

**EXCISE TAX COLLECTION POLICY ON SUGAR-SWEETENED  
BEVERAGES**



**Tossaporn Nilsin**

**A Dissertation Submitted in Partial  
Fulfillment of the Requirements for the Degree of  
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**School of Public Administration**

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..... Major Advisor  
(Associate Professor Chandra-nuj Mahakanjana, Ph.D.)

The Examining Committee Approved This Dissertation Submitted in Partial  
Fulfillment of the Requirements for the Degree of Doctor of Public Administration.

..... Committee Chairperson  
(Associate Professor Dr. Patcharee Siroros, Ph.D.)

..... Committee  
(Associate Professor Kasemsarn Chotchakornpant, Ph.D.)

..... Committee  
(Associate Professor Chandra-nuj Mahakanjana, Ph.D.)

..... Dean  
(Associate Professor Dr. Boon-Anan Phinaitrup, Ed.D.)

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## ABSTRACT

<b>Title of Dissertation</b>	EXCISE TAX COLLECTION POLICY ON SUGAR-SWEETENED BEVERAGES
<b>Author</b>	Tossaporn Nilasin
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The purpose of this research was to study and analyze the process of agenda setting and the roles of stakeholders in policy making and the process of formulating excise tax collection policy regarding sugar-sweetened beverages (SSBs) in Thailand. Moreover, it aimed to investigate the problems, obstacles, as well as possible solutions to the impacts of the collection of excise tax on SSBs, and then, offer several strategies to drive excise tax collection policy in terms of SSBs in Thailand.

After a documentary research, in-depth interviews, and a focus group discussion to gather data from policy stakeholders, the collected data were analyzed using the qualitative research method, and then the research results were presented using analytical description. The results of the research revealed that there were four key themes that helped to drive the policy. First, this policy was justified and could be implemented for the benefit of the public at large. Secondly, it is a policy that promotes sustainable public health finance in accordance with the government's national reform guidelines. Thirdly, such policy requires the participation of different groups of stakeholders. Fourthly, it is a public policy that arose from rational decisions and is aimed at the best interests of society. The five major contexts that drove policy formulation included social context, economic context, political and governmental context, and cultural context. After investigating the history of the policy, it was found that the development of excise tax collection policy on SSBs in Thailand can be divided into four main eras: the policy formation era; the post-coup era by the National Council for Peace and Order; the policy formulation era; and the three-sector policy network era.

The success of the policy furtherance depended on the problem stream, the policy stream, and the political stream that influenced agenda setting under the roles of stakeholders in policy formulation, policy entrepreneurs, as well as the policy window that occurred in the policy process. In terms of policy formulation, it was found that the

actors that made the policy were the groups of participants that had the power at that time. If the political form of power was in the hands of the elite during that time, they would make policies that would lead to the implementation of what was expected. Nevertheless, due to the complexity of Thai society and different groups interacting with each other for the benefit of their own group, those interest groups were therefore increasingly involved in policy making. Taxation policy was therefore formulated through the coordination of the interests of various groups in society. In addition, the integration of an advocacy coalition in the form of a working group resulted in a policy change that finally led to the enactment of tax measures under the Excise Tax Act 2017 as policy outcomes.

The policy stakeholders found some problems and obstructions regarding the tax collection, and they have provided solutions to these problems. There are seven key strategies leading to the successful implementation of the tax collection: communicating the right message to the public; securing support from the leaders and strong decision-makers; establishing an integrated administrative organization; conducting a regular meeting on problems; providing operational procedures relevant to the tax collection of sugar-sweetened beverages; expanding the tax collection platform to new productions and imports; and a clear policy on inspection, control, supervision, and evaluation.

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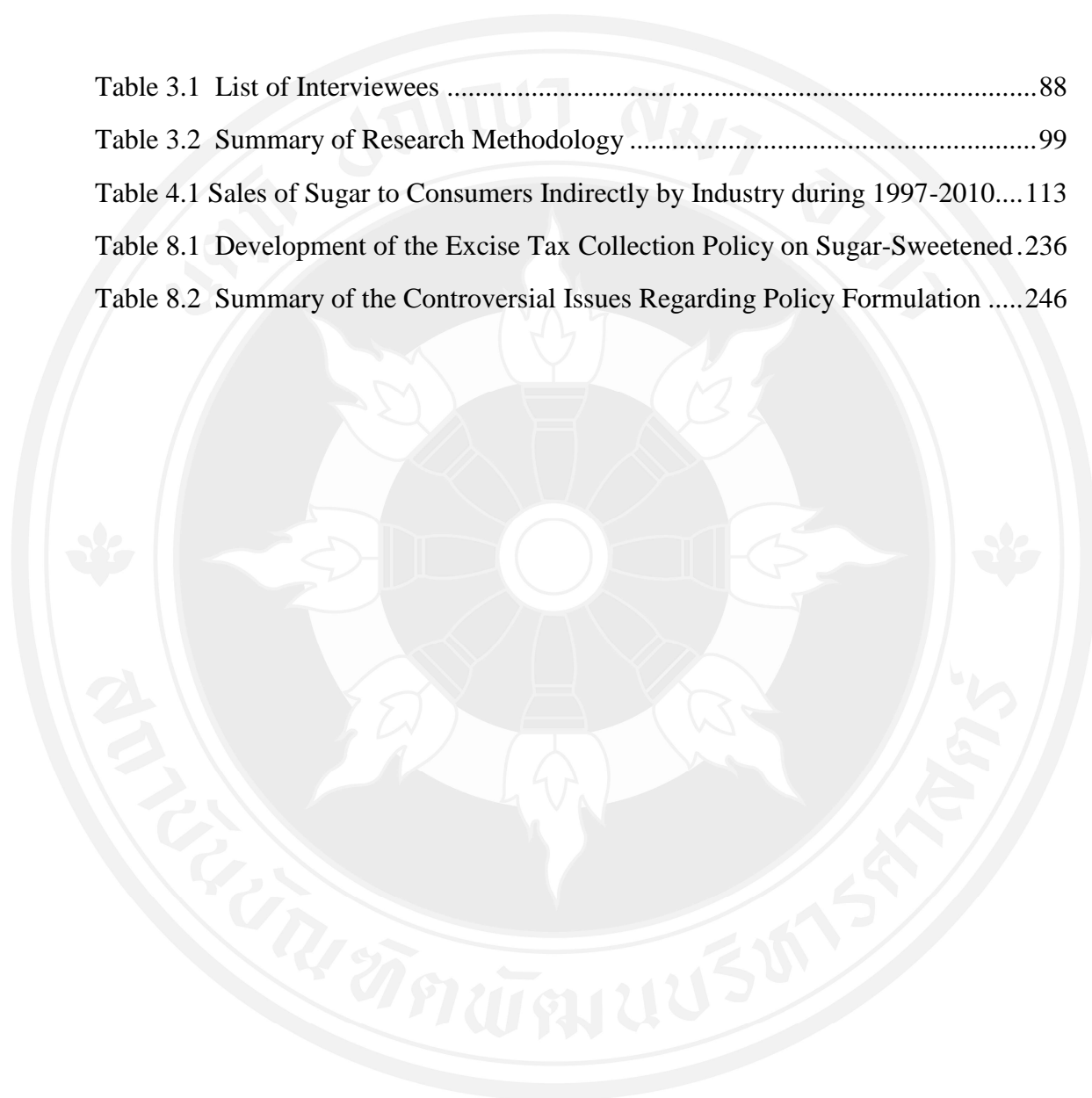


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# CHAPTER 1

## INTRODUCTION

### 1.1 Background

Sugar is an essential ingredient in the production of beverages. Regardless of whether they are large or small industrial operators around the world, sugar is commonly used in manufacturing processes to sell to consumers. However, excessive consumption of sugar can have negative health effects. This is because sugar is one of the main causes of many serious diseases affecting the health of people globally, such as being overweight, obesity, diabetes, and different types of non-communicable diseases (NCDs) caused by the consumption of sugar exceeding the standards. Many countries are now aware of the problem that many sugary drinks with large amounts of sugar are not suitable in terms of nutritional value. They have therefore taken measures to reduce the consumption of sugary drinks, and one of the key measures that many countries today, including Thailand, have taken to address the health problems of the local population is a sugary drink tax.

Although sugar is an essential nutrient because the human body needs it to serve as energy for performing various activities in daily life, it must be at an optimal level of consumption, not exceeding the requirements Cattapha Huttakosol (2019). The World Health Organization (WHO) recommends a limited intake of four to six teaspoons of sugar per day in the general working group and six to eight teaspoons per day in the energy-intensive group (Jaslow, 2014; Office of the Health Promotion Foundation, 2016a; World Health Organization, 2015, p. 16) According to relevant studies, the consumption of sugar-containing beverages is the leading cause of sugar consumption to exceed the standards. In fact, the recommendations from various public health agencies, people should not consume sugar more than 24 grams (six teaspoons) per day. In addition, it was found that Thais drink sugar-sweetened beverages (SSBs), which are not drinking water and milk, 6.8 times more per person. The increase in sugar consumption, coupled with the popularity of sugar-containing

beverages on the part of Thais, has caused many health problems ( Chantana Ungchusak, Boobpha Trirote, & Supawadee Promma, 2004)

In the past, data have been reported as an indicator of the health crisis of the Thai population caused by the consumption of sugar that exceeds the standards continuously. From the data according to the Fourth National Health Examination Survey 2008-2009 conducted by the National Health Examination Survey Office, Health System Research Institute, it was found that a large proportion of Thai people both during childhood (aged 6-14 years) and adulthood consumed sugary drinks every day. This is partly due to the strong commercial promotion of beverage industrial operators that could easily reach to the customers across all regions, thus there was a widespread consumption of beverages among sugar-sweetened beverages. Moreover, the survey found that while the quality control measures and measures to reduce consumption of these products were still not clear, the trend of consumption of sugary drinks was increasing. (National Health Examination Survey Office, 2011, pp. 25-28)

Later, a survey by the Ministry of Public Health (MOPH) in 2015 found that Thais consumed 26 teaspoons of sugar per day. In addition, according to a Thai Health Report in 2016, obesity is the leading cause of morbidity and premature death of the Thai population from NCDs, such as diabetes and high blood pressure. Obese people are two to three times more likely to develop these diseases than normal people. Compared to other Southeast Asian countries, it was found that Thais had the second highest problem with obesity after Malaysia ( Mahidol University, Thai Health Promotion Foundation, & National Health Commission Office, 2014). Furthermore, a report on NCDs indicated that the number of patients with this group of diseases in Thailand, including ischemic heart disease, diabetes, hypertension, and cerebrovascular disease, were likely to increase between 2007 and 2015. These diseases are mainly caused by the consumption of sugar in excess of the body's needs (Bureau of Non-communicable Diseases, 2016).

Before any measures were introduced as a tool to reduce consumption of sugar-sweetened beverages, governments in many countries adopted tax measures to address similar problems with alcohol and tobacco consumption. And such measure later

became an important prototype for non-alcoholic beverages as well. More importantly, the measures are cost-effective, have low operating costs and its scope can be expanded (World Health Organization, World Economic Forum). Experts interested in finding solutions to the problem therefore had the idea of taxing foods high in sugar to address obesity and NCDs. The results of the introduction of tax measures to reduce sugar consumption were consistent in many countries. It was confirmed that food taxation that has a negative effect on the health of consumers will lead to a decrease in consumption behavior, which is expected to result in a reduction in the incidence of such diseases as well. The most likely method for taxing food is to tax sugary beverages because there are sufficient nutritional reasons for creating clear and easy guidelines for collecting a tax on sugar. Until now, many countries have imposed a tax on sugary drinks, such as Finland, France, Fiji, Mexico, French Polynesia, Guatemala, Hungary, Norway, and some US states. Nevertheless, despite studies confirming that the taxation of sugary drinks has resulted in a reduction in the consumption of such beverages and has been applied in many countries, it is also a controversial issue in many countries between advocacy groups and interest groups that oppose the policy. Advocacy groups such as medical authorities in many countries and WHO are actively promoting this type of taxation. In this regard, they argue that in order to prevent and solve the problem of consuming beverages that are harmful to health and to avoid the expansion of the costs of the economy being wasted on solving the disease problems caused by consuming too much sugar. At the same time, many of the world's major industrial operators continued to protest. They argue that there is no conclusive evidence that sugar-sweetened beverage taxation policies will achieve their effectiveness; moreover, it is not just sugary beverages that can cause those various diseases. It is also argued that such a tax policy would increase the production costs of the beverage industry. Consequently, this would affect employment and the sales of sugary beverages in many countries. Industrial operators themselves have conducted research studies to support their arguments on various issues as well.

Public policy generally takes place in a democratic society where the role of the actors with an interest in the policy process is important; therefore, a public policy can occur under the conditions of various political, economic, and social environments. Overall, the public policy component consists of key factors: policy structure, policy

environment, and policy-impacted stakeholders. Policy is a significant tool for the public sector to lead in solving problems and in making changes in a way that benefits the people. Usually, public policy goes through a political process that is considered a medium for the distribution of interests arising from bargaining or compromise between interest groups. Therefore, the process of making policy decisions in the political system is important for policy formulation. Upon entering the process of implementing the policy in accordance with the government's direction, there will be some changes in society which will have both positive and negative effects on society. As a result, the process of making policy decisions in the political system is essential for policy formulation.

In Thailand, one of the key policies of Thailand's reform from 2014 to 2017 was the tax system reform through a complete tax restructuring of the excise tax system. Such reform is a combination of the Excise Department's seven laws, and the outcome of the reform was the Excise Tax Act, B.E. 2560 (2017), which came into effect on 16 September 2017. This marked the beginning of the introduction of tax measures to levy excise taxes on beverages containing sugar exceeding the standards in the form of a specific tax or sweetness tax. The goal of the tax is to reduce the consumption of such beverages, which is the main cause of obesity and various NCDs. Thailand was one of the first countries in Asia to collect tax on sugar content. Nonetheless, it has taken a total of 10 years to push the policy. Further, the implementation of tax measures has required the cooperation of many sectors, both from government organizations and other non-governmental organizations.

Tax measures provide alternative criteria for the categories of products that are subject to tax. As a result, if the Thai industrial operators or the importers do not want to be taxed, they must produce or import products that meet the specified requirements; beverages for example must contain no more than 6 grams of sugar per 100 milliliters. The Ministry of Finance (MOF) has assigned the Excise Department to collect tax on sugar content for various beverages, with the Excise Tax Act B.E. 2560 (2017) as the main law for the administration of the tax collection. This tax measure will not only allow the government to collect more income. One of the main objectives is that it will contribute to the reduction of the consumption of sugary beverages that exceed the standards. This will consequently reduce the cost of government welfare in caring for



patients suffering from such sugar consumption. Yet, currently the administration of excise tax does not cover some beverages or various types of confectionery and food products with sugar content exceeding the specified standards because this measure is only applied only certain non-alcoholic beverages. In terms of government policy alternative decisions by taxing to reduce the sugar consumption of only certain beverages is one of the major weaknesses of the policy that industrial operators have attacked, stating that taxation on certain beverages is discriminatory, causing injustice, while people can still consume food that exceeds the standards of sugar normally. However, those food producers will not be impacted by implementing this tax measure because the tax does not cover their products ("Sugary Drink Tax Is Objected," 2016). This excise tax reform has raised awareness and concerns over a wide range of issues for the broader industrial sector, as the approaches to tax administration have been modified, which have subsequent impacts in many dimensions such as business plan, investment, product formula adjustments, and how to calculate new tax rates. It also creates doubts and worries among consumers in the economy about selling prices of products that will have to go up, because manufacturers may eventually pass the tax on consumers anyway.

Considering the stakeholder component during a time when Thailand's political regime had a level of democracy under normally elected governments, the public or private sector as well as civil society can play a large role in policy-making. The policy outcomes tend to meet the needs and benefits of the people as well. Nevertheless, public policy in a democratic society, in addition to being driven and validated by stakeholders from social processes, must also focus on the policy environment. The most obvious example is the taxation policy that would normally not be an appropriate strategy if a democratic government or politician in that regime would adopt it, especially when they want to campaign for electoral votes because the taxation policy may decrease the number of their supporters. Therefore, politicians are less likely to push for legislation that would directly affect them in the eyes of the people and their popular vote-based business groups.

Advocating for a policy required cooperation from multiple sectors, different types of agencies, interest groups that both agree and disagree with policies, and different stakeholder groups that possessed different resources. These groups of actors

had many different needs, and each of them supported the policy formulation in accordance with their intended guidelines and objectives. In order to achieve objectives, both their own and their networks, advocacy coalitions had to deal with negotiations, compromises, and cooperate with central agreements and various common requirements until this policy has been successfully pushed and applied in the era of government administrated by the National Council for Peace and Order (NCPO). Additionally, after the NCPO coup on 22 May 2014, it was a time when Thailand was free of democratically elected politicians or members of the House of Representatives. As a result, the policy could be applied immediately because the NCPO government saw that it would benefit people and society as a whole. Moreover, the ability to create power for negotiation, compromise, and collaboration may weaken or it might not be an important factor anymore because at that time Thailand was in an unusual political situation where the government entirely monopolized political power.

Along the path of promoting the movement of an excise tax collection policy for sugar drinks in Thailand, there were processes for policy-makers to face, such as strong objection, negotiation, persuasion, calls to action, support, use of majority and consensus, etc., from various interest groups or policy stakeholders. This activism, or these social phenomena, occurred because the policies were the result of competition among interest groups, with coherent demand groups. Coherent interest groups cooperate to pressure and demand government in both formal and informal form of coalitions. The movements for advocacy can be one of the main reasons for the success of policy formulation and policy implementation (Sombat Thamrongthanyawong, 2014, p. 208)

Due to the background and importance of the tax collection policy for sugar-sweetened beverages, as well as the nature of such policy formulation by various sectors, agencies, organizations, or relevant actors as mentioned above, it is interesting to study the excise tax collection policy on sugar-sweetened beverages in Thailand. The researcher was particularly interested in discovering the explicit conditions considered as a problem, the variety of suggestions publicly and privately made to resolve the problem, and how policy-makers have the motive and opportunity to turn the demand of public and interest groups to address public health problems negatively impacted by sugar-sweetened beverages consumption into a public policy. Moreover, there should

be an investigation concerning the various roles of the policy network involved in the policy formulation until it became a concrete law under the Excise Tax Act B.E. 2560 (2017), as cited above, which is one of the tax laws in Thailand that was made as a result of a major reform of the tax system. It is also interesting to ascertain the cooperation that has pushed the policy through the policy network, which is a process of participation and has been a model for the mobilization of various sectors. It has been considered good for a case study of the policy process that takes place in a political and social context that has pushed a taxation policy, one of the most difficult for decision-makers to consider.

The researcher aims to determine what has caused the change in excise taxation policy on sugary drinks, how the then issue has entered the policy agenda in consideration of the decision-makers, how it has been announced as a tax measure, how the political context has affected the process of excise tax collection policy for sugar-sweetened beverages in Thailand, and how the political context has affected the policy process. Moreover, it is interesting to investigate the problems, obstacles, and solutions regarding the impacts of the policy amongst the attitudes of policy stakeholders. Then, the research findings will be linked to several effective strategies to drive the policy.

This type of research has never been conducted before, especially in the case of excise tax collection policy for sugary drinks in Thailand. It is expected that the results of this research can provide up-to-date information for those involved in the policy from relevant sectors. Some of the results can be used to suggest appropriate measures for the administration of an excise tax on sugar-sweetened beverages in Thailand, and the direction that should be taken in order to drive and implement such policies successfully and benefit the people and society. It is also expected that there will be some important findings that can be applied to guide other forms of tax policy processes in order to achieve the main objectives of the policy using a correct, reasonable, and fair approach in the context of Thailand. Furthermore, it could be a case study for international taxation policy in the future as well.

## **1.2 Research Objectives**

This dissertation is aimed towards the following four research objectives:

1.2.1 To study and analyze the process of agenda setting and excise tax collection policy for sugar-sweetened beverages in Thailand

1.2.2 To study and analyze the roles of stakeholders in policy formulation and the process of formulating excise tax collection policy for sugar-sweetened beverages in Thailand

1.2.3 To study the problems, obstacles, and solutions regarding the impacts of excise tax collection on sugar-sweetened beverages in Thailand

1.2.4 To propose strategies for advancing policy on the collection of excise tax on sugar-sweetened beverages for Thailand

## **1.3 Research Questions**

1.3.1 What were the reasons for the policy change in excise tax collection policy on sugar-sweetened beverages in Thailand?

1.3.2 How did the issues enter the policy agenda, reach the consideration of decision-makers, and become accomplished as a tax measure?

1.3.3 How did the political context affect the excise tax collection policy process for sugar-sweetened beverages in Thailand?

## **1.4 Expected Benefits from the Research**

1.4.1 This research reveals the state of the problems and the need for the Thai government to implement an excise tax collection policy for sugar-sweetened beverages in Thailand.

1.4.2 This research provides an understanding of how the process of excise tax collection policy for sugar-sweetened beverages in Thailand has been formed, the roles of the actors involved in policy formulation, and the interaction among actors in making the policy.

1.4.3 This research reveals the problems, obstacles, and solutions regarding the impacts of collecting excise taxes on sugary beverages on policy stakeholders' attitudes.

1.4.4 The results of this study can be used to provide appropriate measures for the administration of excise taxation on sugar-sweetened beverages in Thailand, as well as appropriate directions in order to enable the drive and implementation of the policy to be successful in the future.

1.4.5 The results of this study will be used as important information to support policy evaluations and to perceive policy feedback on excise tax collection policy on sugar-sweetened beverages. Furthermore, the results can be applied to guide other forms of taxation policy leading to the success of policy objectives in a correct and fair direction in the context of Thailand, and could possibly be a case study for international taxation policy in the future.

1.4.6 Regarding the theoretical contributions of this research, it is expected that the findings will provide a conclusion to approve or reject other related public policy theories or models by comparing them with the phenomena that occurred throughout the excise tax collection policy on sugar-sweetened beverages in Thailand so that future studies can apply some of the useful results to develop public policy models that are more accurate and appropriate.

## **1.5 Scope of the Study**

This research explores the occurrence of public policy concerning the collection of excise taxes for sugar-sweetened beverages in Thailand, how the process of policy-making was established, and how the actors involved in such policy played a key role in policy-making. This will lead to the disclosure of important information that may be further used for policy assessments and for the analysis of policy repercussions.

In addition, stakeholders' attitudes about the policy process and important strategies for driving the policy have been studied and analyzed. This research was conducted between May 2018 and May 2020 and qualitative research was considered the most suitable method for this research in order to gain an understanding of the concepts, opinions, or experiences of policy actors.

The researcher collected the data using document research, together with in-depth interviews with key informants that were interested in taxation policy, both from the pro-tax side and the anti-tax side. A focus group was also conducted in order to gather stakeholders' policy-related insights. After that, the results of the study were used to propose several appropriate strategies for driving the excise tax collection policy on sugar-sweetened beverages in Thailand.

## 1.6 Key Terms and Definitions

1.6.1 "Excise Tax" is the excise tax levied on goods and services under Excise Tax Act, B.E. 2560 (2017) in Thailand. Non-alcohol beverages are one of the products subjects to excise tax. This is because the government has determined that some types of non-alcoholic beverages are among the items that, if consumed, may have a negative impact on the health of consumers.

1.6.2 "Beverage" means beverage products under Excise Tax Act, B.E. 2560 (2017) consisting of:

1.6.2.1 A material that is ordinarily used as a beverage without mixtures, which does not contain alcohol or contains alcohol by volume not more than 0.5 %, packed in a container and sealed, but that does not include:

- 1) Natural water or natural mineral water;
- 2) Distilled water or filtered water for drinking, without being flavored;
- 3) Beverages produced by a producer specifically for retail sale without containing carbon dioxide and without quality preservation by any chemical device;
- 4) Unsweetened milk or other milk, whether flavored or not, in accordance with the standards prescribed in the law on food;
- 5) Ice-flake beverages;
- 6) Beverages as prescribed in the Notification of the Minister;

1.6.2.2 A specific concentrate for producing ready-to-drink beverages for selling to consumers at retail points

1.6.3 "Interest group" means any group involved in the excise tax collection policy on sugar-sweetened beverages in Thailand. The group normally wants their own

interests, or wants to expand the interests that already exist widely, or desire to find a guarantee for their interests, or want to have their own contribution to increase even more. An interest group can take the form of a group of people voluntarily gathered to protect a particular interest. As a result, their major objective is to make and push the excise tax collection policy on sugar-sweetened beverages in the direction in which they want. In this sense, interest groups can have different names, such as pressure groups, political power groups, power groups, etc.

