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## Evidence on Private Sector Accountability for Women's children's and adolescents' health

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(a) The views expressed in these papers are those of the author(s) and do not necessarily reflect those of the OECD or of the governments of its member countries.

The OECD works on the Economics of Public Health, and has a specific focus on the prevention of obesity. Obesity is a growing problem worldwide. Today, nearly 1 in 5 adults are obese (Body Mass Index  $\geq 30$  kg/m<sup>2</sup>) in OECD countries. More than 1 in 2 adults and 1 in 6 children are obese or overweight (BMI  $\geq 25$ ) (OECD, 2017<sup>[1]</sup>). While underweight is still a problem in some developing countries, malnutrition and obesity are becoming more prevalent in all parts of the world (NCD Risk Factor Collaboration (NCD-RisC) et al., 2017<sup>[2]</sup>). Obesity generally affects women more than men. Obesity is more concentrated among low socioeconomic groups, and this is particularly so among women. In particular, less educated women are two to three times more likely to be overweight than those with a higher level of education (OECD, 2017<sup>[3]</sup>).

One key element in the range of prevention policies to tackle obesity is public-private partnership (PPP). PPPs are a form of governance involving the collaboration of both non-for-profit organisations and for-profit actors at all levels of society (local and national). In the context of obesity prevention, the private sector would be mainly represented by the food and non-alcoholic beverage industry. The EPODE network (*Ensemble Prévenons l'Obésité Des Enfants*) is a well-known example of PPP which was built to facilitate cooperation between private and public actors to tackle childhood obesity (Borys et al., 2012<sup>[4]</sup>). While PPPs may be successful in promoting action by taking advantage of voluntary efforts, they may also incur in significant challenges including, for instance, governance, organisational arrangement, and conflicts of interest. Monitoring and evaluation of the actions is an area of particular relevance as an independent and thorough assessment is a key element to ensure the implementation of effective and efficient policies.

The objective of this note is to contribute to the understanding on how the private sector may get involved and accountable for people's health. This note also provides examples of cases in which the private sector engages to meet health targets in the domain of obesity reduction. The reminder of this note focuses on four main areas, followed by three country examples.

The food and beverage industry is becoming more involved in public-private partnerships for the reduction of obesity, raising the **challenge of reconciling the public health targets and the for-profit objectives**. The food and beverage companies which are able to offer healthy food products act as leaders on the market. For these companies, healthy products promote a good image of the company (they care about people's health) and increase market share. This double objective creates incentives for **making new products, offering new recipes** with less salt, sugar, fat and trans fats (for example, through food product reformulation), reducing portion size, and informing consumers about health benefit and risks. In this way, the food industry has an interest in people's health – profit maximising and public health objectives are aligned. But, while these market adjustments can lead to increased availability of healthy products and increased awareness of health-related information, the benefits may be confined to certain population groups, especially the more educated and high socioeconomic groups

(Sassi, 2010<sub>[5]</sub>), that are both aware of the health implications of their consumption and can afford to pay a premium for healthy products.

Even when the profit maximising objective and public health concerns are not aligned, the private sector can play a key role in promoting better health. **Self-regulation by the industry itself** is another way for the industry to play a role in the prevention of obesity. Restriction of advertising on TV and radio at times when children are the main audience is shown to be effective to reduce child obesity. Self-regulation (rather than government regulation) has the advantage of minimizing those enforcement costs which would otherwise be the responsibility of the public sector. Furthermore, conflict with the industry may be avoided – dealing with such conflict can occupy a significant amount of the time and resources of policymakers, and can also result in confusing messages being given to the population. But voluntary pledges may be not as effective as government regulation, and may not be administered and enforced as robustly. Furthermore, the effectiveness may be hindered when only selected companies sign up the voluntary agreements (Sassi, 2010<sub>[5]</sub>). Finally, the dynamics of policymaking are affected according to whether there is public or voluntary regulation. In the former case, there is a reasonable expectation that the public sector will monitor both compliance and effectiveness of the regulation; that civil society will hold government to account; that failure to achieve objectives will give rise to a discussion as to whether the objectives were reasonable and, if so, if policy needs to be modified in order to achieve those objectives. In the case of self-regulation, all these reactions may be less strong. In particular, it is very rare that there is a rigorous, systematic assessment of whether voluntary regulation achieved the desired public health goals.

**Food labelling** is an important key for health literacy that, if well designed, has the potential to improve healthy habits. Labels put at the front of the manufactured food package are increasingly employed. Easy-to-understand logos have higher response rate in terms of food choice and diet compared to lists of nutrients (Cecchini and Warin, 2016<sub>[6]</sub>). As described in (OECD, 2017<sub>[3]</sub>) there exists different schemes of Front-of-pack (FOP) food labelling. However the transparency of the FOP food labelling schemes may sometimes be questioned. FOP labels help consumers to score food products according to its nutrients. The criteria used to define the labels may have major influence on the score of the product. In some countries, national schemes of food labelling exist (e.g. France, UK, Australia, New Zealand, etc.), and food companies can comply on a voluntary basis to these national schemes (OECD, 2017<sub>[3]</sub>). In other cases, manufacturers have designed their own labelling schemes. In **Australia**, the Health Star Rating System –a FOP labelling national scheme, implemented in 2014, on a voluntary basis- is applied in about 7,500 products, from about 150 companies (April 2017). Monitoring indicates that (a) rating applied correctly on most products; (b) consumer awareness is increasing; (c) the scheme is beginning to have impact on consumers' purchasing habits. Some issues were raised by public health and consumer organisations who claim the 'as prepared' rules are misleading<sup>1</sup> (more at <https://consultations.health.gov.au/population-health-and-sport-division/as-prepared-rules-for-the-hsr-system/>). A current review of the Health Star Rating System is to be completed by end 2019.

