

Sugar

Sugar is a very simple food which is easily digested and provides a quick burst of energy. Thus we evolved to like it.

Before recent times, however, sugar was rare. Hunter-gatherers would occasionally find a beehive and, if they put up with a few hundred bee stings, they could have a bit of a treat of honeycomb. Some fruits were also rich in sugar. But neither honey nor sugary fruits would have made up more than about 1% of a hunter-gatherers' diet.

After the agricultural revolution, some societies domesticated figs, dates, grapes etc., but still diets were largely grains. [Give us this day our daily bread.]

In the last couple of centuries, however, things changed. Sugar cane was discovered and cultivated and sugar became plentiful. In the past century, in many Western societies, sugar has come to make up a major part of many people's diets.

But it is realised now that excessive sugar intake is detrimental to health. Among other health problems, obesity, diabetes and cardiovascular disease have become rampant with the consequent death and disability that they lead to.

The problem is that we still have the liking for sugar. It produces a quick energy fix, but not one that lasts. Sugar is digested and used or deposited as fat very quickly. Once the blood sugar levels start to drop again, we want more. We end up eating more than we need and we don't eat a lot of the stuff that we do need (like green vegetables) because sugary foods satisfy our hunger and are often much tastier.

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Countries have tax systems. The primary aim of taxes is to raise money for purposes like running the country, defence and the provision of public services: police, education, hospitals etc.

But taxes always have another effect: discouraging things that incur heavy taxes and encouraging things that don't. In Victorian Britain, people were taxed on the amount of light that entered their houses. As a result, many doors and windows were bricked up.



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This means that governments have a way to influence behaviour and consumption by taxing heavily what they want to discourage and not taxing (or even subsidising) what they want to encourage. Many countries tax tobacco more heavily than food for that reason. Tobacco consumption in those countries has decreased very significantly as a result.

But many countries tax all food at the same rate. In Australia, you pay the same tax if you buy green vegetables that you do if you buy cakes, confectionary and sugary soft drinks. While health authorities agree that we need to eat more green vegetables and a lot less sugary foods, governments miss an ideal opportunity to promote these changes.

Many families struggle to afford all the food they need and so would be very sensitive to differential taxation of different foods. If we applied a tax to sugar and used the extra revenue to remove the sales tax on things like fruit and vegetables, rice, bread and milk, it should be expected that people's eating habits would change, they would be better nourished and, in the long run, their health would improve.

A sugar tax could be applied when sugar is sold by the producers to the food manufacturers. The tax would be in addition to the normal sales tax or goods and services tax that would still be charged.

So, for instance, if we placed a \$30/kg tax on sugar, then the price of sugar in the shops would rise by \$30 a kilo. For products containing sugar, the price increase would be in proportion to the added sugar content of the product. Confectionary containing 60% sugar would increase in price by \$18/kg, a breakfast cereal with 25% sugar would increase by \$7.50/kg, and a cereal with 3% sugar would increase by 90c/kg.

Thus sugary foods would be more expensive, healthy and essential foods like fruit, vegetables, rice, bread and milk would be cheaper if the sales tax is removed, and other foods, like meat, eggs, pasta, spices etc., would remain the same.

Most families, by making healthier choices, would be able to lower their food bills. And, in the longer run, the cost to the government of medical services would decrease. And people would be healthier and less likely to be overweight.

Sugar farmers wouldn't need to reduce sugar production. They can just direct more of it to carbon-neutral ethanol for vehicle fuel. And, as the cost of sweetness increases, growing healthier alternative sweeteners like stevia would become more financially viable. With increased supply, many sweet foods could be made with stevia in place of sugar, with the result that even sweet foods would become healthier.