1.6.4 “Agenda setting” means pushing issues or problems that government officials or people recognize and pay attention to until they become public issues, and then this leads to policy formulation (Kingdon, 2003, p. 4), such as the policy of collecting excise tax on sugar-sweetened beverages.

1.6.5 "Policy formulation" means a step in the policy process that involves deciding on a particular policy issue to be identified and considered as a law or policy (Anderson, 2006, p. 87), including Excise Tax Act, B.E. 2560 (2017).

1.6.6 “Problem stream” refers to the stream that focuses on the interests of the people or of the policy-makers on a specific social issue or a particular problem (Kingdon, 2003, p. 188).

1.6.7 “Policy stream” refers to the stream that deals with the elaboration of decision-making options, the development of the plan, proposals that relate to the problem as well as the development of solution options (Kingdon, 2003, p. 188).

1.6.8 “Political stream” refers to the stream that deals with the interaction of important interest groups in society in order to achieve the intended benefit and government movements, such as such as changes in government, legislative turnover, and fluctuations in public opinion (Kingdon, 2003, p. 188).

1.6.9 "Policy entrepreneur" refers to a person who takes advantage of opportunities to influence policy outcomes in order to increase his or her self-interest, and is directly or indirectly involved in policy agendas, where policy advocates are the key variables to open policy windows that affect the decision-making agenda (decision agenda) of the management. Policy entrepreneurs also include those that are responsible for driving the process of the policy agenda for each stream according to the theory of multiple streams. They raise the issues that they consider to be important to become

government policy agenda; moreover, they also serve to initiate and develop new policy alternatives, as well as act as a coordinator among other relevant groups of advocates.

1.6.10 “Policy window” or “window of opportunity” means the opportunity to make the moment adequate for policy change. Such opportunity is a set of circumstances that makes it possible for advocates to drive a proposal or a solution to a problem, or an occasion to drive consideration of a specific problem that policy advocates pay attention to (Kingdon, 2003, p. 165).

1.6.11 “Advocacy coalition” is a group that shares and integrates policy beliefs on a regular basis, in association and in contact with others to produce a policy based on the Advocacy Coalition Framework (ACF) model of Paul A. Sabatier (Sabatier & Weible, 2007). The advocacy coalition is involved in the policy process that will lead to making decisions or policy change. The formation and success of any public policy therefore depends on several factors, such as resources, knowledge, competence, tactical expertise, policy issues, and policy processes.



## CHAPTER 2

### CONCEPTS, THEORIES, AND RELEVANT STUDIES

In the study, "Excise Tax Collection Policy on Sugar-Sweetened Beverages," the researcher investigated documents and related research as a guideline for conducting this research as follows.

#### 2.1 Process and Framework for Public Policy Studies

Peter Deleon indicates in "The Stages Approach to Policy Process: What has it done? Where is it going?" a study guideline regarding the stages approach to the policy process (Sabatier, 2007, pp. 19-34). It pointed out that Harold D. Lasswell was the first scholar to link the new method (policy science) with government and its characteristics. The decision-making process is defined in seven steps: (Lasswell & Kaplan, 1970, pp. 19-34; Sabatier, 2007) 1) search for data sources and data collection phase (intelligence); 2) certification and support for policy-making (promotion); 3) operational and policy-making stages (prescription); 4) policy formulation to comply with the environment (invocation); 5) the policy application step (application); 6) the policy termination procedure (termination); and 7) the policy evaluation phase (appraisal).

Dye (2005) defines the public policy process as a political activity that can be summarized according to five major stages: 1) problem identification is a process that expresses the needs of government action; 2) agenda setting is the process where an agenda is organized to allow for wide discussion and to make proposals for problem solutions; 3) policy formulation is the process of selecting proposals to strengthen political support and promulgating policies to resolve issues and ameliorate problems; 4) policy implementation means the implementation of the policy, which involves converting the policy into practice, achieving results that effectively meet the desired goals; and 5) policy evaluation is the stage of studying programs, reporting the results of those programs, assessing the impact of policies on society both related to the target

group and the non-target group as well as suggesting further changes and improvements.

In addition, Bullock, Anderson, and Brady (1983, pp. 4-9) defined five steps of the policy process: 1) problem formulation; 2) policy agenda; 3) policy formulation and adoption; 4) policy implementation; and 5) policy evaluation. Likewise, Theodoulou (1995, p. 87) has divided the policy process into six steps: 1) problem recognition and issue identification 2) agenda setting 3) policy formulation, 4) policy adoption, 5) policy implementation, and 6) policy analysis and evaluation. On the other hand, Sompit Suksaen (2008) stated that there are three main steps in the public policy process, including policy formation, policy formulation, and policy adoption.

When considering particularly the sub-parts of the public policy process as compiled by Sanya Khenaphum (2016, pp. 17-19), public policy formulation involves politics, economy, society and administration, as well as applying academic techniques as a strategy to decide what is best or what creates social satisfaction. The process of creating public policy covers problem identification, gathering information about the problem, analyzing problems, selecting problem-solving alternatives, proposing policy drafting, and the approval of the announcement as a policy. Therefore, the process can be separated into 13 steps as follows:

- 1) Problem identification

Problem identification is the first step in an analytical study to determine the correct problem and to study the related values in line with the problem in order to determine a policy approach that is realistically appropriate by the key sub-activities of that policy formation phase. First, the starting point and the problems of the policy have to be recognized because policy-makers tend to analyze policy formulation considering the key elements of the problem, including the following: 1) the importance of the problem from the beginning of the policy problem to the final stage of the problem; 2) the structural nature of the problem, whether there is a definite structure or not; and 3) the consideration of people or organizations that are involved in proposing problems or initiating policy formation, which may contain government organization administration or cabinet legislative branch and interest groups, etc.

## 2) Gathering information about the problem

Once the problem is identified, the person doing the analysis will need to collect information about the problem on different issues, such as the timing of the problem, considering whether the problem occurs during certain seasons or throughout the year, how severe the condition of the problem is, the nature of the problem, the people affected by the problem, organizations that have been involved in solving problems, and recognition of the existence of problems among the public. Additionally, data collection will come from both primary and secondary sources. However, the accuracy and reliability of the information must be taken into account.

## 3) Problem analysis

The analysis of public problems is often not an independent but is interrelated nature. Those studying the policy process are required to perform problem analysis to find the cause of the problem and its effects as well as priority. Therefore, problem analysis is important to be used as a guideline for decision-making on the issue to be adopted as a policy.

## 4) Goal setting

Once problems are clearly understood, the policy-maker can set policy goals. The goals can be both short-term and long-term, and may be targets at many levels. More importantly, a decent goal has to be appropriate for solving problems, and then be able to be accomplished. Some techniques that can be used as a targeting aid include brainstorming and team building.

## 5) Determining the scope and framework of the policy

Those involved in policy-making must also take this step into account, as every policy often has a greater or lesser degree of limitations. Policy-makers have to consider suitability in accordance with the authority and capabilities of the agency, as well as the availability of resources that can be mobilized to be used in practice.

## 6) Study of restrictions related to the policy

Public policy is often limited to a greater or lesser extent depending on different situations. Generally, policy limitations can occur in different forms, such as data limitations, limitations on conflicts of interest from the policy, limitations of awareness and acceptance of the policy, as well as environmental limitations of the policy, etc.

#### 7) Policy alternative design

An alternative design uses the knowledge and experience of policy-makers, along with the data collected and the analysis of various factors to determine whether the choice (alternative) can solve the problem. In other words, in order to design appropriate policy alternatives, the policy-makers have to examine what options can be followed and achieve the objectives set. At this stage, all possible options must be collected.

#### 8) Alternative analysis

Alternative analysis is to use all of the available options to study the factors involved in each option individually. This step requires five important elements of policy analysis: the objectives, the alternatives, the impacts, the criteria, and the model, as described by Quade (1982 as cited in Sanya Kenapoom, 2016, p. 117).

#### 9) Alternative comparison

This step compares the results of the analysis of alternatives from the policy alternative design process in order to make the best choice. When considering options, policy-makers can decide on an option that has advantages over other alternatives, so it is a viable choice taken as a guideline for formulating a policy in the direction of that choice.

#### 10) Alternative test

After policy-makers choose a policy, there will be a review of the whole process again in order to ensure that the information used for analyzing is appropriate both in principle and reason, and that the quality and quantity of information are sufficient and accurate. Correspondingly, it is necessary to examine the relationship between the methods used in the analytical techniques, as their applications must be truly systematic and consistent.

#### 11) Policy formulation

Once policy-makers decide on an option that they deem appropriate, that option will be used to define the policy. A draft policy consists of principles and reasons, policy targets and objectives, guidelines and measures, methods of operation, clearly identifying the responsible persons to carry out the measures, and then, preparing documents for submission to decision-makers for approval and announcements as policies.

### 12) Recommendation of strategies for policy implementation

This step is to suggest what format of action should be used in order to best suit the real situation so that policy decision-makers can consider and define as guidelines for implementing the policy.

### 13) Policy Adoption

In the process of making decisions, approving and declaring policies, there are sub-activities that must be performed as follows. 1) The public policy-making authority must make decisions to select the most appropriate policy options, with the results of the activities undertaken at this stage in written laws such as ministerial regulations, acts, department announcements, and regulations and orders. 2) A political voice must be created because that policy must receive a majority of support in the parliament through persuasive efforts to gain support. In addition, there must also be a voice of support from various groups such as the people, NGOs, academics, and the mass media. 3) Public policy has been adopted where it is necessary to follow the strategies with which the policy is implemented successfully and to consider the political possibilities. The format of public policy declaration depends on the content and importance of that policy.

Walt and Gilson's conceptual framework for the study and analysis of policy processes consists of four key elements to describe the policy itself and the public policy process: (Walt & Gilson, 1994).

1) Context - the critical state that explains why the policy is formulated or why this policy needs to be implemented

2) Content - the main theme of the policy or what the policy is mainly about

3) Actors - the people who participate in and influence formulation and implementation of the policy

4) Policy Process - procedures that describe how a policy is brought forward and implemented

From the example of the scholars' concepts above, it can be concluded that the public policy process can be divided into five main stages: policy formation, policy formulation, policy decision, policy implementation, and policy evaluation. Context,

content, actors, and the policy process are the four key elements that will be used here to analyze the excise tax collection policy on sugar-sweetened beverages (SSBs).

## **2.2 Theories of Policy Agenda Setting and Policy Formulation**

Agenda setting and formulation are the first two stages of public policy. The first stage is to put the public problem on the agenda and to try to find solutions to solve it. The purpose of the agenda setting stage is to identify the problem and why it should be resolved. The second step is policy formulation, which is the development of effective and suitable courses of action for arranging what has been placed on the policy agenda. In this section, the researcher has reviewed the documents related to theory, policy agenda setting, and policy formulation as follows.

### **2.2.1 Policy Agenda Setting**

Policy agenda setting theory in the present study describes how the excise tax collection policy on sugar-sweetened beverages can be entered into the policy agenda. It generates an understanding of the factors contributing to the health problem of the Thai population from the consumption of sugar-containing beverages above the health standard until the issue received the attention of the government and public awareness and then became a policy agenda. The meaning, study guidelines, the model used for analysis in this research, as well as the adjustment to the model to be consistent with the study in particular in the Thai context are as follows.

In the process of public policy, Kingdon defines a "policy agenda" as a list of the issues or issues that government agencies and third parties involved in that policy are taken seriously at a given time (Kingdon, 2003, p. 3). The policy agenda is divided into two types: the first type is the governmental agenda, which refers to a set of topics or issues that are of interest to the government. The second category is the decision agenda, which refers to a set of topics or issues within a governmental agenda that is considered to remain in the active decision process (Kingdon, 2003, pp. 556-559). In general, there are two factors that affect the formation of an issue or the agenda setting and the identification of alternatives: "active participants" and "the processes of agenda setting and alternative specification (Kingdon, 2003, pp. 566-567).

Various problems will enter the policy agenda, and there must be a policy agenda creator, such as interest groups, academics, NGOs, and public health personnel and regular civil servants. These policy stakeholders can play a role in making conclusions from different areas that play a role in shaping the policy agenda, leading to the process of setting up an institution for solving problems.

The entry into the policy agenda of the problem must consist of a triggering mechanism, a driver, or a stream, with two policy stimulators: external and internal factors. Examples of external factors include economic conditions, international relations, and international organizations, while examples of internal factors are the prime minister, the cabinet, the minister, government change, government influence, and the attention of experts. The nature of the problem that will be given priority by governments is due to the interaction among the scope, namely the number of affected people, the critical level of the problem, the public awareness of the problem, and the amount of time that the problem will be in the public interest (Gerston, 2010, pp. 22-49).

According to Kingdon's multiple streams framework (MSF), this theory describes policy agenda setting as part of the policy cycle, and policy agendas arise from streams. The public policy agenda that will be given attention to or be selected as a policy is due to a meeting or confluence of three streams: the "problem stream," the "policy stream," and the "political stream." The meaning of these three streams is as follows (Kingdon, 2003, pp. 90-164).

#### 1) Problem stream

A problem is the condition in which a situation is accepted by a decision-maker as a problem or that needs to be changed. The mechanisms that focus the attention of decision-makers have three components: 1) indicators are measures of change in problem conditions. If the system has a mechanism to effectively report these indicators, it will be able to arouse the interest of decision-makers. 2) Another mechanism is focusing on events, crises, and powerful symbols that make the problem more interesting. It may be an important event that has been pushed forward to become more visible or it could come from the direct experience of the decision-makers themselves. For example, the rate of morbidity, obesity, and mortality from NCDs, which tends to increase annually, has made these public health problems in Thailand

attract attention from the government. 3) Feedback refers to a reflection of an action to identify flaws that would prevent an operation from achieving its objectives or to point out unexpected consequences (Kingdon, 2003, pp. 90-113).

The problem stream represents problems and refers to the process of persuading policy-makers to prioritize each problem (Rochefort & Cobb, 1994). Usually, getting into a policy agenda means that policy-makers will encounter many problems; nevertheless, only a few can gain approval to enter a public policy agenda. Those issues arising in the policy agenda must be identified as very important and should be addressed (Kingdon, 2003; Rochefort & Cobb, 1994). Further, since problem formulation is highly politically relevant, the issue must become a policy agenda in order to enter policymaking; thus, the likelihood that a policy proposal will be considered to be placed into a policy agenda is quite unlikely. This limit will have little impact if policy-makers recognize the issue as an urgent concern.

## 2) Policy stream

This stream is about organizing a decision agenda or specifying the options used in making decisions before implementing a policy, such as enacting laws or regulations to resolve problems, having technology to support problem solving, public acceptance of solutions, etc. (Kingdon, 2003, p. 188).

As described by Kingdon (2003), a policy stream is like a policy primeval soup; that is, at some point, many ideas settle in the bottom of the pot and wait for support to “soften” the soup. Those ideas are proposed by one actor and are then reconsidered and modified by a large number of participants (who may have to be “softened up” to new ideas). The support to accelerate such a reaction can come from a broad range of ideas, recommendations, or policies by experts in the policy community who are interested in the same policy. In addition, policy actors may come from both internal and external agencies outside the government, such as academics, scientists, government agencies, permanent officials and interest groups, etc., depending on how dense the policy entrepreneurs whirl around in the “policy primeval soup” (Kingdon, 2003, p. 116). Policy proposals and policy descriptions are presented, evaluated, analyzed, and critically reviewed through various forums, but only some ideas or proposals can pass these steps because some may be cut off or merged with others. Although there are many revolving policy ideas in the system, only a small



percentage of them will be taken into account. Whether policy ideas are adopted or not, three factors have to be taken into consideration: technical feasibility, value acceptability, and resource adequacy.

### 3) Political stream

In the political stream, the problem is shared among policy communities that are composed of specialists in the area. The specialists in the policy community generate proposals, redraft and debate them, and then the proposals are selected and considered seriously. The ideas from these specialists will flow like molecules and collide and those ideas that are more powerful are carried forward in the movement by setting the policy agenda. Nonetheless, during this movement, there will be collaboration among the policy actors, which is considered of paramount importance to reach the aimed target (Kingdon, 2003).

The political stream encompasses a variety of factors that influence government public affairs, including national moods, elections, and changes in administrative systems, and organized political forces, which Kingdon refers to as the pressure of a political group, voices of support or tactics in the campaign of both supporters and opposition groups. Each of these elements may act as a catalyst or may be a limitation affecting the success of a proposed idea of whether or not it will be taken seriously (Kingdon, 2003).

In the Kingdon model, the streams are independent; hence, if the three streams do not converge, the identified problems will not be directed to the policy agenda and decision-making or policy change will not also occur. For example, if there are policy proposals, but society or decision-makers do not see it as a problem, no decision or policy change will take place. On the other hand, whenever there is a convergence of all three streams, policy decisions and policy change will be made. Therefore, one of the most important things is the policy window, or the opportunity for advocates to push decision-makers and the public to be aware of their issues and policy proposals, as well as to have sufficient political support (or pressure) leading to decisions in the desired direction.

The connection between streams usually occurs in two ways: 1) starting from the problem stream to another stream, which means starting from problem to solution; and 2) starting from the political stream, which always has an answer in mind;

thus, it is necessary to wait for the moment to allow the decision-makers or society seriously become aware of the issue. Nevertheless, as policy windows often open and close very quickly, resulting in limited time syncing of the three streams, there is a need for policy entrepreneurs to coordinate those streams, as shown in Figure 2.1.

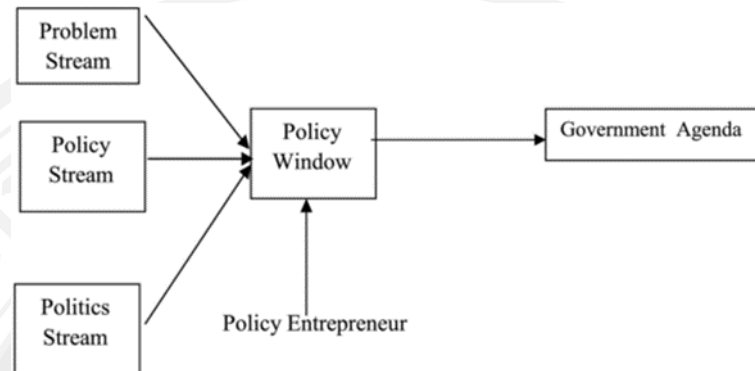


Figure 2.1 Policy Entrepreneur and the Convergence of Three Streams

Source: Le Bodo, Etiléc, Gagnon, and Wals (2019); Zahariadis (2007).

Policy entrepreneurs are directly or indirectly involved in the policy agenda because they are the key variables for opening the policy window and reaching the decision agenda. Policy entrepreneurs also include those that are also responsible for driving the process into the policy agenda for each stream. They raise the issues they consider important to become government policy agenda, and also serve to initiate and develop new policy alternatives, as well as act as a manager among the advocacy coalitions. In addition, policy entrepreneurs can come from different groups of organizations, and those such groups are well-prepared for investment in ideas, time and budget. All groups expect to gain benefits when policies are driven and implemented in the future (Kingdon, 2003, pp. 68-70).

### 2.2.2 Policy Formulation

When policy problems enter the government's agenda, the next policy process is policy formulation, which is the process that shows the background of the policy, the actors that set the policy, the actors that make the policy, the power of each interest

group at that time, and the political regime and government during that time. In terms of power, if it is a model where power is in the hands of the elites, then the elites are the policy-makers that lead the implementation regarding what is expected. In such situations, the “elite model” should be used for analysis. However, due to the complexity of society and a wide variety of groups interacting with each other in the interests of their own groups, these interest groups may be increasingly involved in policy-making. The policy that was established was due to the coordination between the different groups in society. In this situation, the “group equilibrium model” should be used for analysis. The elite model and the group equilibrium model in the study of excise tax collection policy for sugar-sweetened beverages in Thailand are as follows.

#### Elite Model

##### 2.2.2.1 Elite Model

The elite model explains that public policy is formulated with reference to the values of the elites. Normally, the elites set policies according to their own needs rather than public demands because most people are not interested in political activities, are not very aware of policy, and government officials are only responsible for the mechanisms for implementing the policies that the group of elites need to achieve success. Therefore, the direction of policy-making is a vertical direction from the ruling class to the people. In this case, a public policy is not derived directly from the will of the people (Anderson, 2006, pp. 29-31).

The basic idea of the elite model is the nature of society, made up of small groups called the elites, which are the groups that dominate decision-making. Thus, policy-making is not the duty of the people, but of the leader. Although the leadership and power fundamentals may change over time in different societies, society still needs a group of elites to govern them. Moreover, while elites still remain in power, they will endeavor to maintain their power through the use of resources that are legitimate in their positions to continue their position of power (Henry, 1992, p. 295)

In this model, leaders are essential elements that are indispensable because political, economic and social decisions are made by the elite, a small number of powerful people. In contrast, people in other sectors are the vast majority of people who often do not have the power to take part in decisions to allocate resources to society. The characteristics of the elites depend on organizational factors, structure, and

personal personality. The power of the elites is due to the fact that most people are unable to form a group into an organization, whereas the minority can find the “right point” in their organization. However, in society, in addition to having a supreme leader, there are also the sub-elites, which are the civil servants, a class that is also important because it is a class that directly communicates with the people. Consequently, policy decisions and formulations at different levels will be made by the power of the elites, because the elites control the main organization and occupy the resources of the society, which is the base and source of power. In addition, the elites in each party will have a network of relations with each other because society is under organizational domination. Political and bureaucratic elites therefore have power over society and are able to easily use them to structure and influence public policy by virtue of the power that exists in society and the network of relations among the elites (Lester & Stewart, 2000, pp. 55-56; Marger, 1981, pp. 66-69; Vincent, 1995, p. 48).

The elite model describes that public policy does not reflect the needs of the people as much as the interests and values of the ruling class. Changes in public policy will be more gradual than radical ones, and public policy responsibility will be based on the elites because people lack interest in participation. This model has hypotheses which can be summarized as follows (Dye, 2005, pp. 23-24).

- 1) Only a handful of people have political power, which is a minority, while most people do not have such power. The small minority of those in power will make public policy decisions.
- 2) Minority groups are the leaders of the country, which are made up of high social and economic classes.
- 3) The movement of non-elites to elite positions is slow and continuous to stabilize and prevent revolution. The people who want to be admitted to governing circles must have the consistent attitude with the basic elite consensus.
- 4) Members of the elites often embrace the fundamental values of a common social system and work together to maintain it.
- 5) Public policy does not reflect the needs of the people, but it reflects the values and interests of leaders. Therefore, it makes the change in public policy more gradual rather than revolutionary.

6) Elites have a high political role and are less directly influenced by the people sector, which has no role or interest in politics. Hence, elites have more influence on people than people have on elite groups.

Although, the strengths of the elite model reflect the reality of a democratic society, at the same time this model neglects the importance of participation in other groups in the policy-making processes that act as key policy actors, such as government officials, technocrats, and private companies and people, as shown in Figure 2.2.

