

Health

UNHEALTHY LIFESTYLES CALL FOR FURTHER TIGHTENING OF PUBLIC HEALTH POLICIES

- ▶ Hungary ranks among the OECD countries with the highest rates of obesity, harmful alcohol use and tobacco smoking. These are leading behavioural risk factors for non-communicable diseases (NCDs).
- ▶ Hungary has implemented a public health tax and tight policies on alcohol consumption. However, alcohol taxation is mild and unrecorded alcohol and tobacco consumption are significant.

What's the issue?

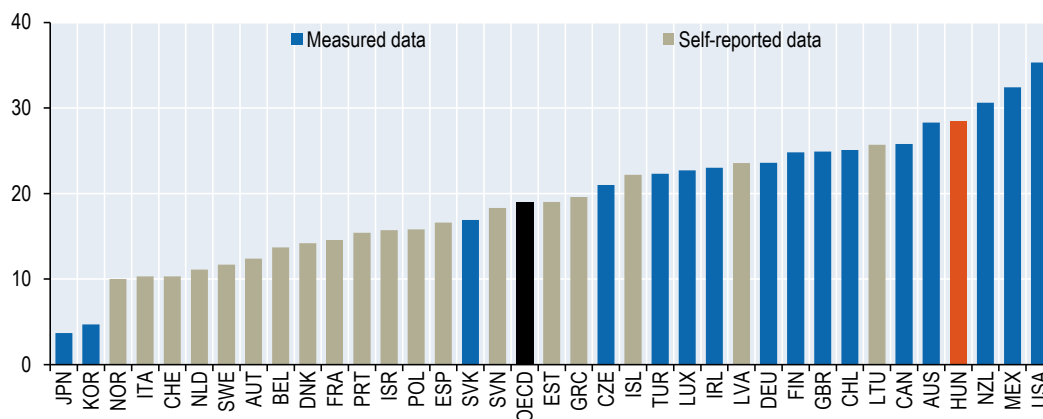
Overweight and obese people are a majority today in OECD countries. The obesity epidemic continues to spread, and no OECD country has seen a reversal of trends since the epidemic began. Obesity rates have more than doubled in Hungary in 20 years, with one in four women and almost one in three men being obese today (see Figure). Similar rates are found also in children. To fight this epidemic, Hungary introduced a tax on selected manufactured foods with high sugar, salt or caffeine content in 2011. Carbonated sugary drinks are among the products targeted by the new measure. An evaluation of the Public Health Tax showed a 29% price increase, and a 27% drop in sales, for the taxed products. It is estimated that 40% of food manufacturers reformulated their products by reducing or eliminating the ingredients associated with the tax. The tax generated close to 70

million EUR of revenues, which have contributed to funding the public health budget and healthcare worker salaries.

Average alcohol consumption has decreased significantly in Hungary over the last 20 years. However, with over 11 liters a year per head (plus almost 2 liters of “unrecorded” consumption per head), it is still well above the OECD average and among the highest worldwide. The proportion of 15-year olds who have ever drunk alcohol has increased from 60% in 2002 to 88% in 2010. The vast majority of alcohol (over 90%) is drunk by one fifth of all drinkers, compared to 64% in most of the 13 OECD countries for which data are available. Hungary has relatively tight policies in place to tackle the harmful use of alcohol, including regulation of sales and advertising,

Obesity rates in Hungary are among the highest in OECD countries

Obesity among adults, % of population aged 15 years and over, 2013 or latest available year



Source: OECD Health Statistics 2015, <http://dx.doi.org/10.1787/health-data-en>.

and a zero-tolerance policy on drinking and driving. However, its alcohol taxation policy is not especially strict. Hungary has a low level of spirits taxation compared to other OECD countries, and a medium level of taxation for beer and wine.

Despite a modest decline in the recent past, rates of tobacco smoking in Hungary remain among the highest in the OECD. One in four Hungarians smoke daily, compared to less than one in five on average in OECD countries.

Why is this important for Hungary?

The UN General Assembly, in the context of a High-Level Meeting on Chronic Non-communicable Diseases in 2011, identified four leading behavioural risk factors for NCDs: tobacco use, harmful alcohol consumption, poor diet and insufficient physical activity (with obesity being a direct consequence of the latter two). Immediate benefits of reducing tobacco and harmful alcohol use, improving diet and increasing physical activity include reductions in the major NCD killers, such as cardiovascular disease, diabetes, stroke, cancer, and chronic respiratory diseases, as well as injuries and alcohol-use disorders. Population-level interventions to address those risks have been found to be more cost-effective than medical interventions to treat diseases.

Without strong actions to tackle widespread behavioural risk factors for chronic diseases, Hungary will face decreasing well-being of its population and escalating health care costs, which may jeopardise public finances and access to care. Hungary has not refrained from using tough measures to address unhealthy lifestyles, including taxes on foods and non-alcoholic beverages used as behavioural incentives in the pursuit of public health goals, but the prevalence of unhealthy behaviours in the country is such that more and stricter measures will be required in the future.

What should policy makers do?

- ▶ Monitor the implementation and the effects of the public health tax and take appropriate countermeasures to address potentially undesirable effects.
- ▶ Devote more efforts to enforce policies to tackle the harmful use of alcohol and increase alcohol taxation.
- ▶ Pursue efforts to increase tobacco excise tax rates while implementing harsher measures to address the black market.



Further reading

OECD (2015), *Tackling Harmful Alcohol Use: Economics and Public Health Policy*, OECD Publishing. <http://dx.doi.org/10.1787/9789264181069-en>

OECD (2015), *Health at a Glance 2015: OECD Indicators*, OECD Publishing. DOI: http://dx.doi.org/10.1787/health_glance-2015-en

OECD (2014), *OECD Obesity Update 2014*, OECD Publishing. <http://www.oecd.org/health/Obesity-Update-2014.pdf>

Sassi, F., A. Belloni and C. Capobianco (2013), "The Role of Fiscal Policies in Health Promotion", *OECD Health Working Papers*, No. 66, OECD Publishing. <http://dx.doi.org/10.1787/5k3twr94kvzx-en>

OECD (2010), *Obesity and the Economics of Prevention: Fit not Fat*, OECD Publishing. <http://dx.doi.org/10.1787/9789264084865-en>