In parallel of these actions, some major food companies have supported **health education programmes** in particular to promote physical activity among children and adolescents. These initiatives likely contribute to increase brand loyalty and may even increase the consumption of the brand, although there are instances in which firms grant unbranded sponsorship to events and programmes (Sassi, 2010<sub>[5]</sub>).

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<sup>1</sup> This refers to items such as powdered soup, sauce mixes or drink flavourings, which are not intended to be consumed as sold and must be prepared prior to consumption, and which once prepared can reasonably be compared with similar products.

The next paragraphs present three country examples of public-private partnerships in Australia, Canada and Switzerland.

In **Australia**, the **Healthy Food Partnership** is an example of co-design by the Australian Government, the food industry and the public health sector. It does not have a regulatory role. The aims are to cooperatively tackle obesity, encourage healthy eating and empower food manufacturers to make positive changes. There are five working groups established: Reformulation, Food service, Portion size, Communication and education, and Implementation and evaluation (see <http://www.health.gov.au/internet/main/publishing.nsf/content/healthy-food-partnership>). Working groups agree on work plan and monitor their implementation across settings, levels of government, and private enterprise. Evaluations of actions have been published. For instance, in the case of reformulation, the food industry has already made significant progress with a sodium decrease of 1/3 in breakfast cereals and 80% in target breads, processed meats met sodium targets (more at <http://www.health.gov.au/internet/main/publishing.nsf/Content/fhd>).

In **Canada**, the Public Health Agency of Canada (PHAC) launched in 2013 the **Multi-Sectoral Partnerships to Promote Healthy Living and Prevent Chronic Disease**. This initiative seeks innovative solutions to public health challenges by providing the co-investment needed to test and/or scale-up the most promising primary prevention interventions. PHAC continue to seek out, test and implement preventative interventions aimed at addressing common risk factors for chronic disease (e.g. smoking, physical activity, diet...), and to employ various funding arrangements and partnership models, including pay-for-performance models that tie payment to tangible outcomes. A total of nine projects received funding under the CDS in 2015–16, using the multi-sectoral partnerships approach to promote healthy living and prevent chronic disease (more at <https://www.canada.ca/en/public-health/services/funding-opportunities/multi-sectoral-partnerships-promote-healthy-living-prevent-chronic-disease.html> ; Willis et al 2016 available at <http://www.phac-aspc.gc.ca/publicat/hpcdp-pspmc/36-6/assets/pdf/ar-01-eng.pdf> ).

In **Switzerland**, the **Actionsanté** initiative launched in 2009 is conducted under the National Strategy for the Prevention of Non-Communicable Diseases (NCD Strategy) and the Swiss Nutrition Strategy 2017–2024. This initiative aims to facilitate healthy choices for a balanced diet and more physical activity by changing the environment to enhance prevention of non-communicable diseases. In order to achieve these goals, Actionsanté seeks to have business partners involved through voluntary action commitments. It is not based on regulation. The number of diet-related partnerships with food companies increased from 2 in 2009 to 21 in 2017. The 2013-2016 action was on salt reduction and monitoring. The current action (2017-2020) is around reduction of sugar in yogurts and breakfast cereals (reduction to be achieved by end of 2018 and sugar monitoring underway). A baseline evaluation showed that in 2017 yoghurts contain on 17 g of sugar per pot (of 180 g), with a variation of 10 grams to 30.5 grams per pot of yoghurt; these figures help to set targets for the reduction of sugar (accessed on 11 January 2018 at: <https://www.blv.admin.ch/blv/fr/home/lebensmittel-und-ernaehrung/ernaehrung/massnahmen-ernaehrungsstrategie/zuckerreduktion.html>). As an example, Danone engaged in reducing by 2020 the amount of sugar to less than 7 grams per 100 grams for a range of yoghurts (accessed on 11 January 2018 at: <https://www.bag.admin.ch/bag/fr/home/themen/mensch-gesundheit/koerpergewicht-bewegung/actionsante/partner-actionsante/danone/danone-zuckerreduktion-milchfrischprodukte.html>). Evaluation of the action is funded and published by the Swiss Federal Office of Public Health. Involvement of private companies and accountability for their action are motivated by the FOPH-funded evaluation of the action. In other cases where ‘nudge’ interventions are undertaken to promote walking instead of taking public transport, the alleviation of capacity problems (e.g. peak times in metro) is a real motivation for the transport companies.

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