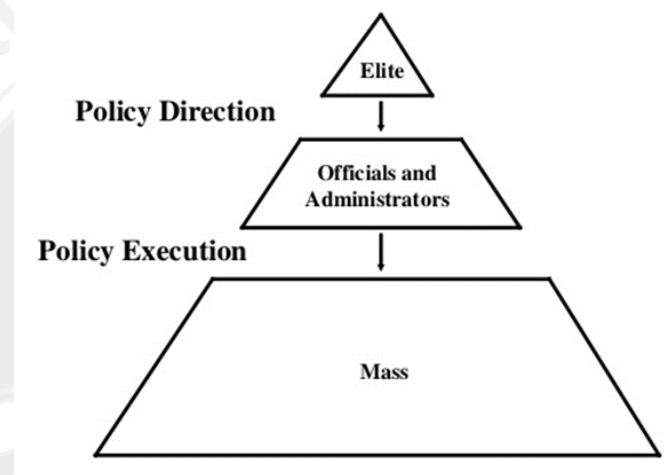


Figure 2.2 Elite Model

Source: Dye (2005, p. 26)

#### 2.2.2.2 Group Equilibrium Model

The study of the process of making public policy has different focuses, depending on which aspect of the study is the primary focus, so it is presented as a guideline and model to understand the phenomenon that under study (Anderson, 2006).

There are several models used in the study of public policy to help analysts understand the political factors involved in making public policy. It is thought that in a pluralist society, policy is an equilibrium arising from the conflict of interest groups by considering politics as a matter of influence among different groups as a struggle to influence state policy. The duty of the political system is therefore to formulate policies to deal with conflicts among those groups. This can be done by:

1) setting rules for competition among groups: 2) compromising and balancing interests” 3) displaying compromise in the form of public policy: and 4) enforcing such policy.

Public policy is a balance among the groups in society. The most influential groups have an advantage because public policy is more inclined to the demands of the group. The level of influence of interest groups and the number of groups depend on the group size, the number of members, wealth, organizational strength, leadership, proximity to policy-making authority, and group unity. Moreover, any change in the composition of the group also affects changes in public policy.

Policy-makers in this model are more concerned with the legislative institution than the bureaucracy. The last authority to formulate policy will be watched and considered as responding to the pressures of interest groups involved or affected by the policy. Additionally, the main methods of pressure are bargaining and compromise among the different needs of the different interest groups. If policy-makers cannot distinguish policies that benefit society from those beneficial to the interest groups involved in the policy, they will consider that any policy beneficial to the group will also benefit the nation (Kahlmeier, 1969, p. 45).

In summary, the important concepts of the group equilibrium model are as follows:

- 1) Public policy is the result of the balance of the “fight” among groups.
- 2) Equilibrium arises from the influence among interest groups that compromise on policy-making.
- 3) A change in the influence of interest groups can cause changes in the relevant public policy.
- 4) Policies will be redirected to more influential interest groups while less influential ones will lose.
- 5) Public policy is an equilibrium that arises from an agreement among groups that “fight” at a particular point in time.
- 6) The fight among groups will have the executive and legislative organizations act as judges in the competition, setting the terms of both the loser and the winner in the form of laws and cabinet resolutions.

7) The factors affecting group influence include the number of group memberships, group security, organizational strength, group leadership, and opportunities to access decision-makers.

The highlight of this model is that it reflects the real world of democratic governance in which various groups of society and political systems try to gain influence over public policy. Each group seeks to strengthen its power so that public policy is in the best interest of its group. However, this model has a significant weakness. Whenever public policy is viewed as a result of the bargaining of various interest groups, it will ignore the importance of the authority to choose the policy. In reality, oftentimes, governments may make policy decisions perhaps not as a result of the negotiations of various groups in society.

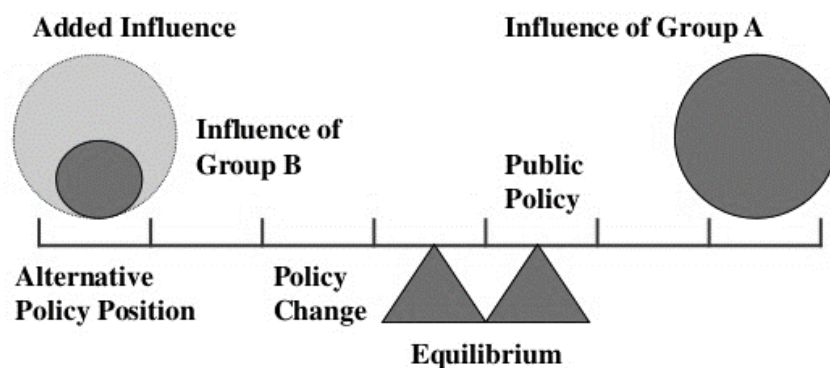


Figure 2.3 Group Equilibrium Model

Source: Henny (1992, p. 289)

### 2.3 Advocacy Coalition Framework: ACF

Public policy formulation or policy change can happen at any time, as actors or policy participants try to use their resources to change the mindsets and beliefs of public policy-makers. The framework emphasizes the interplay and push of groups competing to formulate public policy. The advocacy coalition framework (ACF) is a collaborative policy framework that focuses on the collaboration of policy advocates made up of actors from various organizations sharing a set of policy beliefs. The policy change is competed both within the subsystem and among the activities outside the subsystem.

Advocacy coalition processes include 1) developing and using information to influence decision-makers; 2) taking a role in managing policy alternatives in the decision-making process (decision-making forums); and 3) supporting officials or political authorities that share belief systems with the group. Coalitions are formed by coherent beliefs and perspectives. This is due to the closeness of the advocacy movement for common policy issues together (Sabatier & Weible, 2007, pp. 191-192). Policy change arises from the following. 1) The policy coalition participates in the advocacy and negotiation process. This is generally done through a policy broker. 2) There are changes or interventions by external factors (external perturbation) such as economic conditions, social conditions, resource migration, and changes in the perception of policy problems. 3) Systems of thinking and beliefs are changed due to the process of learning, and trial and error during policy participation and results in a change in the thinking system or it may be due to the perception of new information. The ACF focuses on the role of information and the learning process. Therefore, the policy process is a continuous and iterative process rather than a one-directional (unidirectional) process, and then it will be ended. Any policy change is more likely to occur as a result of a change in the mindsets and beliefs of the key actors within the system rather than by the entry of new actors with different beliefs.

The phenomena in policy formulation and policy changes caused by a relatively stable external system rarely change within a decade, and external (system) events, such as changes in socio-economic conditions, changes in public opinion, changes in the systemic governing coalition, and policy decisions and impacts from other subsystems, as explained in Figure 2.4.



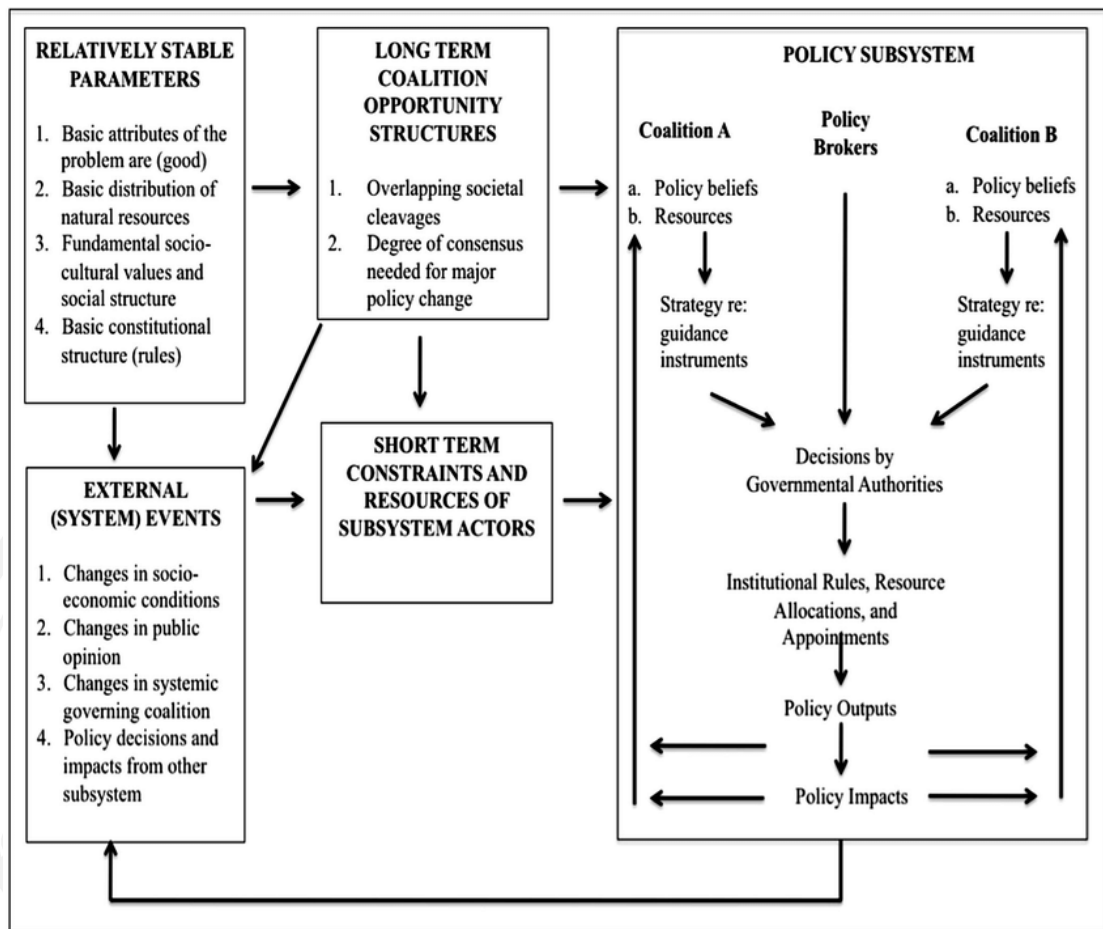


Figure 2.4 Advocacy Coalition Framework

Source: Sabatier and Weible (2007, p. 191)

Using the ACF to analyze the process for advancing the taxation of sugary beverages and food in Thailand, it is important to focus on the role of interest and pressure groups in the policy process. Coalitions with similar thoughts and beliefs interact in the subsystem to drive their own group policy. In addition, each coalition is faced with institutional structures, existing rules of thumb, as well as other dynamic changes in the system by key policy participants in the analysis of the excise tax collection policy for sugar-sweetened beverages. In the context of policy change in Thailand, which could be made up of health network coalitions, regular civil servants, and industrial entrepreneurs and scholars, each group will find allies with similar core beliefs from different sectors to work together in order to achieve the agency's objectives or similar personal purposes. In the policy subsystem, there may be two to

five supporter partners, each providing a useful tool or resource for implementation, sharing beliefs and customs, debating parts of their activities, negotiating, and coordinating the interests and implement strategies of each party. All such activities tend to have a policy broker as a mediator, with each coalition sharing similar core beliefs that build trust and group thinking. Hence, the coalition members rarely change the core beliefs of the policy; nevertheless, changes within the subgroup may occur due to external factors (Sabatier & Weible, 2007, pp. 196-198).

Waranyoo Senasu (2016, pp. 28-29) analyzed and compared the application of the advocacy coalition framework with the multiple streams framework as follows:

1) Comparison of the roles of the advocates

The AFC is interested in the role of policy brokers as a coalition of shared beliefs and advocacy efforts. In this respect, the advocacy coalition is an alliance that agrees to the need for a policy to collect excise taxes on sugar-sweetened beverages. On the other hand, the MSF is more interested in the role of a policy advocate as a “policy seller” (policy entrepreneur) than in the nature of a temporary alliance. In other words, the taxation policy is just one of the products that the policy partner network wants to offer. There are still more issues, ideas, and policies awaiting presentation at the right moment.

2) A comparison of flexibility in explaining political systems

The MSF is more flexible in terms of describing a less democratic regime than the ACF. This is because the ACF is based on democratic politics that allows interest groups with similar beliefs to play a similar competitive role in policy subsystems. This policy framework has a good descriptive format in situations where there is no blocking of opinion, the certainty of political institutions, and the political system has been established for so long. The different steps in the policy process are clear; in addition, there is a set of ideas that have been developed and grown to some degree. Moreover, the MSF is more flexible than the ACF in the sense that the analytical framework relies on broader factors: the problem stream, the policy stream, and the political stream. There are policy entrepreneurs as a group or organization that seeks to integrate the three streams, and facilitate, push, and negotiate channels to create a policy window. The framework is broad enough to apply in both democracies and

authoritarian regimes, not necessarily based on explanations through pressurized groups that may be limited to autocratic movements.

The excise tax collection policy on sugar-sweetened beverages was formed and promoted during a democratic state, and initiated by the health policy networks through the 2<sup>nd</sup> National Health Assembly in 2009 and tried to push for the law to be in force. However, in the end, the law was passed in the days of the NCPO's military dictatorship, through the advocacy of advocates from various sectors on the individual level (or a small group of people involved) rather than a large network or association that fights each other in a democracy. In this respect, the explanation through the close proximity of power between the policy entrepreneur and the decision-maker in the policy process might be considered as a better choice.

#### **2.4 Public Policy and Political Systems**

The ideas of several scholars such as Dye (2005), Sharkansky (1970) and Prewitt and Verba (1983) explained that public policy is an important product of the political process. Whether public policies will be established and implemented for the benefit of the public depends on the form of the administration of the government or the country's political system. In this regard, different political regimes will affect differences in public policy, in terms of goals and values, as well as in terms of the role of the policy-making authority (Sombat Thamrongthanyawong, 2014)

The current political system used by many countries vary from country to country, but in general the main political systems consist of democracy, socialism, communism, absolute monarchy, authoritarian systems, etc. However, if considered by the principles of the governance mentioned and circulated in the current political system of Thailand, it can be classified according to three main systems: 1) an authoritarian system in which policy decisions are based primarily on the consent or personal satisfaction of the rulers or the governments; 2) a bureaucratic political system in which political or public policy processes are governed by military-led bureaucrats as "governmental states"; and 3) a democratic political system that encourages the people to participate in politics with the supreme power of government belonging to the people

by allowing them to play a role or having an influence in policy-making. Each type of political system can be detailed as follows.

#### **2.4.1 Authoritarianism**

Authoritarianism is a political system based on the kind of authoritarian ideology in which rulers can exercise absolute power over any state or group of people in the upholding of the ultimate goal of maintaining their power (Kurian, 2011, p. 103). This type of political system usually disregards people's freedoms, blocks comments that are hostile to leaders, controls the media, monopolizes the exercise of power, and limits scrutiny. Policy decisions are often based on approval and satisfaction or the personal interest of the government, so the goal of public policy is the rulers' privilege, while the public has no role involved in any way. Nevertheless, the government still provides economic and social freedom, with citizens able to freely choose their religious, personal, and business life. Generally, authoritarian leaders seek power and, once empowered, will use such power to coerce and eliminate opponents, political enemies, or other political groups that leaders deem likely to jeopardize their own leadership position. Yet, socio-economic interest groups conducting non-political activities will not be affected or may be affected only slightly.

The authoritarian political system can be a monarchy or a moral aristocracy, aimed at exercising power for the well-being of the people according to Plato and Aristotle. Despite the power of nature in which the rulers have absolute legislative, executive, and judicial powers, but with the virtues that these rulers uphold, it may bring people benefits and happiness (Ebenstein, 1960).

Kasian Techapira (2004) mentioned that this type of political system may have the underlying empowerment nature of democracy or electoral authoritarianism. The power system of this nature has seven characteristics: 1) generating a majority and virtual public interest; 2) conflicts of interest and double standards; 3) the voices of dissent and the interests of the dissent are pushed to the minority; 4) minority and individual rights have been neglected, rejected, and even crushed by state force; 5) discourses and methods of past anti-communist right-wing dictatorship are applied, inherited, and developed; 6) state terrorism may be used as in the Cold War; and 7) the politics of the public sector has become a single issue politics.

### **2.4.2 Bureaucratic polity**

Bureaucratic polity is a political system in which the government administration is governed by bureaucrats that create the image of a bureaucratic polity and see the people in power as only the rulers. For example, in the government system of Thailand during the period from 1957 to 1997, access to official information of the Thai people was excluded. One reason is due to the relationship between the civil servants and the people that are like royalty and servants, and another is from the process and processes that lead to complexity, creating unnecessary steps of the Thai bureaucracy.

According to the theory of Riggs (1966), it was pointed out that such a governmental state allows for the extraction of resources from society and at the same time the power to control society with the independence of the activities of those that society cannot control. All of these have one primary objective—to maintain a state of power and sustain the interests of higher civil servants within the cycle of power. In terms of various ministers, particularly during times of dictatorship, permanent bureaucrats tend to play a role in ministerial positions because they are stationed in a position to hold information necessary to formulate public policy better than the political authority. This advantage makes political figures more likely to rely on regular government officials. In addition, in many cases, if the political power has no cooperation from the regular civil servants, implementing different policies will be difficult to achieve.

The bureaucratic polity is centered on the bureaucratic mechanisms that determine the direction and plan of development, as well as allocate resources at the macro level. Further, the organization of government relations with the people at the grassroots level is rooted in the system of government-community relations. The policy process of the past is therefore that the state government orders or directs the village community to act as the state deems appropriate. Elections are based on a pattern to complete the democratic nature of which there is an elected house. Yet, at the same time, there is a senate, which is derived from the appointment. In this kind of government, civil servants (military, police, and civil servants) have the power to formulate public policy, with the junta in power. General administration is in the hands of the regular civil servants because they have information, knowledge, and expertise; consequently, the military and civil servants rely on each other. Nonetheless, in the

matter of the relationship between the government officials and the community, when civil servants begin to bond with the community or become members of the community themselves, their work becomes more considerate of the community's interests. This form of relationship represents the relationship between the state and the community governed by the bureaucracy, and its development is nothing more than a modern discourse that reproduces the power relationship and the state patronage system (Supachai Charoenwong, Aranya Siriphon, & Surasom Krisnachuta, 2001).

### **2.4.3 Democracy**

Democracy is a system of government in which people enjoy equal rights and freedoms in politics, economics, and society. The people are those that have the power to govern, and the rulers must use their power for the benefits of the people (Locke, 1970; Rousseau, 1974). In a democratic-governing society, people will be encouraged to participate in politics widely, and will have the knowledge, understanding, and awareness of the value of playing a role in political participation as much as possible (Milbrath, 1965). Governmental political parties need to implement economic policy considering the needs and problems of the people because the aim of political parties in a democracy is that various policies be implemented in order to obtain as many votes as possible to gain a majority in parliament. Given this perspective, in a democratic system, the people that lose the benefit of government policy implementation will have no more than half of the voters (Downs, 1957).

However, this concept is only true when it is based on the principle that the people with an electorate receive perfect information about public policy and the behavior or political activities of political parties, and the people must not have voting behavior either. The election of members of parliament is an important mechanism that will enable policy production, while parliament will play a role as a policy-maker only if the political system is a real democracy. Nevertheless, in a totalitarian regime, parliament will be the only organization that justifies the implementation of policies of the dictators while those policies may not be of benefit to society as a whole. In addition, when allocating a budget on any policy, elected governments tend to expand their budget for social welfare policy rather than authoritarian or dictatorial governments, as elected political leaders are more likely to have the power incentive to increase the

budget to help low-income voters, who are the main voters (Thanapan Laiprakobsup, 2014, p. 297).

In the process of public policy, since public policy is a political product to meet the needs of the people, the people can express their needs through various political mechanisms, for example through political parties, through influence groups and interest groups, through the bureaucracy, through politicians, through management and the legislative branch, etc. People's demands and support are brought into the political system as public policy. When public policy is implemented and if the results meet the desirable objectives, the public will be satisfied, and this will affect the quality of life of the people (feedback) and will make people believe in the administration of the government more. This will as a result create more confidence and faith in the administration of government. On the other hand, if the outcome and quality of the policy implementation do not meet the desirable goals of the people and degrade their livelihoods, it will result in a decrease in confidence and faith in the government. Therefore, the government has to modify policy or improve the implementation of policies to be more effective in order to restore the faith of the people. Otherwise, people may no longer support the government. In terms of the relationship of public policy as a product of the political system, it has a significant impact on the way and quality of life of the people in a democratic political system (Easton, 1965).

In addition, a democratic political system, emphasizes the concept of political pluralism, which accepts differences in the elements that exist in a society, and recognizes the freedom of expression in which the political, economic, and social views. Consequently, the public or the private sector can voluntarily participate in various activities of society. This idea has been applied to a wide range of political situations and has been used for an expression of modern democracy for the benefit of citizens. Pluralism is also used as a sign of the theoretical position of states and powers. It has been suggested that such a concept is a suitable form of decentralization in society. In a society in a democracy, the concept of pluralism is a guiding way to create equilibrium regarding the conflicts of interests, beliefs and different ways of life. These properties distinguish pluralism from centralization because pluralism believes that members of society can coexist, expect a peaceful negotiation and the power of the state is spread out to different groups (Easton, 1965).

Nonetheless, the concept of political pluralism is based on western social politics, which use the concept of democracy both in politics and society. It is an idea that values the power of society to play a role in advocating public policy, not the government. Hence, if the concept of democratic pluralism is used to explain the political system of Thailand at the time when the National Council for Peace and Order (NCPO) took political power and formed a government in the form of a government managed by the military, it can be said that the degree of political pluralism in Thailand at that time was therefore limited and is characterized by public pluralism. In such a regime, the government must act as a manager or a ruler that oversees the interests of different groups in order to achieve fairness in society. It is viewed that the different interest groups are not competing just for a particular benefit; rather, they compete for the attention and approval of the elite politicians and government agencies.

Some of the significant roles of the administration or government in this concept are as follows (Kelso, 1978, pp. 12-29).

- 1) The government plays the role of an advocate by protecting or allocating the interests of the less fortunate and does not influence public policy.
- 2) In order to prevent the newly competing group from being rejected from negotiations, the government must take on the role of a guardian by structuring and organizing the formation of policies so that different interest groups can use them as norms in competition.
- 3) The government must assume the role of political manager.

## **2.5 The Role of Interest Groups in the Policy Process**

Interest group operations have strategies for maximizing the use of the political resources they have in order to achieve the group's objectives. In general, each group has roles and strategies in implementing various activities for participation in public policy formulation as follows (Edwin, 1981, p. 148; Nanthana Nanthawaropas, 2015, pp. 94-95).



### **2.5.1 Encouraging and Building Coalitions**

1) Interest groups encourage members to support the group's operations. The groups made up of large numbers or high-quality members can use the power of members to pursue or pressure governments to formulate or implement the policies that the groups offer, whereas interest groups with low-level membership support have fewer such capabilities.

2) Interest groups create a coalition by accelerating the expansion of the membership base. The broader collaboration with other organizations will provide a higher level of bargaining power and gain public attention.

### **2.5.2 Using Persuasion or Lobbying Methods**

Interest groups often engage a competent leader or celebrity to represent them in negotiations with governments or decision-makers, using techniques to influence their policies. There are two aspects to the group in which lobbying methods are used as follows:

1) Direct lobbying - a personal meeting with decision-makers, and then researching and gathering information to use it to influence decisions, as well as using rhetorical inducement to enable decision-makers to choose to follow the guideline of that interest group

2) Indirect lobbying - a process of exerting pressure by a large group of people. This type of lobbying can be accomplished by mobilizing large volumes of masses to propose or oppose an issue to the decision-makers. In addition, an indirect lobbying can create a public opinion to some extent that requires the government to review what demonstrators demand.

### **2.5.3 Involvement in Public Policy Processes**

Although interest groups are criticized in many ways, in democratic politics they are also considered to play an important role as a representative in presenting, pressing, and driving certain interests on behalf of the people. This is because the general public may not have a specific view of public policy on a particular area, and have a vague view of their interests regarding that policy. The role of interest groups is thus well-represented in the presentation of specific areas related to policy and provides

a set of policy options. In this regard, the methods in which interest groups can be involved in the public policy process are as follows: (Ake Tangsupvattana, 2013).

1) Policy formation - Determining which problems are public problems that should be resolved requires a screening process for multiple problems in the system. This is because with all the issues that have arisen, only some of them will enter the selection process as a policy agenda. At this stage, interest groups play a vital role in pointing out policy-makers, where issues are important to the point of debate over the government. Interest groups are usually already involved in this process as representatives of the people (the group's members) to claim what they demand, which can be considered as an input function.

