 6.5 pounds (2.9kg) thanks to her

intense dieting and exercising.

While the Metabo law doesn't make obesity illegal, it can is everyone else at work. Your managers would be punished i make progress, which could create a lot of mental stress. Do concerns, the law has seen a lot of success in Japan, in part Japanese lifestyle and diet.



Traditionally, Japanese people consume <u>small portions</u> of fish, vegetables and soups. Refined carbohydrates and junk food are rare, so obesity isn't really a concern for most people.

The question is, could this approach work elsewhere?

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Taxes on Food Products That Contribute to Obesity Vary in their Effectiveness

While Japan has had success with its Metabo tax, applying this to countries like the US would be difficult. The US is <u>very individualistic</u>, with people fiercely independent of their rights, even if that right is harmful to society.

Slogans like 'my body, my choice' have been popularised, arguably for the wrong reasons and this has made it very difficult for lawmakers to find a middle ground between recognising that sentiment while also tackling obesity.

However, in the EU, where healthcare is directly funded by taxpayers, reducing obesity levels becomes a bigger priority for governments.

In 2011, Denmark introduced a <u>fat tax</u> on butter, milk, cheese and any processed food containing more than 2.3% saturated fat. It affected a wide range of everyday goods and was mainly implemented as an additional funding source for the government and not for public health.

For this reason, by November 2012, the <u>tax was abolished</u>, with the government stating that it failed to change eating habits. One of the reasons for this was that people were crossing the border into Germany and Sweden and shopping there. Since the EU has a <u>free open border</u> with all of its member countries, this became a lucrative way for savvy shoppers to save money.

Although the tax brought <u>\$216 million</u> in revenue each year, it also affected Danish retailers who were seeing less business due to the higher prices and because people were shopping less frequently in Denmark itself.

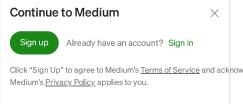
Unfortunately, this also meant the country scrapped their proposed sugar tax, which has seen success in other countries like the UK.

In April 2018, the UK implemented a <u>sugar tax on sweetened drinks</u>. Rather than trying to change consumer behaviour like in Denmark, the idea was to motivate businesses to use less sugar in their drinks. Under the

legislation, drinks with more than 8g sugar per 100ml are taxed at 24p a

<u>litre</u>. If it's between 5g and 8g, then it's taxed at 18p per lit less than 5g, it's exempt from the tax.

The impact was an immediate positive for public health. St due to soft drinks <u>decreased by around 30g per household</u> which essentially meant that each person was consuming to teaspoons per week.



Today, hardly any soft drinks in the UK contain sugar, and even the most popular, like coca-cola, have far less than they used to. In the UK, a typical can of coca-cola will contain <u>11.2g of sugar</u>, whereas the same can in the US has <u>39g of sugar!</u>

The problem with the US is that lobbying companies make it difficult to implement such nationwide measures. In California alone, the soda industry spent <u>\$7 million on a ballot initiative</u> that would have made it harder for cities to raise taxes against them.

What's worse is their infiltration into scientific research, which ends up spreading biased misinformation. For example, between 2010 and 2017, Coca-Cola spent \$146 million on partnered scientific research and funded the publication of 389 health-related articles in the space of just eight years.

And it's not only sugar that's a problem; it's also the type of ingredients used in foods, with <u>high fructose corn syrup</u> being among the worst offenders.

These <u>ingredients are absent</u> in many of the same products sold worldwide, so is there any reason why they shouldn't be absent from the ones sold in the US?

Although taxes on obesity contributing foods can be effective, if governments are hampered from implementing them, do we need to look at other measures instead?

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Could a Metabo tax-like system work outside of Japan? Personally, I'm not so sure. A lot of policies work in certain parts of the world due to a country's culture. For example, during the COVID-19 pandemic, countries like China and Singapore enforced very rigid quarantine measures, whereas these were far laxer in Europe and the US.

Policies affecting health are, unfortunately, not a universal concept. So if governments are keen to tackle obesity, they need to look at their populations and identify what will work for them, not copy ideas from other countries.

The UK is an island nation, so there is little risk of someone flying to France to do their shopping; however, passing the same law in Denmark or the

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Netherlands would severely impact the local economy of border towns and

cities.

Similarly, a Metabo law passed in the US would see huge u would be a great benefit. Perhaps an alternative could be to businesses that offer gym membership subsidies, healthy and other benefits that improve their employee's physical w

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Whatever the US decides, its government must be prepared to fight the complex web of lobbyists, industries and its own fiercely independent people.