2) Agenda setting – This is developing an agenda regarding the interests of citizens and government officials or showing that a set of problems is important and persists in society, possibly including drafting laws before passing on to lawmakers for consideration as well. Interest groups play a role in entering information to assist in the simple and fast presentation of policies and to influence the making of decisions.

At this stage, interest groups may also begin lobbying operations.

3) Policy decision-making – This is the process whereby policy-makers take matters into the preparation process. It is a form of law which must be approved by a competent organization or person. This is usually the role of a legislative or other political institution, such as a political party. Interest groups must therefore seek to mobilize resources to influence individuals and groups involved in decision-making, as well as to mobilize public opinions to comply with the decisions. At this stage, interest groups seek to adopt strategies, channels, and methods that they deem to be effective in political struggles. One of the methods that is often used is the lobby itself.

4) Policy implementation – This is a social activity that takes place and meets the policy requirements, which clearly emphasize the importance of the process. Additionally, it shows that implementing policies are a product of the political process. Implementing a policy is the first opportunity to implement a policy choice decision in a realistic situation. All of the steps of the policy implementation process demonstrate hope for solving social problems. At this stage, the interest group is in the position of a stakeholder in a particular policy. It will act as an advocate or objector, as well as find strengths and weaknesses of the policy to be modified, updated, or changed.

Policies that are decided by lawmakers are often in the form of regulations, orders, or laws. Implementing these policies can have both direct and indirect (or positive and negative) impacts on interest groups. Thus, it is an issue that needs to be investigated which interest groups will oppose the policy and which will support it. This usually depends on how much of the advantage or disadvantage is that of those interest groups.

5) Policy evaluation - At this stage, feedback is taken for the policy-makers' consideration. Assessment must be made regarding how such policy should be changed. Interest groups take on the views and reactions of those affected by the policy to other political institutions, including the government, in order to demonstrate the results of applying the policy.

From all of the above details, it can be seen that in the process of creating policy, interest groups have opportunities and can be involved at almost every step. This depends on how open the political system is and the extent to which interest groups are interested in participating.

## **2.6 Policy-driven Strategy**

In the successful implementation of public policy, even if it is a good policy and there is a readiness of factors that can bring the policy into good practice, there might be a lack of policy-driven strategy or a method to convert the policy message to be clear, applicable, and relevant to the problem. Those policies may consequently not be fully utilized. For this reason, in the implementation of the policy, relevant persons at all levels have to decide on a strategy that is appropriate for that policy. In this section, the researcher presents the findings of the research and various ideas from scholars in the implementation of public policy as follows.

Ingram and Mann (1980, pp. 23-25) determined that in selecting a strategy to drive a policy, the type and nature of the policy are important factors in determining the choice of strategy. Both scholars suggested one strategy as the primary strategy and the other as the second strategy; moreover, one policy may be selected to be used with more than one strategy. Important strategies that may be used are: 1) a strategy for providing reinforcement (economic and psychological); 2) punishment strategies; and

3) a thoughtful information strategy. These three strategies or tools proposed are suitable for use with public policies that want to change the behavior of individuals or target groups. Further, the result of this research demonstrated that one of the strategies that should be chosen are those that provide positive reinforcement.

Cheema and Rondinelli (1980) studied the strategies for decentralizing administration in developing countries, especially in Asia. A suitable strategy for driving such policy must clearly define the purpose of decentralization, and then conduct assessments of regional and local capacities to determine readiness for decentralized development in various areas. In the meantime, a good strategy must be sought after by the relevant authorities. In addition, strategy makers must study the constraints of various environmental conditions in order to be more careful about policy design and administration. There should be certain appropriate steps in the process of policy implementation carried out gradually. It begins with what seems to have the least opposition and gradually expands its scope. When it comes to policy implementation, efforts must be made to seek support from bureaucratic, private, and local leaders, and after that, a national coordination and relationship system should be established. Finally, a system of supervision and evaluation should be established in order to improve the policy to make it more appropriate

Kla Tongkew (1991, pp. 349-354) explains the successful implementation of policy that requires nine strategies:

- 1) Strategies for disseminating information related to the policy using various media channels
- 2) Strategies with the support of leaders and authorities, including central leaders, regional leaders, and other key local leaders to support and collaborate with
- 3) Strategies for organization, administration, and coordination that are integrated in descending order from national to village level, which manage the operations by a group of people consisting of relevant representatives from all sectors by joining as members of the mechanism of organizational structure, administration, and coordination at each level

4) Policy advocacy strategies by organizing conferences, workshops, or problem seminars to motivate individuals and agencies in charge of the policy to understand the reasons and the importance of the policy, along with finding solutions to solve problems and implement policies to achieve mutual success

5) Strategies for the use of operating manuals for executives and operators, as well as organizing a meeting to clarify guidelines for those involved in the use of manual documents. The nature of the manual must be convenient, easy to understand, clear, and cover all the contents that must be followed.

6) Strategies for selecting key leaders responsible for each level of policy management by selecting people with high leadership and good management attitudes. There is an action plan that emphasizes the participation process. He or she must be a person that has a good attitude toward the policies that are implemented. Moreover, he/she should have experience in managing other successful policies, have a high level of responsibility, and be alert and knowledgeable in all-round situations.

7) The strategy for conducting visits to local operators is another important strategy to drive the policy. The policy executive should have a plan to visit the operators throughout the duration of the policy implementation. Adequate budgets should be allocated for the inspection. Visits are a strategy to reinforce operators and help administrators recognize problems in field operations. A consultation also helps to resolve any grievances for the operator.

8) The audit, control, supervision, and evaluation strategies are clearly systematically established from the beginning of the action. Performance results are reported periodically and the results of each evaluation are taken to improve the guideline using the mechanisms of the organization at each level of responsibility to be consistent with working conditions.

9) Rewarding strategies provide positive reinforcement to the operator. This can be done in a number of ways, depending on the suitability of the recipient and the giver, such as giving a gift, giving a declaration, honoring an outstanding person, giving a compliment, giving a plaque, or it can be a compensation to the practitioner that has made an outstanding contribution to encourage people dedicated to the policy.

Kingsland et al. (2015) explored the evaluation of the implementation of government strategies in implementing policies on the control, management,

distribution, and responsible consumption of alcohol for community sports clubs in Australia. Key strategies used to drive the policy are meetings to build understanding of the policy for entrepreneurs (project officer support), providing small incentives or grants, as well as compensation for operating expenses (implementation cost recovery) and providing quality assurance of products and service standards (accreditation merchandise). Further is the use of useful educational methods and communication using printed resources and seminars to educate and to further understanding through online training, observing and providing suggestions or feedback to operators (observational audits and feedback), and sending a letter of qualification from the government to entrepreneurs that have passed the standard (sporting organization letters of support). There are no strategies for driving a policy that is used to control entrepreneurs' business practices.

Natthida Chomchaipol (2015) explored the drive of narcotic prevention policy and reorganization of the social area surrounding higher educational institutions in the case of Rangsit University, Pathumthani Province in Thailand. It was found that suitable strategies for implementing the policy to be successful consist of the following. One, in terms of policy frameworks and practical measures, all staff are required to gain additional knowledge of the relevant laws and regulations. Two, in terms of the structure and process of driving policy at the operational area level, they should be coordinated in order to be effective in the same direction. In addition, the results suggest that human resources and budget management provide additional manpower and budget by engaging local communities and universities in their operations. Solutions to issues related to stakeholder impact are recommended in order to maximize mutual benefits including providing specific areas of entertainment for students.

Ratchanee Mitgitti (2016) studied the drive of public health policy through community participation, which is a challenging role for community nurses. Suitable strategies for driving the policy to meet its objectives should organize the process of analyzing alternatives toward building community policy based on databases and knowledge of community health. Comments and suggestions received from the assessment process are the basis for formulating agreements and measures for all communities that members acknowledge and follow.

Somma Siriudomset (2018) analyzed and made recommendations on fiscal policy, especially on taxation, laws, social, and economic inequality in Thailand. In improving fiscal policy, especially taxation, the government should consider the following: 1. tax reform; 2. review of tax deductions and exemptions for each type of tax; 3. amendments to tax laws concerning the analysis of impacts based on fairness and the ability to pay taxes; 5. others, such as employee training, tax education, and strategies to improve taxation efficiency.

From the above ideas and research results, it can be concluded that in driving policy into action, those involved at all levels must consider making decisions on strategies that are appropriate to the policy. The actors involved and that are responsible for the implementation of the policy must also carefully and appropriately select effective strategies.

## **2.7 Excise Tax Collection Policy on Sugar-Sweetened Beverages in Other Countries**

Numerous studies and research reports have currently looked into the forms of taxation policies for beverages and sugary foods in different countries, especially in contexts with regards to tax purposes. There are two main reasons for taxing as a source of state income and the reason for taxing for public health in the country. The tax used as a tool for collecting is an excise tax which is indirect tax. Each country has set the type of beverages and food included in the tariff, as well as the tax rates that differ depending on the country's context. However, in the same direction, sugar must be the basis for taxation; as recommended by the World Health Organization (WHO) (2015), many countries have evaluated the taxation policy for sugary drinks after having implemented such measures over a period of time.

In Thailand, in 2015, National Reform Steering Committee on Public Health and Environment Reform, National Reform Steering Assembly (Committee for National Reform on Public Health Reform, 2015; National Reform Steering Committee on Public Health and Environment Reform, 2016) prepared a report on "Prevention and control of health risk factors in food and nutrition in the issue of taxation of beverages containing sugar content above the health standard" presented to the National Reform

Steering Assembly for consideration. After the report was approved, it was sent to the cabinet for further action. A part of the report describes the taxation model of sugary beverages in various countries and the performance of the governments in those countries to be used as a guideline for policy-formulating and decision-making in authority decision-making. At that time, many countries imposed a tax on sugary drinks for reasons of good health of their people; moreover, most of them collected an excise tax from the amount of drinks. The main objective was to increase income for the state by using health reasons as the basis for taxation, while some countries focused on managing health problems directly. Many countries imposed a tax on all sugary drinks at the same rate; only some countries have imposed taxes based on sugar content or the type of drinks.

For this research, regarding excise tax collection policy on sugar-sweetened beverages in Thailand, the researchers reviewed the literature and documents related to the advocacy of the international taxation of sugary drinks and food in different countries by selecting the member countries of WHO that have been successful in advocating the policy. Some countries have implemented a policy to collect taxes on beverages and foods that contain sugar for a while, and some have already assessed such policies. The researcher reviewed the related studies to demonstrate the process of entering the policy agenda, the factors influencing the emergence of policies, as well as the role of stakeholders in advocacy in each country. Furthermore, the last part of the chapter describes the industry's strategy to combat taxation.

### **2.7.1 Global Social Trends and the Implementation of Tax Measures**

In 2016, tax measures on sugary drinks and foods were enforced in many countries as the global population is in a situation of increased risk of obesity and diabetes. This is revealed in the report on the situation of NCDs from the WHO in the year 2014. It stated that 13% of the global population was obese and 39% of the global population at the time was overweight. In addition, the International Diabetes Federation forecasts that in 2040, more than 600 million people worldwide will suffer from diabetes, an increase of more than 50% from 2015, which is consistent with the number of Thai people with diabetes in 2014 that saw an increase of 35% from 2007 and is likely to have a steady increase in obesity patients. Amid more severe obesity



and diabetes situations, many countries have been vigilant and have adopted tax measures to keep their population away from the disease. The WHO has made reducing the number of people with obesity and diabetes around the world a priority, and has urged governments and related agencies around the world to implement policies that would support this mission in a tangible way.

One of the important tax measures widely used to solve the problem in many countries is the collection of an excise tax, a tax levied in order to increase the price of goods higher than usual for the purposes set by the government, such as taxes collected from luxury goods and products that adversely affect health. In this case, it can be called a "health tax," which is known worldwide as the "sin tax," for example a levy on cigarettes to induce consumers to reduce smoking as well as taxation from liquor to induce consumers to reduce their alcohol consumption. Governments in many countries use the proceeds of the tax to fund the health promotion of the people in the country, such as food distribution programs for malnourished people and treatment of patients with chronic obesity.

One type of taxation that many countries focus on is taxes on sweet foods and beverages, known as the "sugar tax," and they are already enforced in many countries. For example, in 2012, Finland imposed a sugar tax at the rate of € 0.95 per 1 kg of ice cream. Mexico approved a taxation policy with a 1 peso tax per liter of sugar-infused beverages and an 8% junk food tax to curb obesity in 2013. The same was the case with the US city of Berkeley in California in 2015, which levied a sugar tax of US\$0.01 per ounce for soft drinks, energy drinks, and tea that contains sugar. In the same year, Chile began collecting taxes on sugary beverages at a rate of 18% of the retail price on drinks that contain more than 6.25 grams of sugar per 100 milliliters, etc.

The effect of health taxation remains a matter of debate as to whether it is appropriate. It may be just an excuse to raise money for the government. On the other hand, based on the experience in many developed countries, many have been successful through their health taxation. Increased taxes are often thrust onto the burden of all consumers; as a result, the amount of consumption of products that adversely affect health has tended to decrease. Health taxation is therefore one of the government's most important tools to help tackle obesity and other related diseases among citizens.

However, when looking at the other side, it may be seen that the tariffs affect industrial enterprises as well ("Sugar Tax Has Been Enforced," 2016)

Along with the tax policy of Thailand, at the same time England itself was preparing to raise a tax on sweet and soft drinks as well. The Office of International Trade Promotion in London reported that the United Kingdom announced a tax on high-sugar beverages from non-alcoholic beverage companies, which will earn approximately 520 million pounds per year to be used to promote school sports. This is because the UK's obese population is on the rise, especially the childhood population. The government has lost £5.1 billion a year on diabetes and heart treatment. Hence, the government solved the problem by announcing a tax on soft drinks with sugar content higher than 5 grams per 100 milliliters of beverage ("England Is Preparing to Raise Tax," 2016).

Dr. Daniel Kertesz, a WHO representative to Thailand, stated that high consumption of sugary drinks is a major contributor to diabetes and obesity in Thailand. Imposing tax measures on sugary drinks, according to him, along with other measures, can reduce sugary food and beverage consumption and the number of people that are obese and NCDs in the country itself. Statistics have shown that the rate of overweight and obesity in Thailand has increased dramatically. In 2001, 7.7% of Thai men were overweight and obese before rising to 28.3% in 2008. The overweight and obese Thais increased from 15.7% to 40.7% over the same period. Additionally, 12% of Thai children also had overweight and obese problems, and the number is likely to continue to rise. As a result, NCDs in Thailand bring about enormous economic losses. In 2009, Thailand lost 198,512 million baht in expenses for NCDs, or 2.2 % of the GDP (3,128 baht/person) ("World Health Organization Encourages Thailand," 2016).

Several studies have proven that high sugar drink consumption is directly linked to obesity and diabetes. Therefore, fiscal policy and the taxation on high-sugar drinks are important tools in tackling this issue, which must be done in conjunction with other campaigns, such as educating people about diet and exercise, reading labels, controlling the marketing of unhealthy food and beverages to children, including promoting the consumption of healthy foods such as fruits and vegetables. These days, many countries that have adopted such tax measures have had a decline in the obesity population in relation to the tax rates levied. Many countries' tax measures can stifle purchasing

decisions among children and teenagers, giving consumers more choices and easy access to health products as another option in the market. In addition, the income from the taxation can be applied for health promotion and further increasing access to equitable healthcare services as well ("World Health Organization Encourages Thailand," 2016).

Among the efforts to address the health problems of the population with the introduction of tax measures, producers of world-class beverage brands such as Coca-Cola and Pepsi have all come up with a media presence by supporting large budgets for public health organizations. On the other hand, they use their own methods to block the laws for health. The results of the study, published in the "American Journal of Preventive Medicine" (Daniel & Michael, 2013), found that the world's largest soft drink companies, Coca-Cola and Pepsi, although funding large public health organizations for public health, have been quietly working in parallel against measures that many countries have taken to tackle obesity problems, particularly an objection to the legislation to collect taxes on beverages. Moreover, according to the results of the study, between 2011 and 2015, both Coca-Cola and Pepsi provided funding to public health organizations fighting public health problems such as obesity, diabetes, and heart disease. However, in the same period, both companies were lobbying against no fewer than 29 public health bills aimed at reducing the consumption of soft drinks or improving nutritional values (Daniel & Michael, 2013).

Daniel and Michael (2013) revealed that the two huge companies were lobbying against public health intervention, accounting for 97 % of the bill. They also questioned the public health commitments that they made to society. It also warned that receiving funds from these companies has made the health networks inadvertently fall into the business plan of the capitalist. Additionally, the study indicated that the majority of the grantees were private organizations. Some of them are government agencies, such as the Centers for Disease Control and Prevention. (CDC) in the US. The report stated that funding increased during 2015, in line with a rise in health campaigns linking soft drinks to rising obesity levels. It continues to increase in diabetes as well. Coca-Cola itself later revealed that the company has spent more than US\$ 120 million since 2010 to fund scientific research, which is a partner of public health organizations fighting obesity, along with spending money on lobbying as well. Further, according to the

Center for Political Response, a nonprofit organization, Pepsi has spent an average of US\$ 3 million annually on similar lobbying efforts since 2011 (Daniel & Michael, 2013).

### **2.7.2 Countries that Are Successful in Advocating the Policy**

Following the success of governments in countries around the world with tobacco taxes to reduce consumption and to reduce the number of smokers, and to solve the problems of various diseases that come with smoking, the ongoing consequence is that there has been a strong move to push the tax on sugary drinks as an important tool to prevent and tackle public health problems from diseases that are due to the excessive consumption of sugar. In this regard, the countries that act as a model for this measure are Mexico, Hungary, France, Norway, and some US states that have already implemented this type of tax measure. As of the latest 2018 data, the sugar-sweetened beverage taxation of these countries is a driving force that is a tipping point for the global adoption of tariffs, with at least 40 countries currently (as of 2019) that have pushed forward a successful collection of a tax on sugary drinks and food, such as Bahrain, Barbados, Belgium, Bermuda, Brunei, Chile, Dominica, Ecuador, Fiji, French Polynesia, India, Ireland, Kiribati, Peru, Portugal, Saudi Arabia, Spain, Thailand, the United Arab Emirates, etc.

Below are some examples of countries that have adopted tax measures on sugary drinks and foods and that are still taxable to date.

France first introduced a tax measure on non-alcoholic beverages in 2012, beginning with a tax rate of € 0.0716 per liter on both regular and diet soft drinks, and flavored mineral water and fruit juices containing added sugars, but not 100% mineral water or fruit juices (e.g. fruit juices without added sugar). The tax on sugary drinks was included in French Budget Act 2012 (Law No. 2011-1977). Nevertheless, the initial proposal within Draft Budget 2012 did not cover artificial sweetened beverages and was framed as part of the French National Nutrition and Health Program (Capacci, Allais, Bonnet, & Mazzocchi, 2019). Among public policies that aim to shape consumption in order to promote a healthier lifestyle, the original purpose of the taxation was to discourage the consumption of sugary and sweetened beverages.

The proposal has sparked strong opposition from the French Food Industry Association and major industrial operators in the non-alcoholic beverage market (USDA - Foreign Agricultural Service, 2011). Many major brands of beverages have gradually adjusted their recipes by reducing their sugar content so that they do not incur higher costs from taxes, such as Sprite and Schweppes. Strategically, some products have been reduced their drinks to a smaller size and some have increased their prices.

As of January 1, 2015, Chile has applied an 18% ad valorem tax on sugar-added beverages containing more than 6.25 grams of sugar per 100 ml, up from the original tax rate of 13% and enacted on October 1, 2014. Sugary beverages comprise a wide variety of non-alcoholic beverages, including those with added sweeteners, and beverages with less sugar than 6.25 grams per 100ml are taxed at a 10% value (Caro et al., 2018).

The taxation of sugary drinks has led to an industrial move against legislation in Germany. Before any tax measure could be implemented, some major obstacles had to be passed because of food industry disagrees on any measures that would lead to lower consumption. Industry groups have made great efforts to prevent relevant laws from going into effect. The same strategies have been used for the tobacco industry, such as direct policy intervention (lobbying), and influencing research and media, including hidden activities in the form of corporate social responsibility (CSR) activities to demonstrate corporate social responsibility and organizational environment. Producers have used these strategies to generate opposition to the measures; moreover, at the same time, they have tried to push against tax measures, but instead have adopted educational measures. Industry groups and their lobbying firms argue that the taxation of sugary drinks is an ineffective measure, but does not solve the problem. Additionally, it has a disproportionate impact on low-income households, promoting cross-border goods from countries with lower or no tax burden, and the smuggling of goods, which adversely affects the economy and causes unemployment. Industry groups point out that consumer health problems can be remedied through product reform through non-tax measures; education, product labeling, and nutrition guidance or advice would be more effective. However, in order to implement tax measures in each country, despite strong opposition, and for it to be

successful, the government must have a strong political will with the support of academics and experts in various fields and from the people (Schaller & Mons, 2018).

The United States is one of the largest markets for sugary beverages in the world and the source of a wide variety of high-energy food products. The country's population is experiencing severe obesity while the prevalence of childhood obesity has more than doubled in the past 30 years (Hu, 2013). Although the tax on sugary drinks that was designed to reduce obesity has been abolished in many cities, it has been recently applied to other large cities such as Berkley (Williams, 2018). In 2015, the tax on sugary drinks resulted in a 21% drop in sales of sugary drinks among low-income consumers. The taxation in Philadelphia, Pennsylvania is also directly linked with early childhood development as the tax revenues are used to develop preschool courses and invest in parks, recreation centers, and libraries (Kaplan, 2018). The Unites Kingdom's levy on sugary drinks was announced in the 2016 and came into effect in April 2018 by collecting taxes on the amount of sugar in beverages; on the other hand, sugar-free drinks are exempt from the tax. After the announcement and allowing time for industrial operators to adjust before the actual taxation, it was found that about 50% of industrial entrepreneurs adjusted the formula by reducing the sugar content in beverage products. It is estimated that the government will be able to collect a tax of 240 million GBP (US\$ 308 million) annually to reduce childhood obesity. A portion of the tax revenues will go toward providing school sports facilities and physical education equipment to schools (Drinks Insight Network, 2018).

The Saudi government has approved an excise law on sugar-containing beverages. It came into effect on June 9, 2017, where domestic industrial operators and beverage importers are required to register excise tax with the General Authority of Zakat and Tax (GAZT). The taxable excise tax rate is 100% for energy drinks and 50% for carbonated drinks (including soft drinks, carbonated water, and juice). The tax rate for each beverage may vary depending on basic product features. For example, a ready-to-drink can and pressed soft drink from a beverage vending machine have different tariffs. Yet, GAZT has disseminated their tax knowledge easily by handing out a manual to taxpayers and for excise registration (World Cancer Research Fund International, 2018, p. 8).

South Africa introduced the sugar-sweetened beverage tax in 2016, approved in 2017, and began employing it in 2018 despite widespread opposition from the industry. Beverages that contain no more than 4 grams of sugar per 100 milliliters are excluded. South Africa has the highest obesity level in sub-Saharan Africa, and the government aims to reduce it by 10% by 2020, with the Healthy Living Alliance, a national alliance gathered by organizations dedicated to promoting health and reducing obesity rates, which stated that this is a policy with positive results. Nevertheless, there is the opinion that the 11 % tax rate levied is too low to have a concrete effect on the change (Arthur, 2018).

Countries in Southeast Asia that have already adopted tax measures, besides Thailand, are the Philippines, Brunei, and Malaysia, with the details as follows.

The Philippines introduced a policy to impose a tax on sugary beverages in January 2018, with the result being a 14 % rise in prices. The government aims to tackle the global obesity problem of the population and increase income to fund government infrastructure projects, including the construction of sports facilities, building public schools, drinking water service points in public places, etc. (Felongco, 2018).

The taxation covers beverages with no-calorie sweeteners and sugar extracted from high fructose corn syrup. Such taxation was considered a by-product quantity rather than sugar content. Therefore, there has been little incentive for industrial operators to adjust their recipes by reducing the sugar content of their products. Nonetheless, the sales of sugary drinks declined significantly in the first six months after the policy implementation. Almost every beverage company in the Philippines experienced a decrease in sales. Even though the income increased because the product price was higher, some companies' sales decreased by 10 % as consumers turn to drinking milk, mixed vegetable and fruit juice, and three-in-one instant coffee mixed powder more and more. This is because these drinks are not taxed; especially three-in-one coffee is very popular with low income earners (Hong, 2018).

Brunei's taxation policy has been in effect since April 1, 2017. The excise tax is collected at the rate of B\$ 0.40 (approximately US\$ 0.28) per liter for beverages containing more than 6 grams per 100 milliliters of sugar. The taxable beverage category includes soybean drinks with more than 7 grams of sugar, malt or chocolate drinks with more than 8 grams of sugar, and coffee drinks that include flavored and

coffee-flavored beverages with more than 6 grams of sugar, excluding beverages, milk, and fruit juices, which are tax exempt (Rosli, 2020; World Cancer Research Fund International, 2018, p. 2).

Malaysia is the most critical country in the region in terms of overweight and obesity. On July 1, 2019, Malaysia's Customs began levying a fixed rate on sugar-sweetened beverages nationwide. Prior to that, Malaysia made great efforts to create an environment that encouraged its people to have a health-conscious lifestyle by setting appropriate public health policies, one of which is the excise tax collection policy on sugar-sweetened beverages. The government imposes a fixed tax of ringgit 0.40 per liter on three groups of drinks. The first group includes sweetened beverages with sugar and other sweeteners such as energy drinks, carbonated drinks, canned coffee, etc. that contain more than 5 grams of sugar per 100 milliliters of beverage. The second group covers UHT flavored milk with more than 5 grams of sugar. The third group comprises fruit and vegetable juices, with or without sugar, and other sweeteners that contain more than 12 grams of sugar (World Bank, 2020, p. 67).

### **2.7.3 Countries that Are not been Successful in Advocating Policies**

In driving the policy of levying sugary drinks in order to address the health problems of the population, although many countries have been able to push the policy of collecting sugary drinks and foods to be practically and concretely implemented, there are still some countries that have failed to push a policy successfully in two cases: countries that cannot push a proposal as a policy and countries that can advance into policies but have to cancel their implementation at a later date. In the next passages, the researcher would like to give some examples of countries that have been unable to continue driving the policy implementation: Denmark, Australia, Colombia, and Slovenia.

Denmark used to implement tax measures to enhance the well-being of the people of Denmark with the goal of reducing their daily sugar consumption.

The government adopted tax measures with sugar-sweetened beverages taxed in the 1930's at 1.64 Danish krone per liter. Until 2013, the tax rate was € 0.22 per liter, bringing the state taxable income of 60 million euros per liter annually. In 2013, the government announced the withdrawal of the tax measures, along with the fat tax



because both taxes were unsuccessful. It was seen that the taxation should be eliminated with the goal of creating jobs and helping the local economy (Scott-Thomas, 2013). However, although the government has lifted the sugar tax on beverages, the sugar tax on foods such as confectionary foods and ice cream is still active.

Some scholars have pointed out that both the fat tax on food and the sugary drink tax will have the greatest impact on low-income citizens. The supermarket chain in Denmark also sees the reason as consumers that shop regularly will not change their habits immediately if those products still need to be consumed for each meal. Taxing can make products more expensive, but if consumers do not decrease their traditional consumption, they will have little money left. It is therefore difficult for them to buy more healthy food (Johnson, 2012).

It has been criticized that the tax measures introduced were not as effective as they should have been. Domestic retailers have complained that Danes have traveled to Sweden and Germany to buy butter, ice cream, and beverages. This is because the prices of these types of food are cheaper than in Denmark, as in those countries there is no tax on those products. The tax measure also opened up the possibility of mass smuggling of non-taxed goods, sparking anti-tax movements from domestic industrial operators and affecting the national economy. The government has stated that the abolition of the taxation leads to a loss of approximately 450 million DKK (€ 60.35m) per year in state revenue, but at least it will help solve the problem of the smuggling of illegal goods without a loss of tax income. In the past, the use of tax measures resulted in the loss of VAT revenues of up to DKK 290m (€ 38.9m) from the illegal beverage trade, as well as crossing the border to buy drinks and food in neighboring countries where prices are cheaper. Moreover, the elimination of the taxation on sugar in beverages would increase the country's competitiveness and address the unemployment problem resulting from cross-border trade (Scott-Thomas, 2013).

Finally, the government lifted the fat tax in January 2013, and later the sugary drink tax in 2014. In this regard, such a decision confirms that public health tax measures are not always successful. The government has seen that taxes levied on fat or sugar content for Denmark can cause the nature of the tax to be regressive, negatively affecting employment in the region adjacent to the border with neighboring countries, as well as having several impacts on the environment related to border trade.

In Australia, despite broad public support, 34 advocacy organizations (Karp, 2018) imposed a 20% tax on sugary beverages, with the view that the government continues to ignore public health solutions. Further, day by day, the number of cases and deaths linked to obesity has increased from 10% in 1980 to 28% in 2018 (Alberici, 2018), but the government has still denied taxation time after time. Legislators have suggested that educating and building an understanding of proper consumption and regular exercise are the best practices and are more appropriate measures for solving the obesity problem.

The then prime minister, Malcolm Turnbull, agreed that obesity was a major problem for the country; nevertheless, he rejected the 20% tax on sugary drinks because obesity is a complex problem that requires a combination of solutions. Australia is already collecting too many forms of taxes, so the correct focus to address the problem is to assign a responsible body to provide serious health information so that consumers are aware of appropriate consumption, use of product labels and nutrition, and use of public relations materials as a tool to educate them, as well as doing exercise regularly. The Minister for Health, Greg Hunt, said that the government did not agree with the demand for tax measures because they do not want to increase the retail price of products, which would burden the consumers. He revealed that the government was working to address the challenge of obesity and encouraged all Australians to continue to live healthier. At the time, Australia already had various programs to support education, and created ideas for Australians to realize, accept, and maintain their health. Obesity and poor nutrition are complex public health problems consisting of a number of factors that require cooperation from different sectors along with individual behavioral changes. Nonetheless, the government did not support a new tax on sugar to address this problem (Haggan, 2017).

Scholars from various organizations that support taxation have criticized that the government is ignoring the solution to obesity, and that it poses a serious threat to the health of the people and the economy of the country. Addressing the problem requires a specific standalone prevention strategy, with policies that have been proven in many countries that taxation is an effective measure to solve the problem.

The network of advocates see it as a problem that the government should urgently take an action to resolve. Nevertheless, despite years of calls for tax measures to be

implemented, it cannot be done if the government does not enact legislation (Hutchens, 2017).

The Australian Beverages Council Ltd. (ABCL) claims that it has made every effort to be part of the solution to obesity; however, as a legal obligation, operators have to act in the interests of shareholders and increase sales and profits to the maximum as permitted by law. Public health advocates argue that the beverage industry has an inevitable conflict of interest. Therefore, the taxation policy will result in a reduction in the consumption of sugary beverages and bring the sales down. Hence, it is unlikely that cooperation can be obtained from industry regarding any action that benefits the health of the population rather than profit (Obesity Policy Coalition, 2018).

The situation of adopting tax measures in Australia is still widely controversial. The Australian Medical Association has vigorously supported the adoption of tax measures (Australian Medical Association, 2018). In 2017, the Australian government rejected calls for a legal levy on sugary drinks ("Federal Government Rejects," 2017), while the beverage industry groups have used various strategies to convince politicians that the policy of taxing sugary drinks is a bad policy and should not be allowed. The ABCL also claimed that the taxation would unfairly affect low-income people and the entire system of employment, especially in the beverage and other related industries. Australians would absolutely disagree with the taxation policy. Taxation would turn consumers to other unhealthy products. Additionally, there is no strong evidence that a sugar drink tax would help reduce obesity or diabetes ("Australian of the Year Calls for Tax," 2020)

Although the government does not seem to agree on the taxation of beverages, there are good signs of cooperation from the industry. In this case, as of June 2018, Australia's leading beverage industrial operators, including Coca-Cola and Pepsi, pledged to adjust their beverage recipes by reducing sugar by one fifth of the ingredients over a seven-year period to support the solution to obesity. Many beverage industrial operators have begun to express their intention to reduce sugar intake, and have tried to increase the sales of drinks with less sugar after being pressured by the sugar tax policy several years earlier. Moreover, there has been the recent announcements of taxation policies in various countries and trends in consumer behavior that are concerned with health avoid consuming beverages with high sugar content. These vital elements have

helped Australian beverage industrial operators realize the need to produce products that do not adversely affect the health of consumers. Geoff Parker, executive chairman of the Australian Beverage Council considered this as the right choice and urged other food industries to reduce sugar intake in order to combat the root cause of complex problems, one of which is obesity. The beverage council added that industrial operators set a goal of reducing the sugar content by 10 % from the total sugar content per 100 milliliters of beverages by 2020, and this will be reduced to 20 % by 2025 through improved drink mixtures and increased sales of drinks with less sugar (Koziol & Hatch, 2018).

Colombia has had numbers of deaths from non-communicable diseases (NCDs) such as cancer, diabetes, and cardiovascular disease, accounting for 71 % of all deaths. This trend is in line with that of many middle-income countries. Consuming sugar that exceeds the health norm is one of the most common causes of those NCDs; additionally, 56 % of Colombia's residents are overweight and are increasingly prone to obesity.

The Minister of Health proposed a 20 % tax on sodas and other sweetened beverages in March 2016 with the support of the president and the minister of finance. Such tariff measures are designed with the aim of reducing the consumption of sugar in beverages and food of the local population. Revenue was forecasted to be taxable at least USD 340 million annually, and then it was expected that part of that income would be utilized in the country's public health system and campaigns to reduce domestic sugar consumption. In the process of formulating and advocating that policy, although 70 % of Colombians support taxation, only 42 of the 268 legislators (15.67%) voted in support of the policy. The tax proposal was consequently canceled in December 2016. The taxation of sugary drinks has proven to be a cost-effective measure and one of the most effective "best buy interventions," funded by the WHO, to tackle the burden of NCDs.

Colombia's push for the taxation of sugary drinks is divided into two main stages. The first half of the policy process began at the end of 2014, proposed by former Minister of Public Health, Alejandro Gaviria, a key actor in health tax. The first move came under the National Development Plan, or NDP, a law that deals with government proposals to run the country. Gaviria has announced the intention to be a part of the coalition pushing for a tobacco tax hike and the restructuring of an excise tax levied

against sugar drinks. The anti-tax side responded immediately, with statements in the media against the proposal, arguing that increasing taxes on tobacco products would encourage smuggling of domestic cigarettes and a beverage tax would increase unemployment. However, in the early stages there was not much deterrent from lobbyists (Glassman, 2019).

The Ministry of Public Health has had to carefully plan strategies against advocacy by establishing a working group consisting of epidemiologists, economists, and lawyers. Under the direction of the Minister, these working groups have produced two academic study reports on tobacco and sugary drinks to support the fiscal policy proposal, and in turn, to strengthen the workplace. The World Bank, an experienced organization, that is proficient and has extensive insights into similar forms of taxation in other countries, has joined to support this push for tax measures.

With the start of phase 2, the federal government increased pressure by introducing a full tax reform program. In 2016, the Ministry of Public Health submitted academic papers and legal proposals to the Ministry of Finance and the Commission of Experts responsible for proposing changes to the country's tax structure. After a study, the working group found that it was necessary to levy a 20% tax on sugary drinks in order to reduce the consumption of such products; moreover, the taxation was expected to help increase domestic income in Colombia's tense financial situation at the time. Later, civil society organizations and educational institutions joined forces to strengthen their efforts to prevent the proposal from failing. In promoting media channels, national NGOs have helped by reinforcing the message on the benefits of taxing harmful products to health and mobilizing support from people in Congress. At the same time, there were supporting letters from public health institutions and academics from prestigious universities around the world that have reinforced the message in various public forums.

The Ministry of Finance later became one of the working group members to support tax measures for health. Shortly thereafter, proposals for the taxation on sugary drinks were included as part of the tax structure reform. At the same time, there has been a movement of the beverage industry to oppose the government policy. Industrial operators and lobbyists that disagree with the tax measures have reaffirmed that applying the principle of a tobacco tax or a sin tax to beverage products in order to

reduce consumption of sugary drinks is unlikely and will have negative consequences in many ways (Glassman, 2019).

The push for taxation has become tenser as it is officially debated in congress and the media. In response to the announcement of support for the health tax, both the tobacco industry and the sweetened beverage industry have continued to react in various ways, such as the publication of their viewpoint in an article in magazines or statements via radio or television, etc. The Ministry of Health working groups and affiliates are trying to communicate evidence-based messages to the public and to dispel fears that the industry was trying to intervene in the anti-soda advocate, including intimidation, assault, activism, wiretapping, and computer data theft (Hyman, 2020). Further, pushing the tax policy has become more difficult, especially in the case of sugary drinks, as the major beverage companies own the main Colombia television network. They have also been persuaded by the people of the government to offer undeniable returns in order for the government to enact censorship legislation, discussing the sugar tax through media and advertising. Even the supporters of tax measures and those campaigning to reduce the consumption of sugary beverages themselves have been banned, and some have been laid off. As for the proposal that included a tax on sugary drinks, the beverage industry ultimately won. At a parliamentary meeting, proposals to introduce tariffs on sugary beverages were eliminated without the possibility of even discussion (Jacobs & Richtel, 2017).

In Slovenia, there are times when health network NGOs have attempted to push a policy for the taxation of sugary drinks. For example, in 2012, 2013, and 2014, all three trials were unsuccessful. This is because the strength of the lobbyist network of the beverage industry has surpassed and continues to oppose such policies.

In October 2014, the Ministry of Finance of Slovenia published an excise bill for non-alcoholic beverages containing more than 10 grams of sugars, both the natural sugars of the beverage and the added sugars in the production process. The mentioned tax policy was aimed at reducing the consumption of sugar that exceeds the health standard. The estimated excise tax was 4.7 million euros (US\$ 5.83 million) per year, with the government expecting a 10% increase in retail prices of beverage products (Kovacic, 2014). After strong opposition to the policy, proposal was withdrawn from the 2015 budget, and the industry argued that the imposition of taxation would affect

Slovenia's economy, leading to layoffs in the beverage industry and other related fields, as well as forcing investors to move their production bases outside the country.

The taxation target was also unclear and questioned. This is because tax revenues were not aimed at raising awareness and educating consumers. There was also concern that young consumers would turn to alcohol instead because it would become cheaper than soft drinks ("Slovenian Government Gives Up on Sugary Drinks Tax," 2014; "Will New Tax On Sugary Drinks Boost Alcohol Consumption?," 2013).

Medical experts were disappointed over the decision to lift the excise tax levy on sugary drinks as it affected the health problems of the country's population, especially patients with obesity, diabetes, and tooth decay. Nonetheless, the Slovenian Chamber of Commerce is very pleased that this policy has been withdrawn because taxes are an additional burden and an obstacle to competition in the economy, block investment incentives, and cause employment problems. It was criticized that the government should have focused on limiting the "gray economy" and managing those products to be properly registered in the tax system so that the government can collect more taxes ("Beverage Makers Shocked," 2014; Kovacic, 2014).

#### **2.7.4 Strategies of the Industry against Tax Policy**

In many countries that have proposed policies to collect sugar drinks, those in the process of advocating for legislation have one major challenge: opposition from industry groups that are actively campaigning to block the policy. Letting the taxation policy be considered and enacted will adversely affect income and profits by making sugar-containing products higher in production costs and resulting in more expensive retail prices, reduced consumption, and decreased product sales in the long run.

For example, Mexico successfully proposed a policy to impose a tax on sugary drinks in 2013. In a push for Mexico's sugar taxation policy, beverage makers launched a broad media campaign against the policy by referring to various impacts that may arise, such as financial problems of the entire industry system and concerns that there may be a chance of international market intervention (Partlow, 2013); and although Mexico successfully passed the sugar tax, the campaign against the domestic industry has been successful because it was taken as a model in other countries.

The beverage industry contributes greatly to the creation of obesogenic environments through comprehensive advertising activities and effective marketing strategies with increasing public perception of sugar consumption linked to obesity. As a result, the industrial sector has made it difficult to invest heavily in campaigns that try to change the view of their products to a better image. However, at the same time they have invested in opposition to taxation policies in order to try to keep their business alive. As for the forms of industrial influence that create advocacy failures in many cities and countries, the main strategies were political influence through negotiation and lobbying those responsible for formulating and making policy decisions, influence through supporting research, influencing media, and implementing CSR strategies and marketing.

In Colombia, there was overwhelming support from various sectors in the country, a tax on sugary beverages and foods was added to address critical health problems of the population. Yet, it failed as the policy proposal was canceled in 2016 (Jacobs & Richtel, 2017). Denmark, meanwhile, had to suppress its taxation policy in 2014 due to political pressure and lobbying from the industry (Strom, 2012). This happened in the same manner as in Finland, where the Finnish Financial Parliamentary Committee decided to lift the sugar and snack tax since January 1, 2017 (Hofverberg, 2015).

In the United States, it was reported that industry groups have spent large sums of money campaigning against taxation policies in cities and states across the country. For example, US\$ 10.6 million was spent on a campaign against tax policy in the Philadelphia, Pennsylvania (Sasko, 2016). Further, in San Francisco, US\$ 19.3 million was spent before it was finally legalized (Knight, 2016). Between 2011 and 2015, the lobbying of beverage giants Coca-Cola and Pepsi-Co opposed more than 29 proposed legislation or bill to be considered in the United States. Coca-Cola spent about US\$ 6 million annually on lobbying activities, PepsiCo spent about US\$ 3 million annually, and the American Beverage Association spent about US\$ 1 million annually (Aaron & Siegel, 2017). While in some countries such as France, Coca-Cola France announced a EUR 17 million suspension of industrial investment in the Bouches-du-Rhone region in order to protest against symbolic measures and tarnish the image of Coca-Cola (Le Bodo et al., 2019).



In opposition to the formulation of policies and laws related to taxation, industry has tried to influence research with the goal of producing research that contradicts or contrasts with the government policy uncertainty among researchers and the public. For example, research results are biased in favor of the direction that the sugar industry in the United States wants. The sugar industry has sponsored a number of research projects since the early 1960s and 1970s. From research into the main causes of cardiovascular disease, it can be concluded that lipids and cholesterol are the main contributors to such NCDs, while sugar has very little influence on causing disease. (Kearns, Schmidt, & Glantz, 2016). Additionally, studies on the relationship between sugar consumption and obesity are also questioned. Unlike independent studies, some studies that have relationships or conflict of interests with the industry were less likely to find an association between sugary drinks consumption and body weight and the effects of obesity (Schillinger, Tran, Mangurian, & Kearns, 2016). The sugar industry is also trying to influence the WHO's guidelines for reducing sugar consumption using a key strategy, including the spread of suspicion of the scientific basis of the guidelines. Industrial operators always have the reason that there are various other risk factors that cause NCDs, such as lack of knowledge about nutrition and lack of appropriate exercise (Stuckler, Reeves, Loopstra, & McKee, 2016).

Regarding the influence of the industry on the media, industry seeks to use the media to block public perceptions and opinions that excessive sugar consumption poses a health risk and is a source of various diseases. Representatives of industry often appear in the media to express their views when legislation or measures are proposed, with their main argument being that sugary drinks are not the main cause of obesity or different NCDs. The regulatory measures proposed to be implemented are an exaggeration and damage the industry. Industrial operators have introduced self-regulatory measures without the need to intervene in business operations by implementing tax measures. Additionally, the media with good relationships with industrial operators have supported the opposition group to the tax policy by providing information in the same way as industrial operators--stating that sugar is not involved in the overweight of consumers but is mainly due to unbalanced diets, and therefore one should emphasize that consumers should take personal responsibility for dieting and exercise to control their weight (Nixon et al., 2015).

The CSR strategy is a part of marketing communication that can create a good image and public relations for the industry by showing the corporate social responsibility of the producer. The industrial operators have presented themselves as part of the solution by initiating CSR programs that include exercise, cognition, and good nutrition. For example, PepsiCo Foundation's flagship CSR program was funded by a US\$ 1 million donation in 2012 to a project promoting a healthy lifestyle and healthy eating, while the Coca-Cola Foundation donated around a third of the cost of charity to organizations fighting obesity, with a special focus on exercise to prevent and tackle obesity (Dorfman, Cheyne, Friedman, Wadud, & Gottlieb, 2012; Nadia & Nestle, 2016). Beverage manufacturers are also using marketing advertising as a tool not only to promote their products, but also to discourage government policies that are currently being considered being placed in law. For example, the US beverage industry has invested more than US\$ 10 million in advertising campaigns on television, radio, and on billboards. This includes hiring field staffers to distribute information to the public in Berkeley and San Francisco in order to turn the public against the policy of levying against sugary drinks and to prevent the legislation to come out successfully (World Health Organization, 2016).

## **2.8 Related Research**

### **2.8.1 Research Related to the Situation of Chronic NCDs in Thailand**

In 2016, Auttakit Karnjanapiboonwong and Supattra Srivanichakorn (2016) studied the situation of NCDs and risk factors for NCDs, and the organization of services in response to chronic NCDs according to the global goals and indicators of Thailand from 2010 to 2015. In the monitoring of NCDs, the WHO has established a framework and target for the situation monitoring of various NCDs. The framework consists of three main components: morbidity and mortality situations, risk factor situations, and organizing a service system to meet the control and prevention of chronic NCDs. The overall situation in Thailand has shown that the mortality rate from NCDs tended to increase from 2010 to 2015. The prevalence of the illness from NCDs has not decreased, while various risk factors are likely to increase.

Although the risk factors for smoking and lack of physical activity tended to not increase, the prevalence of those at such risk remained high. This reflects how the promotion, prevention, screening, and treatment measures taken to control and prevent chronic NCDs over the past years have had an impact on the behavior and environment of the people of Thailand. The impacts are not sufficient to combat other negative environmental factors. Therefore, in order to increase awareness and to change people's behavior towards reducing morbidity and mortality from NCDs, it is suggested that related agencies, including the public, and private and civil society sectors, must work together and create mechanisms to support NCD prevention measures to be able to operate effectively and to cover all of the benefits for the population.

The goal of solving the problem is not just regarding numbers; it also reflects the number of lives of Thai people that will be protected from risk factors for chronic disease that threaten the economy and society. Although the trend of the NCD situation based on global indicators in Thailand is likely to go against the expected goals for dealing with problems and may be difficult to achieve by 2025, it remains feasible if policy implementation is supported, along with adequate budget, as well as the cooperation of all parties in advancing measures to control and prevent widespread NCDs. The government should also focus on best-buy intervention measures recommended by the World Health Organization in order to increase tariffs on products that adversely affect the health of consumers so as to control the consumption of those various products. Furthermore, there should be close monitoring and evaluation of the policy in the future.

Weeranuch Wongvatanakul, Wichukorn Suriyawongpaisal, and Thaksaphon Thamrangsri (2014) did an overview of NCDs prevention of Thailand from 2002 to 2012 and investigated whether the NCD prevention budget was related to the size of the national problem. The main sources of information were from the National Health Expenditure Account of Thailand and the 2012 Health Promotion and Prevention Expenditures Account, among other important reports. The prevention of NCDs in Thailand has been implemented both in accordance with disease prevention and health promotion guidelines since 2002. Total expenditure on prevention and promotion (TEPP) has been increasing, but it has increased at a lower rate than total health

expenditure (THE) and economic growth during 2006-2012. TEPP has tended to increase (increasing at an average of 12.3% per year), but in a fluctuating manner.

The cost of the impact of both the disease burden and the risk factors of NCDs to the extent that it is measurable are greater than the prevention budget. In other words, the impact costs of NCDs are 11 times greater than TEPP for the NCD burden.

Although NCDs are gaining some additional importance in addressing the problem, the impact costs of NCDs are very high. Therefore, the Thai government should raise the importance of NCD management and prevention in budgetary and resource allocation, as well as enhance the effectiveness of ongoing NCD prevention measures.

In terms of budget allocation, a greater government budget should be allocated, which should at least be an increase at the same rate as THE. In this regard, the government should allocate more money for primary defense, which would be of great benefit to managing NCDs if the THE and TEPP budgets are not as volatile as they have been. In addition, human resource allocation should be promoted and empowered, and the efficiency of NCD prevention actions, which are integrated with other public health measures, should be enhanced, together with the prevention of NCD “noise factors,” such as controlling problems related to alcohol and tobacco consumption, promoting physical exercise, and encouraging proper food consumption. In addition to research at the national level, several other studies have been conducted on NCDs at a specific area level as follows.

Sitaporn Suriya (2016) studied the appropriateness of NCD policy tools for the lifestyle and food consumption behavior of the population in Nonthaburi Province in Thailand. It was found that only the policy objective is clear, but still lacks completeness or readiness in terms of budget, personnel, and matching the understanding of staff regarding law enforcement, as well as the economic, social, and living conditions that have changed from an agricultural society to an urban society. These are the reasons why existing NCD policy tools are not as effective as they should be.

Some of the problems and obstacles from NCD policy implementation of Nonthaburi Province are the following: 1) mismatched understanding of policy planning, integrated work, and network operation; 2) the scope of duties and responsibilities are not clear at the local level; 3) the budget is inadequate; 4) inadequate

manpower, causing staff to have too great a workload and thus ineffective work; 5) lack of specialists, particularly nutritionists; and 6) approval of hospital expansion projects that were considered a few years ago, resulting in insufficient work performance and not fully meeting the needs of the population in the area.

Amonrat Manawatthanawong, Surasak Chaiyasong, Supon Limwattananon, Chulaporn Limwattananon, Kanjana Tisayaticom, Walaiporn Patcharanarumol, and Viroj Tangcharoensathien. (2017) conducted a survey on how many NCD patients had health risk behaviors. The objective was to report the situation of health risk behaviors among patients with NCDs in Thailand from the 2015 Health and Welfare Survey.

The results of the study showed that data from patients with NCDs and risky behaviors included smoking, drinking alcohol, drinking sugar-sweetened beverages, and lack of physical activity. The 2015 Health and Welfare Survey showed that patients with NCDs also exhibited a high risk of disease behavior, which contradicted the recommendations of health workers to advise patients to modify their behaviors in order to reduce their risk of developing disease, especially drinking sugar-sweetened beverages, which is a behavior that should be avoided.

Cuttaliya Vasuthada, Lalita Dechavoot, Nunthawan Jaikla, and Saijai Jarujit (2018) studied the relationship between NCD perception and health promotion behavior in the prevention of NCDs among people in Muang District, Chanthaburi Province in Thailand in 2017. The results of the research demonstrated that the majority of people had perception toward causes of NCDs, perception toward effects of NCDs, and perception toward social support on health promotion at a high level. This is because the people tended to increase their awareness of NCDs (in 2018) through a variety of communication channels where they could access and receive information on NCDs, and they understood the benefit of perception of chronic NCDs. The finding also revealed that an individual's perception is very important to his/her healthcare behavior, which can lead to healthy behavioral adjustments. Public health personnel contribute to providing information about solutions as well as enhancing the perceived potential of service users. When people have a good perception of disease, they develop self-care awareness to prevent chronic NCDs. As a result, people have more correct health promotion behavior in preventing NCDs. It was suggested that public health personnel should educate people about NCDs in a variety of formats and that are appropriate to

the public context, especially on the causes of disease, health checks, proper exercise, and the impacts of eating unhealthy food in order to increase their awareness and to follow correct health promotion behavior.

### **2.8.2 Research Related to the Public Policy Process**

From the literature reviews and research work related to the public policy process, it was found that there has not been any research that had studied or analyzed the taxation policy of sugar-sweetened beverages in Thailand. Further, the origin, causes, and processes of such policy have not yet been documented, nor has the issue of how to implement tax measures for sugar-sweetened beverages by decision-makers, or how the political context affects the policy process. Nevertheless, there has been some previous research related to the policy agenda setting, policy formulation, and policy change in Thailand regarding many different public policies. The present researcher provides an example as follows.

Prasongchai Setthasuravich (2014) studied the process of entering the policy agenda of the rail transportation system in Thailand by giving an example of the high-speed rail project during the government period managed by Yingluck Shinawatra. The research introduces John W. Kingdon's multiple streams framework as a framework for understanding the policy history, the influencing factors in policy emergence, the role of stakeholders in advocacy, as well as the creation of models to explain the policy agenda setting of the high-speed rail project. It was found that entering the policy agenda of the high-speed rail project could happen during all government eras. Nevertheless, the implementation of this policy agenda is highly dependent on political stability. During the period of study, all of the governments that formulated the high-speed rail project were short-lived civilian governments, and confronted political instability, which has slowed down the project. The research result leads to an important conclusion—that if the policy-maker wants the high-speed rail project to move from entering the policy agenda to the next step, the politics must stabilize. It also has to be economically ready to support investment with large amounts of money as well.

Besides the political factors that must be stable and the economic factors that have to be adequately prepared, the project must also have a "critical point," or a point

where people and all sectors of society agree that high-speed trains are truly essential to Thailand. If the reasons are insufficient to induce people to conform and realize that high-speed trains could solve the country's problems, the project may not take place, or if it does, it will only happen from the political side; it could lead people and other sectors to question the legitimacy of the project, create criticism, and even lead to opposition.

In its application of Kingdon's multiple streams framework, it was found that the framework was focused solely on domestic factor analysis. It has yet to focus on policy factors that may have a foreign influence because it is a model derived from the study of policy agenda in the context of the United States. Hence, this framework may not be influenced by ideas or factors of foreign affairs to formulate policies as in the Thai society context. In addition, the findings suggested that the multiple streams framework may not be able to explain the entire process. There is also a room for the author to consider the reality of the society, which Kingdon's idea of proposing that the streams in a society exist independently of one another. It will only match when the political stream and the problem stream are in the same direction, and then coordinate with the policy stream so that the policy window will be opened in the future. Nonetheless, the author has found that the political stream and the problem stream are interrelated because the actors that play a role in making such policies are the same people that both lead the project and point out the problem. As a result, the relationship of these two streams is inextricably related in the Thai political society context, and the streams may not exist as independent as Kingdon proposed. This indicates that such a conceptual framework also requires geospatial analysis and consideration.

Pornchai Pan-On (2016) has studied the formulation of same-sex marriage registration policy in Thailand. The research aimed to study the development of the policy-making process for same sex marriage registration in Thailand in order to identify the trends that drove the consideration of this policy, and to explore the roles of those that had an influence on the development of this policy.

In the study of the three streams that are the factors determining the marriage registration policy, the following was found: 1) the problem stream showed that the most important problem for same-sex couples is the absence of law to support the state of coexistence causing the lack of legal rights arising from the marriage; 2) the policy

stream explained that in the current situation, most people are open to the idea of having a law to ensure the status of same-sex couples' cohabitation; and 3) the political streams showed that the policy was supported by the two major political parties. Therefore, the political policies would have no effects on the same-sex marriage at all.

However, in terms of the role of the actors influencing the policy of partner registration, the results revealed that the policy actors can be divided into two large groups: the legal advocacy groups, which were created by political parties and civil servants, and the legal advocacy groups created by independent organizations and the LGBTQ network. The differing views on the two groups of actors' legislations resulted in an indefinite delay in advocacy that prevented the policy window from being opened.

Moreover, the results of the study show one of the important findings—that the push for the success of the registration of the marriage policy is the social acceptance of the scope of the policy, which is the law to be determined to support the status of same-sex couples. If the essence of the law affects the legal rights and lifestyle of the people as a whole, it may result in the policy window being unable to open. This is because although the rights of the minority should not be neglected, any legislation should consider the impact it will have on most people. If such legislation results in the need to amend other laws or to make other laws invalid regardless of the merits of only a specific group of people, or if it creates confusion in law enforcement, the consequences may not be able to drive policy-making to its success.

Chanakan Phundeamvong (2016) investigated the process of public policy advocacy on housing of Four Regions Slum Network (FRSN). The results showed that in the process of driving such public policy, there was collective bargaining for policy, namely, the community coordination of the four slum networks to open up policy negotiations with the political parties or various related agencies. A key form of advocacy is to form a network of policy partners to achieve a resolution. The proposal was to form a joint working group among representatives of the network, the government, and those involved in the policy to monitor and solve problems.

In addition, concrete projects have been undertaken for proposing alternative options to the government, the creation of public areas, and the participation of the people's movement. There have been campaigns on various issues and important public policy cooperation.



By measuring the level of participation of the four slum network members in the housing public policy drive, the study found that overall, the four slum network members participated at a high level, both at the individual stages and in terms of individual points. The results revealed the least participation in the process of creating a policy proposal. It had the lowest level of participation in presenting key information to make decisions in the four-sector slum network, and the lowest level of participation in monthly meetings to present policy issues to address problems at the national level, as well as setting up plans for activities and participating in activities of the slum network. The research recommended that there should be further studies of public policy advocacy and measurement of the level of participation of members of people's organizations for the purpose of increasing the margins of public policy studies. Moreover, there should be comparative studies of public policy advocacy conducted by various people's organizations, and study perspectives should be expanded to include the government attitudes toward public policy advocacy undertaken by the people.

Waranyoo Senasu (2016) studied the path to national health law (the Thaksin to the Surayud government) by investigating the factors that contributed to the success of advocating the national health law through consideration of the policy processes leading up to the promulgation of National Health Act B.E. 2550 (2007). The research demonstrates how the advocacy coalition framework, multiple streams framework, and the narrative policy framework provide an explanation of the policy process and identify the strengths and weaknesses. It was found that there were four different factors related to the enactment of the law, including the ability to form a strong health network, the policy opportunity, the reinterpretation of health, and the particularity of Thai politics and institutions. After analyzing the national health policy through the multiple streams framework, it was found that this theory has the strength to explain Thai society well; moreover, it is flexible in explaining the policy processes under various political systems *via* the conceptual framework of the policy window.

Pannipa Asapa, Tipaporn Phimphisut, Piyanush Ngernklay, and Surapong Malee (2018) investigated the development of the pension policy for the elderly in Thailand in the form of a comparison of the public policy process. The results of the study indicated that the pension policy is the result of the convergence of the political stream, the problem stream, and the policy stream. The factors that influence the setting

of the pension policy are different. Those that played a role in advocating the policy found that during the Anand era, interest groups were very important factors in entering a policy agenda for making policy decisions. The working group reflected policy-making with an emphasis on technical analysis (technocratic) with Mr. Anand as a policy advocate. This led the government to provide a policy of living allowance for the poor at 200 baht per month. The Abhisit era had reverse data, considering that the subsistence allowance chosen was unfair. Therefore, it led to a policy change for every elderly person at 500 baht per month, reflecting the formulation of managerial policy, with Abhisit as management policy operator (administrative policy entrepreneur). The Yingluck era was a continuation of the policy that focused on the people in pursuit of electoral results. It reflected the populist policies that provided subsistence allowances at a progressive rate. During that era, Yingluck was a political policy entrepreneur, and the political stream opened a policy window to allow the issue of living allowance for the elderly as a government policy.

Watunyu Jaiborisudhi (2019) conducted a comparative study of the One Tambon One Product (OTOP) policy process of Thailand and the One Village One Product (OVOP) policy of Japan. The study examined the processes of policy agenda, policy formulation, and policy implementation between these two policies. The process of policy agenda was analyzed using John Kingdon's multiple streams framework. In terms of policy stream analysis, it was found that the policies within the primeval soup in the case of Thailand were initiated from the elites, while the Japanese policies were initiated from the people within the community. In terms of a comparative analysis of political trends, it was found that both policies had a significant driving force: the Thai Rak Thai Party's victory in the 2001 general election. Thailand's policy was the victory of the Thai Rak Thai Party in the 2001 general election that made Thaksin Shinawatra become Prime Minister. Likewise, in Japan, Morihiko Hiramatsu was also elected as Oita prefectural governor in 1979. It can be said that the political stream was the most important stream in pushing both policies into the policy agenda.

Jiraporn Harnklap and Uthai Laohavichien (2019) studied the process of energy policy formulation of Thailand, investigated the role of policy actors, and found the problems and obstacles in the process of the policy formulation, as well as provided guidelines for solving the problems and made suggestions. The six key informants

related to this policy include the group of politicians, the group of civil servants, the group of state enterprises, the group of private sectors, the group of public sectors, and the group of energy academicians. The main concept applied to this research was John Kingdon's multiple streams framework. The results revealed that the problem stream, the political stream, and the policy stream resulted in the problem entering the policy agenda. The problem stream is a problem stemming from the global energy crisis. The political stream was a bargaining activity of interest groups to negotiate among the groups of major actors. The policy stream was the demand of interest groups, the crisis or the severity of problems, and the competition of interest groups in policy formulation, including public acceptance. It could be concluded that the policy actors in energy policy formulation or the policy promoters were the Prime Minister, the group of politicians, and the group of government officials. The elite class is the power leaders that could make decisions in the policy process and make policy suggestions.

The authors suggested that the government should have focused on the participation of all stakeholders from all related sectors in the energy policy formulation of Thailand.

Some related studies investigating the taxation of sugary drinks in different countries are as follows.

Thow, Quested, Juventin, Kun, Khan, and Swinburn (2010) analyzed four different soft drink taxes in four Pacific countries: Fiji, Samoa, Nauru, and French Polynesia, and documented the lessons learnt concerning the process of policy agenda-setting and implementation. It was also found that the local social and political context are critically important in defining policy uptake. Using these case studies, the researchers proposed strategies for health promotion practitioners to gain a better understanding of the policy and to be able to put it into practice. The case studies describe the interaction between the Ministries of Health, the Ministry of Finance, and the Ministry of Revenue at every stage of the policy-making process. In the process of setting the policy agenda, the relevance of the government's fiscal priorities is essential in terms of favoring the taxation of soft drinks. The active participation of health policy-makers is also important in initiating policies and implementing existing taxation mechanisms in order to enable governments to successfully implement policies. Although the health tax deduction is widely recommended, the revenue could be redirected as government priorities change. Health promotion practitioners must have

a strategic plan for setting the health promotion policy agenda and implementing the health promotion policy by engaging with early-stage finance stakeholders to identify priorities and collaboration, to develop a cross-sector support coalition, and to formulate proposals on existing legal mechanisms.

Mosier (2013) studied the sugar-sweetened beverage taxation policy, using a modified version of Kingdon's multiple streams framework. On the other hand, this study also tested the strength of the multiple stream models in explaining the results regarding public income billing. Using the case study comparison method, this analysis examines the terms of the proposed sugar-sweetened beverage tax cycles in Colorado and Kansas in 2010, which is the year that sugar-sweetened beverage tax law was passed. The research results suggested that tax design, policy framing, and partisan politics are variables that influenced the outcomes of the Colorado and Kansas sugar-sweetened beverage bills. The revised multi-stream framework was also useful in identifying broader terms that are significant to the outcome of revenue bills, such as the severity and size of the budget gaps and the "packaging" of revenue bills.

Niederdeppe, Gollust, Jarlenski, Nathanson, and Barry (2013) investigated the public debate coverage of the large tax on sugar-sweetened beverages in order to clarify how the news media framed the debate and to inform them of future efforts to promote public policies related to obesity. A quantitative content analysis was conducted in order to analyze how often 30 arguments that favored or were against the sugar-sweetened beverage tax appeared in the national news media and in news outlets serving the jurisdictions where sugar-sweetened beverage taxes were proposed between January 2009 and June 2011. The results demonstrate that news coverage includes more distinct pro-tax than the average anti-tax argument. Supporting opinions about the health and financial benefits of sugar-sweetened beverage taxes appeared most frequently. The most common opposing arguments normally related to how the sugar-sweetened beverage taxes will affect the economy and how they established unsuitable governmental invasion. Moreover, it was concluded that news agencies addressing the discussion on the sugar-sweetened beverage tax in their jurisdiction have framed this issue in positive ways. Nonetheless, since these proposals were not considered, it is important for sugar-sweetened beverage tax supporters to reach persuaded audiences about the merits of this obesity prevention policy.

Bonilla-Chacin, Iglesias, Suaya, Trezza, and Macias (2016) studied the impacts of taxation on sugary drinks and high-energy but low-nutritional foods from the Mexican experience. The study outcomes revealed that in October 2013, the Mexican congress passed a law requiring a taxation on sugar-sweetened beverages and low-nutritional, high-calorie foods. This type of taxation is part of a comprehensive strategy for the prevention and control of obesity, overweight, and diabetes. In addition to fiscal policies and regulations, the strategy also included other health promotion and prevention, as well as the measures that were in place to ensure better access to health services for people.

The decision to implement the fiscal policy was the result of a long advocacy process attended by actors from various sectors, including civil society organizations and government agencies. Such relevant organizations provided important empirical information on the status of NCDs in the country, and its prevalence and options for combating it. The tax structure is designed to avoid substitutes for product consumption and to prevent consumers from resorting to non-taxable goods. The results of the study showed that these taxes were successful in terms of both increasing the state income and the prices of the taxed goods were higher. There was also evidence that the consumption of taxed goods, especially sugar-sweetened beverages, has been reduced by the implementation of tax measure.

As regards the impacts of taxation, taxes seem to have the greatest impact among people in the poorest of income distribution. There are continuous debates about the real impact of the tax, especially on health outcomes. Consequently, it is important to continue to monitor the impacts of taxation by developing indicators of price and consumption based on publicly available data as well as indicators of health outcomes. The researcher collected secondary data, including official reports and statistics from governments and health agencies/organizations. The study was conducted both in Sweden and in other countries, especially the Scandinavia countries, including Denmark and Finland, both of which already have had experience in implementing taxation policies for sugar-sweetened beverages.

Thow, Downs, Mayes, Trevena, Waqanivalu, and Cawley (2016) studied fiscal policy to improve diets and to prevent NCDs. The WHO recommends that member states should consider taxation on energy drinks and foods and even subsidize nutrient-

rich foods in order to improve food quality and to prevent NCDs. Many countries have already adopted tax measures on beverages and food, and several other countries have been also considering the adoption of such taxation (2016). However, there have been many important objections to the implementation of fiscal policies to improve nutritional quality and to prevent NCDs. Some of the objection points are related to the cross-sectoral nature of the intervention in the relevant area. Moreover, an understanding of the political and corporate environment in which the adoption, or obstruction, of diet-related fiscal policies arises can allow identification of the situations under which governments may be more likely to make such policies of political significance.

Haning, Arundhana, and Muqni (2016) studied government policy related to sugar-sweetened beverages in Indonesia and the results showed that Indonesia has not had policies related to the restriction of sugar use. During the years of the study, the sugar-to-energy ratio of sugar-sweetened beverages was found to be moderately high (75.68%). sugar-sweetened beverage intake may raise the risk of obesity and NCDs. The absence of tax policy and rules for regulating the use of sugar in a product can cause an increase in daily sugar consumption. Moreover, it could possibly lead to NCDs and have massive consequences in terms of health financing. It was recommended that the government create policies for preventing the widespread negative effects of sugar-sweetened beverage consumption. Furthermore, advocacy efforts to encourage the formulation and implementation of sugar-sweetened beverage taxation should be considered.

Francis, Marron, and Rueben (2016) investigated the pros and cons of taxing sweetened beverages based on sugar content. It was found that the quantity of added sugar in sugar-sweetened beverages varies greatly. If policy-makers decide to perform taxation on sugar-sweetened beverages in order to decrease added sugar consumption, they should contemplate basing the taxes on the quantity of sugar that the beverages contain rather than their volume. The potential policy benefits of sugar-based taxation were analyzed by providing information regarding the approaches to such tax measure to reduce sugar consumption. The objectives of the research also include studying the legal and practical challenges of implementing such tax measures at the federal level, state level, and local levels. Then, it was concluded that taxing based on the quantity of

sugar that the beverages contain, either by taxing sugar content directly or by levying higher volume taxes on drinks with more sugar, is feasible in many jurisdictions and reduces sugar consumption more effectively than comparable taxes on beverage volume. Nevertheless, broad-based volume or sales taxes on all non-alcoholic beverages has raised revenue more efficiently. However, if the government wants to reduce people's consumption of sugar-sweetened beverages, it has to exchange with a lower revenue collection, because when manufacturers sell less beverages, the government can collect less taxes. Consequently, federal, state, and local policy-makers have had to face trade-offs between using sugar-sweetened beverage taxes to raise revenue and discouraging increased sugar consumption. In other words, if the government wants to collect taxes to increase income, it is taxed at a value-based rate. On the other hand, if a tax is to be levied to reduce sugar consumption, a tax is required according to the quantity.

Dahms (2017) examined the evaluation of the effectiveness of the sugar drink taxation policy to tackle obesity in South Africa in 2016. Although South African legislature has not yet formalized or pushed toward legislation, lessons can be drawn from foreign practices. Dahms found and concluded that the proposed sugar tax in South Africa would not be effective due to the fact that it did not meet the principles of a good tax policy. Moreover, even though it had the second highest tax rate in the case study, when compared to Finland, Hungary, and the United Kingdom, it may not be sufficient to combat excessive sugar-sweetened beverage consumption. It was investigated that one of the most important obstacles that resulted in the unsuccessful movement was that consumers tended to choose cheaper alternative sugar-sweetened beverage options. Therefore, there is the possibility of abolishment after the implementation of a sugar tax occurs.

Backholer, Vandevijvere, Blake, and Tseng (2018) studied the 2018 levy on sugar-sweetened beverages, a crucial year in which many countries adopted the tax to reduce sugar-sweetened beverage consumption. The taxation has been considered as one of the most important measures used to tackle the risk of developing NCDs of the world population. In addition, there has been much empirical evidence that tax measures can be used effectively. At the same time, the industrial sector, which has

always been on the opposition, has reached new heights, announcing its global intention that 2018 will be the year that they pay the lowest sugar-sweetened beverage taxes.

The public health policy agenda was approaching unification and had an increasingly common nature of optimism. A more intense policy agenda has been established to enter the global policy agenda on solving NCDs problems. Such issues are very important in order to win the industry's objection. Although the anti-tax forces were strong, the advocacy coalition of the public health agenda also trended to grow and show progress. Furthermore, lessons from the successful evaluation of the sugar-sweetened beverage tax policy in countries such as Chile help to emphasize the importance of the promulgation and implementation of tax measures. The taxation must be appropriate enough to influence behavioral change at the population level. Tax measures implemented and evidence of good effectiveness will be prime examples of policy formulation in other countries in the future.

Edfeldt and Edfeldt (2017) examined the possibility of whether Sweden should impose an excise tax on sugary drinks to better the health of its citizens. It was found that the overall consumption of sugar and sugar-sweetened beverages has decreased in Sweden. Nevertheless, during the same time period, the average calorie consumption and Body Mass Index (BMI) have continued to increase, resulting in an unhealthier population caused by increased medical expenses. An excise tax on sugar-sweetened beverages will not solve the welfare disease problems but may positively influence health. Nonetheless, it was criticized that the possible results of taxation may be both gains and losses in tax income, as well as an increase in administration costs for managing the new tax. It was recommended that since sugar-sweetened beverages are unhealthy products, which do not contribute to any positive health effects, sugar taxation might still be considered to be implemented.

Schaller and Mons (2018) studied the tax on sugar-sweetened beverages and the influence of the industry to prevent regulation in Germany. Before any tax measure could be implemented, some major obstacles had to be passed because the food industry did not agree on any measures that would lead to lower consumption. Industry groups have made great efforts to prevent relevant laws from going into effect. The same strategies were used for the tobacco industry, such as direct policy intervention (lobbying), influencing research and media, and performed hidden activities in the form



of corporate social responsibility activities to reveal corporate social responsibility and organizational environment. Producers have used these strategies to generate opposition to the measures, both politically and in the population. At the same time, they have tried to push against the tax measure but instead adopted educational measures.

In order to thwart tax measures, manufacturers do not just seek direct support from politicians, but also create special interest groups and vanguard groups that represent their interests to policy-makers and the public. Industry groups and their lobbying firms have argued that the taxation on sugary drinks is an ineffective measure. Industry groups have pointed out that consumer health problems can be remedied by product reforms using non-tax measures that are more effective, such as education, product labeling, and nutrition guidance or advice.

Lutzenkirchen (2018) analyzed the 2014 policy on the taxation of sugar-sweetened beverages in Mexico. The purpose of the study was to discover how the soda tax emerged as a policy issue there and how stakeholders influenced its development and implementation. The analysis was in the form of qualitative research with a policy network approach, framing theory, and multiple streams framework.

The results of the study revealed that there are a number of contextual factors that facilitated the development of the Mexican tax measure. The new government needed to find added sources of revenue, increased public and government awareness of high sugar-sweetened beverage consumption, as well as its connection to obesity and diabetes. Part of this has been increased dissemination of information and influence from national NGOs through the use of media and support from international organizations, as well as the use of existing national networks and cooperation from new networks in the country

Certain important relationships and associations have had an effect on agenda setting for important policy issues, including how conflict of interests, accountability, and representations in the formal policy process are managed. This has revealed a power imbalance in policy discussions and changes in attitudes, responsibilities, and actions of the main policy actors. In the early stages of the sugar-sweetened beverage taxation policy process in Mexico, the Ministry of Health and Ministry of Finance was hesitant, and its push for tax measures was opposed and not supported as seriously as

expected. The formal policy design process followed a multi-stakeholder approach. One of the most important groups of actors was the food and beverage industry. Such stakeholders influenced the implementation of the policy, thereby reducing the importance of the beverage taxation policy and possibly distorting the results of the policy. In terms of cooperation in advocating the policies of those involved who are not government officials, there were activities that influenced public perception of taxation include the use of marketing strategies, the media call to action, the promotion of the right to have good health, the solicitation of being aware of the underlying causes of obesity, and the implementation of corporate social responsibility. The effectiveness of the beverage tax policy was highly controversial in Mexico both before and after its implementation. This resulted in a clear division between those that agreed and disagreed. Until the beverage tax appeared as a policy option, the food and beverage industry's influence on health policy was therefore not viewed as a conflict of interest or too difficult to solve, and has been overlooked by state policy-makers. In other words, the study demonstrated that corporate interests still have had an influence on Mexican health policy after the introduction of the soda tax.

Buckton, Patterson, Hyseni, Katikireddi, Lloyd-Williams, Elliott-Green, ... Walt (2018) examined the palatability of sugar-sweetened beverage taxation by analyzing the newspaper's extensive debate on the policy of taxing beverages based on sugar content in the UK. The researchers examined how the sugar and sugar-sweetened beverage policy debate was presented in a UK newspaper at a time of increasing health concerns and adherence to announcements on the soft drinks industry levy (SDIL) by the UK government as a confirmation of support for future health policy. The results suggested that the policy landscape favoring fiscal solutions to limit sugar and related sugary beverage consumption was promoted from media coverage characterizing the issue as an industry-driven problem. In this regard, the media coverage could help drive the public to accept a SDIL and the future taxation of sugar-containing products.

Osornprasop, Sirinya, and Gowachirapant (2018) studied the lessons learned from Thailand's obesity control and prevention policy. The research is a case study showing how important policies aimed at tackling overweight and obesity in Thailand were designed and implemented. It also investigated the roles of key actors,

the challenges in the policy, and how those challenges were resolved. Regarding the tax collection policy on sugar-sweetened beverages, there were challenges in collecting these taxes. This included opposition from the private sector (such as promoting legal enforcement and criticism with existing evidence) and policy design, especially taxation with relatively low tax rates, which may have had little impact on retail prices. Therefore, it has had little effect on reducing the consumption of sugary drinks as well.

The implementation of a taxation policy on sugary beverages in Thailand has been quite complex and has involved many stakeholders. As a result, it could lead to confusion about policy goals, in particular the mutual understanding and goals among ministries, departments, and agencies, as well as the beverage industry. It was suggested that successful implementation of the policy requires inter-sectoral action, whether through collaboration among public health agencies, advocacy among various ministries, including academics, NGOs, and the general public. A policy alliance should be extended from the beginning of the policy formation to policy implementation, or the development of a similar policy in other countries or in other related contexts.

Eykelenboom, van Stralen, Olthof, Schoonmade, Steenhuis, and Renders (2019) conducted a systematic review and meta-analysis in order to synthesize the existing qualitative and quantitative literature on political and public acceptability of a sugar-sweetened beverage tax. The research examined the political and public acceptance of the policy for the taxation of sugary beverages. The results of the study revealed that beliefs about effectiveness and cost-effectiveness, appropriateness, economic and socioeconomic benefits, policy adoption and implementation, and public mistrust of the beverage industry, government, and public health professionals have had important implications for the political and public acceptability of a sugar-sweetened beverage tax. It may be possible to raise acceptability and improve successful adoption and implementation of the sugar-sweetened beverage tax. This can be undertaken by four methods: 1) addressing inconsistencies between identified beliefs and scientific literature; 2) using raised revenue for health initiatives; 3) communicating transparently concerns regarding the true purpose of the tax; and 4) generating political priority for solutions to the challenges to implementation.

Hilton, Buckton, Patterson, Katikireddi, Lloyd-Williams, Hyseni, . . . Capewell, (2019) investigated whether stakeholders in the soft drinks industry levy debate attempt

to establish or undermine this policy's acceptance through the news media and how it compared to similar policy debates about the tobacco and alcohol industries. It was found that the policy stakeholders' stance broadly reflected their interests. The inconsistency was caused by changes in ideological positions, inadequate clarity on the nature of the problem to be solved, policy priorities, as well as consistency with academic rigor.

Le Bodo, Etiléc, Gagnon, and Wals (2019) analyzed the conditions that influenced the resolution of the taxation of beverages for public health reasons in France between 2005 and 2012. Although more than 40 countries (2019 data) have agreed to a global taxation on sugar-sweetened beverages policies for public health, there is still some debate in many countries. The policy process can influence the design of tax measures and public health benefits from the use of such measures to gather insights into the policy process. The researchers studied the case of the beverage tax enacted in France on January 1, 2012, newspaper articles (2003-2013) and related documents from various agencies (2007-2012) focusing on the use of keywords and search engines.

The qualitative data extraction and analysis in this research were performed on the basis of comprehension and chronology, with guidance from John Kingdon's multiple streams framework, and a three-dimensional investigation of data collection methods. The results of the study revealed that in August 2011, the French government announced that an excise tax of € 3.58/liter was levied on a variety of sugar-sweetened beverages, but the measure excluded fruit juices without added sugars in processing and sweetened beverages that did not contain energy (non-calorically sweetened beverages or NCSBs). As part of a larger budget plan, the policy proposal aims to reduce the consumption of sugar-sweetened beverages and to increase the state's income to allocate to healthcare jobs.

Moreover, as a result of the theoretical analysis with MSF, there were a number of conditions that opened the policy window, including government announcements occurring in the context of severe budget deficits. In France, the beverage tax situation has already been discussed at high levels and the use of tax measures has already received support and approval from political leaders. The policy has since been successfully passed through a series of unforeseen circumstances, but public health reasons and the measure's design have been reduced. As part of a larger budget plan,

the policy proposal aimed to reduce sugar-sweetened beverage consumption of beverage products and to increase government revenue so that it can be allocated to healthcare jobs.

The policy was successfully passed through a legal process due to several unexpected events, but the public health rationale and design of the measures have been made less important. In the context of France, the first event was the disorganized reaction from the food industry, even they have continued to express considerable objection to the tax. The next event was the support of the majority of MPs adopting tax measures with one of the most important reasons that the increased revenues would be used for the public, which can consequently be used to reduce wage costs in the agricultural sector. Finally, the last event occurred when the policy entrepreneurs selected a conciliatory approach to make the tax measure politically acceptable and lawful, while the tax rate doubled. This research has created an understanding of the influencing factors that may be considered by public health practitioners supporting the sugar-sweetened beverage taxation policy process.

Chainani (2019) has studied the push for the adoption of tax policy on sugary beverages by doing a case study on the failure of the city of California. Since 2014, voters in four California cities have approved a ballot measure to levy a 1-penny-per-ounce tax on sugar-sweetened beverages. However, before the tax measure could be pushed to a close, more than 128 local and state sugar-sweetened beverage policy proposals in the United States have failed since 2009. The current success of the sugar-sweetened beverage taxation in California has offered an opportunity to discover the factors involved in passing sugar-sweetened beverage approval. In addition, the research clarified how the multiple streams framework might be modified in cases concerning local governments.

Chainani (2019) also explained that there were five main areas involved in the decision to adopt the sugar-sweetened beverage tax in the city of California: 1) planning ahead; 2) advocating for policy formation; 3) voter participation; 4) messaging; and 5) media. The cities that failed to pass the tax law could not obtain consensus about the problem, or the proposed solution; moreover, the proposed policy for consideration was seen as technically impossible. Although the MSF is a useful framework for analyzing the factors involved in the success of placing sugar-sweetened beverage tax measures

in the policy agenda, it is not clear how much independence there is between problem stream, policy stream, and political stream at the local policymaking level. Moreover, Chainani (2019) suggested that there should have been a modification to the problem stream by adding a classification of events to analyze other factors related to the cause of the policy alternative that may be approved or may be rejected in entering the policy agenda.

Moreover, to obtain successful approaches in solving local problems requires a deep understanding of three areas. First, a policy entrepreneur or a policy advocate plays an important role in shaping the approach to perceiving problems. He or she can also help to develop solutions to policy issues or identify political opportunities that create a supportive context. Collaborating with more than one advocate or policy-making leader of varying degrees of expertise who share the same interests is essential to achieving political success. Secondly, using a grassroots approach, where policy-relevant people from lower levels play a role in solving the problem will help to ensure that people most affected by the problem or that are most affected by the problem solutions are at the forefront of those advocating the policy. This is because problems and solutions reflected by the voters themselves tend to become more and more important on the policy agenda and ultimately achieve success. Thirdly, a deeper understanding of the development of winning strategies for solving problems may be gained through the study of successful and failed case scenarios. In other words, while a successful case study can serve as a good guideline in policy formulation, the cases of a failure can be used as a guideline in formulating a policy for unconventional improvements to achieve for the first time. In the end, when it comes through repeated actions, it can become a winning strategy for the future.

James, Lajous, and Reich (2020) explored the politics of the passage of the sugar-sweetened beverage tax in Mexico, using published documents, media articles, and interviews with key stakeholders to study the period of agenda setting when the tax was included in the president's fiscal reform package and the period of the legislation, when a bill was submitted to congress and approved. The analysis uses John Kingdon's multiple streams framework to explain how tax policy entered the agenda setting and how such a policy agenda was optimized and approved until becoming law.

The researchers presented five lessons related to the political process in determining the taxation of sugary drinks in Mexico. First, establishing a sugar-sweetened beverage taxation policy is challenging and requires high-level organizations to cooperate, support, plan, and strive to push it forward. Secondly, supporters need an understanding of how to deal with the political and economic contexts supported by the Bloomberg Philanthropies (An organization that funded a study on how to apply tax measures to sugary drinks in Mexico.). Thirdly, framing the tax structure for reasons to generate more state income was very helpful to get the proposal onto the policy agenda and to facilitate the adoption of such policies from the powerful Ministry of Finance. Fourthly, establishing a network within the legislature early in order to have a network of alliances within parliament when the sugar-sweetened beverage tax was presented for consideration. Finally, releasing a publicity campaign early helped the public to recognize and understand that the situation of chronic NCDs in Mexico was mainly caused by sugar-sweetened beverage consumption.

## **2.9 Conclusions Leading to Analysis Frameworks and Study Models**

This research is an endeavor to conduct an in-depth analysis of the policy acquisition process and the effect of excise tax policy on sugar-sweetened beverages in Thailand. The researcher is also interested in studying the problems, obstacles, and solutions regarding the impacts from taxation. Then, the data obtained from the objective study will be synthesized and the research questions answered to offer several strategies to drive the excise tax collection policy for sugar-sweetened beverages in Thailand.

From the review of ideas, theories, and related research in order to study the excise tax collection policy for sugar-sweetened beverages in Thailand, the researcher has developed an integrated model for this study, as shown in Figure 2.5.

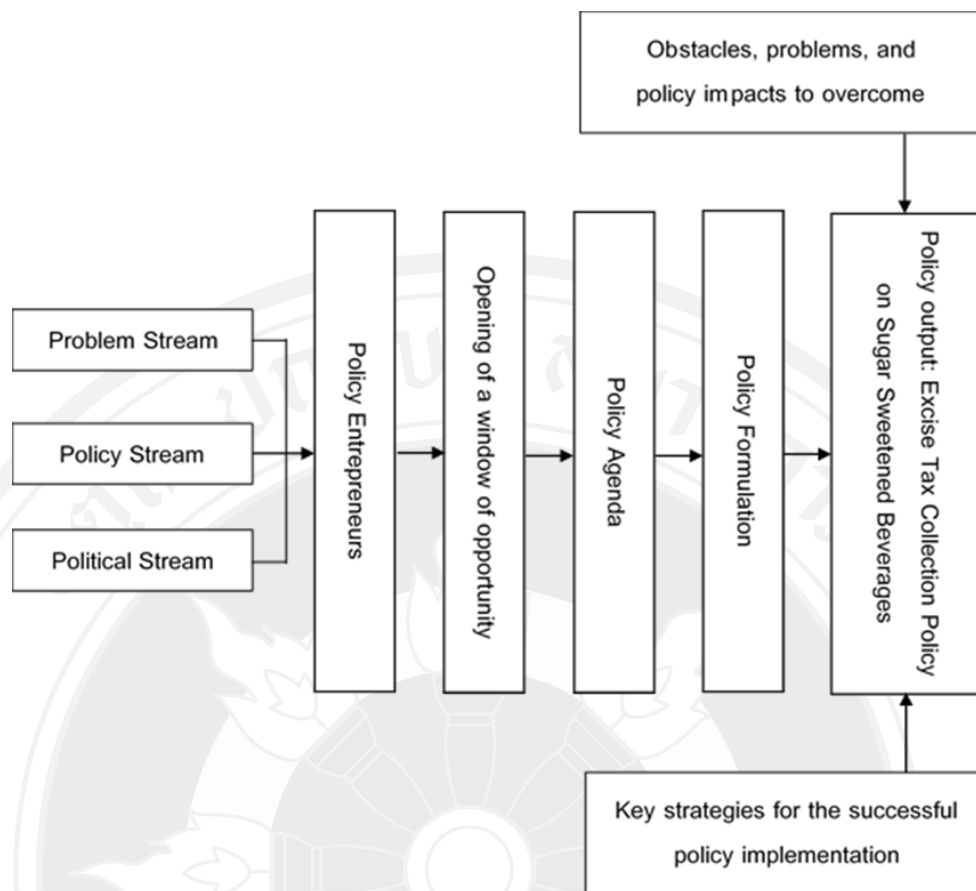


Figure 2.5 Model of the Study on Excise Tax Collect Collection Policy on Sugar-Sweetened Beverages

A model used to study the excise tax collection policy for sugar-sweetened beverages in Thailand was developed from the research concepts and related literature described in this chapter. The policy agenda analysis framework uses John W. Kingdon's multiple streams framework and policy window or window of opportunity. Moreover, this research will examine the factors of the problem stream, the policy stream, and the political stream during the period of this policy study and analysis. It will then reveal how each stream has changed and how its process was performed. In this regard, the problems, the alternatives that are solutions to the problems, and the process of entering the policy agenda required the advocacy of the supporters of the policy agenda. Thus, this research explains the roles of policy entrepreneurs and identifies the actors in driving the policy agenda. The problem stream, the policy



stream, and the political stream must converge in order to push the issue into the policy agenda.

As for the analysis framework for setting the policy agenda, after the sugar-sweetened beverage taxation policy has entered the policy agenda and developed into the process of policy formation, it will be studied and analyzed in order to investigate the stakeholders in the policy formulation process using the public policy model. In this research, the elite model and the intergroup equilibrium model were studied and analyzed, along with the advocacy coalition framework used for analysis in order to understand the role of those involved in policy formulation. The research then leads to a conclusion about the advocacy coalitions involved in the policy process that will make decisions or policy changes and how the political context affected the policy process.

In addition, after obtaining the results of the policy, the research will explain how the results of the tax measure have met the stated objectives. This information will be revealed after collecting data from the participants involved in the policy concerning problems, obstacles, and solutions related to the taxation discussed here. After that, study, analysis, and synthesis will be carried out in order to obtain the key strategies for driving the policy of collecting an excise tax for sugar-sweetened beverages in Thailand to be successful in future implementation.

## **CHAPTER 3**

### **METHODOLOGY**

In the study, “Excise Tax Collection Policy on Sugar-Sweetened Beverages,” the researcher has established a research methodology, which is a qualitative research methodology, including documentary research, in-depth interviews, and conducting a focus group. This research has set the framework and scope of the research methodology, as well as the important reasons for the application of the aforementioned research methodology in conducting this research, according to the main points summarized as follows.

#### **3.1 Research Methods**

In determining the research methodology in this research, the researcher has established a research methodology using qualitative research. The process of studying and analyzing data from documents or documentary research, the in-depth interview process, and conducting a focus group contains the following details.

##### **3.1.1 Documentary Research**

The qualitative method is a method of drawing conclusions from a number of studies that are not statistically used, or if statistics are not considered the primary method of analysis. Documented research often uses content analysis and textual analysis as the main methods, which facilitate the understanding of the document to be used as an integral part of the research. Moreover, this major type of social research is also directly related to the study of information from published papers (Scott, 2006). For this reason, document research is a study of information from various primary sources and secondary data, such as academic documents from government agencies, academic articles, textbooks, research works, theses, related TV interviews, meeting minutes, and documents from academic seminars.

This documentary research methodology was initially used to explore research topics, concepts, theories, and related literature reviews, leading to the narrowing of the scope of the study and raising the research questions. There was also the application of theoretical concepts, and a gathering of preliminary information about the facts of the past and several interviews obtained from individuals or groups of people involved in the excise tax collection policy on sugar-sweetened beverages. In this regard, the researcher reviewed the related concepts, theories, and pieces of literature concerning the process and framework for public policy studies, theories of policy agenda setting and policy formulation, the advocacy coalition context, public policy and political systems, the role of interest groups in the policy process, policy-driven strategies, excise tax collection policy on sugar-sweetened beverages in other countries, and related research in similar fields of study.

### **3.1.2 In-depth Interviews**

In the process of the in-depth interviews in this research, the design of the questions could be used in semi-structured interviews or guided interviews, which are flexible and open research methods. The keywords related to the excise tax collection policy for sugary drinks were used in the interviews. An open-ended questionnaire was drafted with the key words, along with the flexible nature of the questions. The wording of the questions was adjusted to be consistent with the individual research participants or interviewees in each event or condition and in the changing environments. These important structures were organized so that the experts, scholars, as well as the individuals that were significant to or involved in the excise tax collection policy for sugary beverages in all sectors could answer the questions in the in-depth interviews in order to obtain diverse information on the dimensions and the practical facts of both the depth and breadth of the collection of excise taxes on sugar-sweetened beverages.

The semi-structured interview was selected and used because it is a form of intermediate interview between structured interviews and unstructured interviews. Each of these two types of interviews has its own strengths and weaknesses; structured interviews can be too rigid, while unstructured interviews are flexible and very open. Hence, the researcher selected semi-structured interviews, which is a productive way to collect open-ended data from participants by using keywords to guide the interview.

A pre-interview step was taken in order to prepare a loose topic in a semi-structured form and to flexibly draft open-ended questions designed with the desired keywords. Semi-structured interviews encourage two-way communication because those being interviewed can ask questions of the interviewer; therefore, they can also function as an extension tool. Additionally, the wording of the questions can normally be modified based on the stakeholders involved in the research for each changing interview situation (Adams, 2015).

In-depth interviews were used to collect the data and the key informants were selected using purposive sampling with a group of individuals involved and playing a role in formulating the excise tax collection policy for sugar-sweetened beverages in Thailand. The researcher had opportunities to ask follow-up questions, analyze additional information, and circle back to key questions later on in the interview in order to generate a rich understanding of the attitudes, perceptions, and motivations related to the policy process. The list of 18 interviewees, their positions, and the organizations they belong to are detailed in Table 3.1 as follows.

Table 3.1 List of Interviewees

<b>Interviewees</b>	<b>Positions/roles</b>	<b>Organizations</b>
<b>1. Maneekwan Chandarasorn</b>	Director of the Excise Tax Policy Division	Bureau of Tax Policy, Fiscal Policy Office, Ministry of Finance
<b>2. Nattakorn Utensut</b>	Director of Tax Planning Bureau and a deputy spokesman for the Excise Department	Bureau of Tax Planning, Excise Department, Ministry of Finance

Interviewees	Positions/roles	Organizations
<b>3. Pin Sangchan</b>	Director of Tax Collection Standard and Development 3 Division (Beverages)	Bureau of Tax Collection Standard and Development 1, Excise Department, Ministry of Finance
<b>4. Samart Noiwan</b>	Director of Strategy and Planning Division	Office of the Cane and Sugar Board, Ministry of Industry
<b>5. Chantana Ungchusak</b>	Executive Committee of the Plan 5, Advisor to the Department of Health (Dental Public Health) and a member of the working group that drives necessary measures against health risks in the National Reform Steering Committee on Public Health and Environment Reform	Thai Health Promotion Foundation, Ministry of Public Health
<b>6. Piyada Prasertsom</b>	Manager of Thailand's Sweet Enough Network, Director of the Dental Public Health Bureau, Department of Health and a member of the working group that drives necessary measures against health	Sweet Enough Network, Dental Public Health, Bureau, Department of Health

Interviewees	Positions/roles	Organizations
	risks in the National Reform Steering Committee on Public Health and Environment Reform	
<b>7. Mayuree Ditmetharaj</b>	Food and Drug Technical Officer, Senior Professional Level in the Food Division	Food and Drug Administration, Ministry of Public Health
<b>8. Sirirat Preecha</b>	Food and Drug Technical Officer, Practitioner Level in the Food Division	Food and Drug Administration, Ministry of Public Health
<b>9. Weerasak Puttasri</b>	Deputy Secretary-General, National Health Commission Office	National Health Commission Office
<b>10. Wasuntharee Saeresuchart</b>	Nutritionist, Senior Professional Level in the Bureau of Nutrition	Department of Health, Ministry of Public Health
<b>11. Chayada Bhadrakom</b>	Lecture (Assistant Professor) in the Department of Agricultural and Resource Economics, Kasetsart University	Department of Agricultural and Resource Economics, Kasetsart University

Interviewees	Positions/roles	Organizations
<b>12. Payao Phonsuk</b>	Program manager and researcher at Food and Nutrition Policy for Health Promotion	Food and Nutrition Policy for Health Promotion, International Health Policy Program, Ministry of Public Health
<b>13. Suladda Pongutta</b>	Researcher in Food and Nutrition Policy for Health Promotion and a member of the working group that drives necessary measures against health risks in the National Reform Steering Committee on Public Health and Environment Reform	Food and Nutrition Policy for Health Promotion, International Health Policy Program, Ministry of Public Health
<b>14. Wichai Kanlayanamete</b>	Executive Committee and Excise Tax Specialist in the Thai Beverage Industry Association	Thai Beverage Industry Association
<b>15. Ekaphol Pongstaporn</b>	Beverage industrial operator, Managing Director at Tipco F&B Co., Ltd.	Tipco F&B Co., Ltd.
<b>16. An alias "Industrial Operator A," who does not wish to specify</b>	Executive from a world-famous brand of soft drinks	Beverage Company A

Interviewees	Positions/roles	Organizations
his/her name-surname, position, or organization name		
17. An alias "Industrial Operator B," who does not wish to specify his/her name-surname, position, or organization name	Executive from a world-famous brand of soft drinks	Beverage Company B
18. An alias "Industrial Operator C," who does not wish to specify his/her name-surname, position, or organization name	Executive from a world-famous brand of soft drinks	Beverage Company C

### 3.1.3 Focus Group

Another method of data collection in this research was focus group. The data were collected using group discussion on a particular topic organized for research purposes with the main goal of knowing the facts, which included various insights and different stakeholders related to the policy that were asked for open-ended responses conveying their thoughts or feelings (Aroonrasamee Bunnag, Pannarat Sangperm, Weeraya Jungsomjatepaisal, Yuwadee Pongsaranunthakul, Venus Leelahakul, & Doungrut Wattanakitkrileart, 2010; Grudens-Schuck, Allen, & Larson, 2004)

Data collection was made through a group discussion at a seminar for increasing the efficiency of excise tax collection and supporting the ease of doing business for liquor, beer, and non-alcoholic beverage products. The participants in the focus group



were civil servants from the Excise Department, industrial entrepreneurs and food and beverage importers that attended the seminar at the Windsor Suites Hotel Bangkok on June 21, 2018. The researcher was a modulator during a small group meeting, which was attended by 15 government officials from the Excise Department and industrial operators and importers from the food and beverage industry. The time spent in the group discussion was allocated, with two sessions of two hours each, guided by open-ended questions that the researcher wanted to comprehend and that were predetermined, consistent with the research questions and the research objectives. In addition, the participants in the group were questioned in order to encourage discussion and brainstorming to take place, and at the same time, all related information was noted and observed throughout the meeting. Those that were involved in the group discussion were as follows.

#### 3.1.3.1 Seven civil servants from the Excise Department:

- 1) Chairat Saedan, excise technical expert from the Bureau of Tax Collection Standard and Development 1
- 2) Rapeepan Boonthong, excise technical officer, professional level from the Bureau of Tax Collection Standard and Development 1
- 3) Surachet Kaencha, excise technical officer, practitioner level from the Bureau of Tax Planning
- 5) Rungratsamee Panpanyaleot, Scientist, senior professional level from the Goods and Exhibits Analysis Office
- 6) Kamonlak Wattanachareonrat, excise technical officer senior professional level from Regional Excise Office 1
- 7) Wantanee Poompruek, tax audit officer, professional level from the Pathumthanee 1 Area Excise Office

#### 3.1.3.2 Eight entrepreneurs from the food and beverage industry:

- 1) Leuchar Pisitthakarn from Tipco Foods Public Company Limited
- 2) Anchari Saensopha from Doi Kham Food Products Company Limited
- 3) Plangsit Suttapreyasri from Nestlé (Thai) Company Limited
- 4) Nureya Benrohman from Haadthip Public Company Limited

- 5) Rewadee Rasamee-saengphech from Carabao Tawandang Company Limited
- 6) Preeti Charoensilp from Thainamthip Manufacturing Company Limited
- 7) Songkhla Phaesuphat from T.C. Pharmaceutical Industries Company Limited

The data obtained from the focus group were categorized in order to provide information that could be used for analysis, together with collected data from documentary research and the in-depth interviews. In addition, the results of the meeting were reported to the group discussion participants regarding the results of each discussion. Subsequently, the results of the seminar were presented through the Excise Department and the Thai Beverage Industry Association for approval of conclusions and were further published.

### **3.2 Data Verification**

Triangulation was used in order to verify that all collected data were accurate, reliable, and certain. The rationale for using this approach for verification was that it could create greater confidence and increase the reliability and validity of the research findings when different methods yield the same results. The researcher would finally be able to reach a more complete and whole picture of the phenomenon under exploration as this approach could help in giving a more detailed and balanced picture of the situation (Altrichter, Posch, & Somekh, 1993). Moreover, when triangulation is applied to qualitative research this method can be defined as “an attempt to map out and explain fully the richness and complexity of human behavior by studying it from more than one standpoint” (Cohen & Manion, 1986).

The triangulation used in this research was data triangulation, investigation triangulation, theory triangulation, and methodological triangulation. These types of triangulation facilitated validation of the data through cross verification from more than two sources. Additionally, they were used to test the consistency of the research findings obtained through different instruments and expand the chance to control, or at least weigh some of the threats or multiple causes influencing the results.

### **3.3 Data Classification**

As the data collected in this research came from quite a variety of sources, consequently, in order to make the collected and verified information easy to find, all of the data from various sources had to be organized by notetaking and indexing in separate categories (files) for easy analysis, clarity, and cleanup for further analysis. Organizing information could classify the collected data in a condition that was convenient and easy to analyze (Suphang Chanthawanit, 2011, pp. 17-64)

After the research data had been collected for some time until the researcher realized that there was sufficient information, all of the collected data were then organized in a file format, which was divided into three main categories. The first category was a general category, which was organized to track various stories quickly and easily. It was separated into files, people, places, organizations, and documents in order to understand what happened to whom, and where and how. The second category was the field information category, which was organized into folders, observations, interviews, group discussions, as well as the recording of specific information during the collection processes. The organization of information in this category also helped to organize information about the methods and processes of the data collection. The third category was the analysis category. This section was created while the data were being collected and then analyzed. The researcher had the idea to set the topic of the findings that related to the research objectives and the research questions; consequently, the collected data were then organized into files by subject lines, separated into events and documented thoughts resulting from the analysis.

### **3.4 Data Analysis**

The researcher analyzed the data through documentary research, in-depth interviews, and the focus group. This began by studying the information from government documents related to the policy, and then analyzing the data through content analysis by interpreting and extracting the contents from the interpretation of the documents and from the in-depth interviews, both direct and indirect contributors. Moreover, there was consideration regarding the contexts or environment of the

document data to be analyzed and how they have changed (Suphang Chanthawanit, 2011, pp. 107-108). The information collected was then examined through data triangulation in order to ensure accuracy, reliability, and error prevention. In addition, there was a reduction in the raw data, which had to be done continuously from the field selection process in order to decide which group of information should be determined as a code or a summarization. Additionally, there was the decision as to which group of collected data should be ignored because it was redundant.

When the results were first summarized and proved to be temporary conclusions, the data were then interpreted in order to create conclusions by analytic induction, which was the development of conclusions drawn from the study of cases from sub-conclusions to big conclusions. After that, those data were coordinated with the primary information obtained from the interview. Next, the data were analyzed for flaws through academic debate on issues that should be addressed. Finally, when the researcher obtained comprehensive information, the thesis was written, which was the last step in conducting the research. A descriptive analysis was used in the form of narrating relevant phenomenon that occurred as a result of the study. Data presentation was organized into the order of the data, with the researcher presenting the descriptive contents first, and then presenting the information that correlated with the events. Finally, information was presented that was an explanation of what happened or why it happened.

### **3.5 Analytical Framework**

The analytical framework of this research is based on a review of all relevant theories or research. Establishing a clear and comprehensive theoretical concept of the phenomenon could help the researcher analyze the relationships of the events that happened. Theoretical conceptual frameworks help generate research questions based on theoretical concepts. The research that generates questions based on theoretical concepts can use theories to help explain various elements of public policy and this will assist in providing conceptual frameworks, as well as in helping to reformulate research questions to be clearer and more concise (McMillan & Schumacher, 1989). The key elements of each theory were used to question the research and to explain the research

results, while using a variety of different theories contributed some advantages to the research.

The first was to refer to multiple theories as “multiple lenses”—a more comprehensive approach to policy analysis. In other words, not all theories focus on explaining the same phenomena of the policy process. The second was various theories that explain more than one point of view and show how different theories have comparative benefits. Thirdly, it was useful in encouraging the researcher to realize the assumptions of each theory that have been applied in the research. Lastly, as Cairney and his team (Cairney, Studlar, & Mamudu, 2012) have said, theoretical diversity will provide different answers to the same question and will motivate the researcher to seek further evidence. Further, the reference purpose of many theories allows researchers to look at and analyze detailed policy processes through different lenses.

In terms of the analytical framework for advocating the collection of excise tax on sugar-sweetened beverages in the process of public policy emergence, policy agenda setting is the very first step of the process. Moreover, in order for policy implementation to be successful, network partners must try to combine the three streams based on John Kingdon's multiple streams framework—the problem stream, policy stream, and political stream. Conversely, if the three streams do not converge, the decision or policy change will not take place yet. Hence, when the three streams converge, policy decisions can be made, backed by policy entrepreneurs of the phenomenon of opening policy windows in society. This will bring about decisions or even create more policy changes. Among those three streams, political streams are the main streams of policy. It is a more important force than all of the other streams because most decision-making agendas are determined by open political situations and conditions. However, policy windows can open due to the coercion of immediate problems or political change, but policy windows often open and close quickly. It is up to the policy network to bridge the three streams in the limited time in order to support decision-making by the highest authority. In this step, if compared with the process of entering the public policy agenda in the political context of Thailand by management, it refers to the decision-making process of the cabinet. In this regard, as a result, when the policy window opens, the policy network must be used immediately in order to harmonize the three currents and ultimately drive policy decisions (policy outputs) (Nuthawut Jinarat, 2011, p. 17)

The advocacy coalition framework (ACF) is a concept that describes the role that academic information plays in the policy process, from problem formulation to formulating policies to seeking alternatives and making policy decisions. The theory focuses on expanding the views of those involved in the policy, from government agencies or formal policy decision-makers to those involved in policy at other levels and sectors in the wider society. In the path of legislation to address public health problems through a review of the policy processes that lead to the concrete enactment of the law, it could be often subjected to a political phenomenon with various groups coming into institutional bargaining. The success of advocacy is due to the unique nature of the health reform group, strong health network integration, the opportunity to push the policy at the right time, as well as the ability to create a new meaning of "health" and the Thai political institutional structure.

Once the issue has entered the government agenda, the next policy process is policy formulation, which reveals the background of the individual or group of persons responsible for the policy-making. Generally, those that have this role are those that have power at a given time; moreover, another important factor is the form of political and governmental system during the period. If it is a form in which power belongs to the leaders, they will be policymakers and this will lead the implementation on the path they expect. In such a situation, the elite model should be used for analysis. Conversely, if various social conditions are complex and there are many different groups of people interacting with each other in order to gain their own interests, these interest groups can therefore increasingly become involved in policy-making. In this situation, public policy can be established from the coordination between the different groups in society, and the group equilibrium model should be used for analysis (Anderson, 2006; Dye, 2005; Henry, 1992).

Briefly, the important theories chosen as the analytical framework for this research are outlined in the paragraphs above. In matters of the consistency or suitability of those mentioned theories, in formulating an analytical framework, the criteria for selecting appropriate theories to be used as an analytical framework must be considered. One of the most important principles is to understand the objectives of each selected theory because some theories may only be used for categorizing information

into a system, while several theories are suitable for explaining information, and others can be used for predicting information (Buse, Mays, & Walt, 2012)

### 3.6 Summary of Research Methodology

It can be seen from the aforementioned research methods above, the qualitative research method was chosen for analyzing the primary and secondary data obtained from the following major sources: 1) researching various documents, both in book form and in online version, that had consistent contents with the research question and objectives of this research; 2) in-depth interviews with key informants to seek insights and gather information from those directly involved in the policy; and 3) focus groups with group discussion by holding meetings with stakeholders and those in the network that were directly affected by the policy. These analyses were performed in response to the research objectives aimed at corroborating existing theories (confirmatory research) by applying several existent theoretical conceptions to the collected empirical data in order to arrive at appropriate clarifications to confirm or reject existing theoretical ideas, which would lead to further refinement of the theory.

The data were verified, along with data classification and data analysis. After that, the verified data is then interpreted and transformed into an inductive conclusion, which was an evidence-based conclusion and the collected data to draw conclusions for the majority of the population. Finally, related information are explained in response to the research objectives and answer the research questions in the next chapters. The details of research methodology are summarized in Table 3.2 as follows.

Table 3.2 Summary of Research Methodology

<b>Research Objectives</b>	<b>Related Concepts and Theories</b>	<b>Methodology</b>	<b>Sources of Data</b>	<b>Data Analysis</b>
<b>1. To study and analyze the process of</b>	- Multiple streams framework	- Documentary research	- Primary data from in-depth	- Content analysis

<b>Research Objectives</b>	<b>Related Concepts and Theories</b>	<b>Methodology</b>	<b>Sources of Data</b>	<b>Data Analysis</b>
<b>entering the agenda, the excise tax collection policy for sugar-sweetened beverages in Thailand</b>	- Advocacy coalition framework - Public policy and political systems	- In-depth interviews - Focus group	interviews and focus group - Secondary data from documentary research	- Analytic Induction - Descriptive analytics in the form of narrative explanation
<b>2. To study and analyze the roles of stakeholders in policy formulation and the process of formulating the excise tax collection policy for sugar-sweetened beverages in Thailand</b>	- Multiple streams framework - Advocacy coalition framework - Models of Public Policy: Elite Model and Group Equilibrium Model - Public policy and political systems - The role of interest groups	- Documentary research - In-depth interviews - Focus group	- Primary data from in-depth interviews and focus group - Secondary data from documentary research	- Content analysis - Analytic Induction - Descriptive analytics in the form of narrative explanation



<b>Research Objectives</b>	<b>Related Concepts and Theories</b>	<b>Methodology</b>	<b>Sources of Data</b>	<b>Data Analysis</b>
	in the policy process			
<b>3. To study problems, obstacles, and solutions to the impacts of excise tax collection on sugar-sweetened beverages</b>	<ul style="list-style-type: none"> <li>- Process and Framework for Public Policy Studies</li> <li>- The role of interest groups in the policy process</li> <li>- Excise tax collection policy on sugar-sweetened beverages in other countries</li> </ul>	<ul style="list-style-type: none"> <li>- Documentary research</li> <li>- In-depth interviews</li> <li>- Focus group</li> </ul>	<ul style="list-style-type: none"> <li>- Primary data from in-depth interviews and focus group</li> <li>- Secondary data from documentary research</li> </ul>	<ul style="list-style-type: none"> <li>- Content analysis</li> <li>- Analytic Induction</li> <li>- Descriptive analytics in the form of narrative explanation</li> </ul>
<b>4. To propose strategies for advancing the policy on the collection of excise tax on sugar-sweetened beverages for Thailand</b>	<ul style="list-style-type: none"> <li>- Excise tax collection policy on sugar-sweetened beverages in other countries</li> <li>- Policy-driven strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Documentary research</li> <li>- In-depth interviews</li> <li>- Focus group</li> </ul>	<ul style="list-style-type: none"> <li>- Primary data from in-depth interviews and focus group</li> <li>- Secondary data from documentary research</li> </ul>	<ul style="list-style-type: none"> <li>- Content analysis</li> <li>- Analytic Induction</li> <li>- Descriptive analytics in the form of narrative explanation</li> </ul>

## **CHAPTER 4**

### **CHAPTER 1 CONTENT, KEY CONTEXT, AND THE DEVELOPMENT OF POLICY ADVOCACY**

Building an understanding of the fundamental features and background of public policy can be considered as an important starting point for navigating the study of policy processes. This chapter describes the findings of the research related to the content on the excise tax collection policy on sugar-sweetened beverages in Thailand, key contexts that drive public policy, and the development of policy advocacy. Based on the researcher's objectives of the study, the findings can be discussed below.

#### **4.1 Content on the Excise Tax Collection Policy on Sugar-Sweetened Beverages**

The excise tax collection concept on sugar-sweetened beverages is under the framework of the tax collection concept of goods that have a negative impact on the health of consumers. Governments in various countries that adopt such tax collection are expecting that the policy will reduce the consumption of these products. Such products have been proven to have adverse effects on the health of people within countries. The results of this study revealed that excise tax collection policy on sugar-sweetened beverages has three important characteristics that result in policy advocacy as follows.

- 1) This public policy is legitimate and can be implemented for the benefit of many people since sugar-sweetened beverages have external and widespread effects both on the health of consumers and on the cost of the economy and society, which affect the whole country. Therefore, governments must intervene with the implementation of taxation policies. If the government neglects this, there will be significant negative effects. In addition, the implementation of tax policy will create motives to alter the consumption behavior of the people while industrial enterprises will also adjust by distributing low-sugar or sugar-free products to the market. It is expected

that, in the long term, such policies will reduce public health expenditures and provide a means to increase government revenues that will be used for public health, including the consumption of healthy beverages and food products, or benefits in developing the country in other aspects as well.

2) This public policy promotes sustainable public health finance.

The formation of the excise tax collection policy on sugar-sweetened beverages in Thailand is included as a part of the reform of the national public health system during the National Council for Peace and Order (NCPO) era. The Committee on Public Health Reform of the National Reform Council studied the reform guidelines according to 24<sup>th</sup> reform agenda, which is a health financing reform. In the past, the Thai government was responsible for a higher proportion of health expenditures, while health services still had problems in terms of efficiency, quality, and cost-effectiveness. Thus, the proposal to reform was a result of a study by the Committee on Public Health Reform. One of the most important reform plans was to propose a strategy for financial sustainability. There was a guideline for increasing taxes on products, foods, or beverages that are harmful to health. Hence, the reform of the excise tax system was driven by revising and proposing a draft of the Excise Act which had a time frame of 1-2 years. It is expected that people will consume fewer sugar-sweetened beverages, which will be good for their health. Additionally, a report on proposals for the tax collection on sugar-sweetened beverages was proposed to authoritative decision-makers for further consideration.

3) This public policy requires the cooperation of various sectors since the concrete implementation of tax collection policy on sugar-sweetened beverages must require participation of all parties in the development of public policy based on participatory democracy—a single sector cannot make it happen. Although civil society and the public sector, in the past, were active and now play a role in the development of excise tax collection policy on sugar-sweetened beverages, there is still an imbalance in the participation in the process between representatives of agencies/organizations in different sectors and civil society and the public sector. Further, some civil society and public sectors have bias towards the private sectors that seek profit and are involved with industries that cause health problems. This may be a reason why some key sectors were not participating in the process. Thus, it is difficult or impossible to drive each

step of the policy, so it is imperative that public policy be driven in a form of formal networks in which members are united under a written contract. The structure, regulations, roles, and responsibilities should be clearly stated. Furthermore, there should be an exchange of knowledge between different sectors for the balance between the positive and negative aspects of the policy.

4) This public policy was decided with rationality with the aim of the best interests of the society. The government decided on this public policy due to social benefits, namely the good health of the people and government revenue that would be utilized in the future rather than deciding on a policy that requires high costs but may not be worthy for the society. People that are involved in policy-making have gone through a process of the study and analysis in order to identify the components as follows: 1) what the whole problem is and which problem is more or less important; 2) how many options there are for solving each problem; 3) the consequences of every option; 4) calculating the benefits, compensation, and costs of each option, and 5) choosing the most efficient option. Nonetheless, in order to make a policy decision, authoritative decision-makers must consult with stakeholders or interest groups as well since there is usually no collective social interest that can be clearly agreed upon except conflicts of interests involved. As a result, the public policy can come out concrete through appropriate comparison and consideration.

In summary, the excise tax collection policy on sugar-sweetened beverages in Thailand has key characteristics affecting the success of this policy. This public policy is legitimate and can be implemented for the benefit of many people. If the Thai government neglects this, there will be significant negative effects on people's health, including the economy and society. Therefore, this public policy promotes sustainable public health finance according to the national reform of the NCPO. Additionally, this public policy requires the cooperation of various sectors since the concrete implementation of the tax collection policy on sugar-sweetened beverages must require the participation of all parties.

## 4.2 Key Contexts That Drive Public Policy

Public policy has to be undertaken under various contexts in Thai society, which vary from time to time. Due to being directly and indirectly influenced by the environment at that time, there were several key factors or conditions that drove the excise tax collection policy on sugar-sweetened beverages. In this section, the results of the study and context analysis that could drive the excise tax collection policy on sugar-sweetened beverages are presented.

### 4.2.1 Social Context

“Society” is a multi-factor context with a dynamic process; consequently, the government's policy-making needs to be in line with the characteristics of the society. In this research, the mentioned characteristics include the increasing rate of overweight and obesity and the fatality from NCDs, which are the results from the consumption of beverages that adversely affect health, especially beverages with sugar content that exceed the health standard. This is the indication of an “urgent need” to modify various policies to be in line with the mentioned social context.

The social context affecting the 2<sup>nd</sup> National Health Assembly's public health policy in 2009 was the phenomenal movement that drove Thai society together to respond to the problems of overweight and obesity through the National Health Assembly more concretely. In this regard, a draft resolution on overweight and obesity was proposed to be the agenda at the 2<sup>nd</sup> National Health Assembly. This draft resolution resulted from cooperation in the implementation of the policy network; and the resolution and strategy for managing overweight and obesity have been adopted as a national agenda. Further, there are clearly defined directions for cooperation in various sectors in Thai society to deal with such problems. The 2<sup>nd</sup> National Health Assembly in accordance with the 8<sup>th</sup> resolution entitled the "Management of Overweight and Obesity" was proposed to the cabinet for consideration. After that, the cabinet meeting by Mr. Abhisit Vejjajiva (former prime minister) on July 20, 2010, approved and assigned the National Health Commission (NHC) and the National Food Committee along with the participation of relevant agencies and sectors to support the

implementation of tax policies on food price to solve the problems of overweight and obesity.

Later in 2016, the movement of Thai society was based on the national reform framework established by the NCPO to drive national reform in public health and the environment. The promotion of the public policy for the prevention and control of health risk factors in food and nutrition, especially the issue on the taxation on beverages with sugar content exceeding the health standard, had to be reformed by appropriate consideration of the National Reform Steering Assembly Commission on Public Health and Environment and the National Reform Steering Assembly (NRSA) since the public policy was an urgent priority and had been proven to be effective. Therefore, the commission proposed urgent plans to drive public health reform by reforming the taxation on sugar-sweetened beverages with sugar content at the level that is harmful to health, especially NCDs. The reform was undertaken along with the reform of the excise tax in order to reduce or to relieve the severity of the effects on the public of excessive consumption of sugar-sweetened beverages. On May 2, 2016, the NRSA approved the report of the National Reform Steering Assembly Commission on Public Health and Environment on the prevention and control of health risk factors in food and nutrition with the issue of taxation on beverages with sugar content exceeding the health standard and was sent to the cabinet for consideration. The content proposed an excise tax collection on sugar-sweetened beverages, such as soft drinks, green tea, coffee, energy drinks, and liquid yogurt and soy milk with sugar content exceeding the standard. Consequently, the excise tax collection policy on sugar-sweetened beverages is one of the most important tools for reforming the country.

#### **4.2.2 Economic Context**

The “economy” is considered as a key context that directly and indirectly affects public policy. One of major health problems that Thailand has faced and has always attempted to discover solutions to is the increasing rate of NCDs that cause disability-adjusted life years (DALYs) and also enormous economic losses. Therefore, the government needs to prioritize public policies in order to allocate limited resources for maximum efficiency and effectiveness. The government not only has to manage and strictly control its budget and expenditures, but also has to maintain the country's fiscal

stability so that the government's tax revenues will increase in conformity with health expenditures. Otherwise, the promotion of the budget for programs and projects to support national reform policy inclusively will be inefficient. One of the essential sources of government revenues is the excise tax. This is relevant to health financing reform, which is one of the key issues in every aspect of the national reform in accordance with the framework that the NCPO has planned since 2014.

The reason why the health financing reform is needed is that, in the past, the government was responsible for a higher proportion of health expenditures, while health services still had problems in terms of efficiency, quality, and cost-effectiveness. Thus, the proposal to reform was a result of a study by the Public Health Reform Commission. One of the most important reform plans was to propose a strategy for financial sustainability. There was a guideline of increasing taxes on products, foods, or beverages that are harmful to health. Therefore, the reform of the excise tax system was driven by revising and proposing a draft of the Excise Act.

The process of the implementation of the excise tax collection policy on sugar-sweetened beverages in Thailand is in line with the reform of the excise tax collection under the former law, Excise Tax Act BE 2527, which had been active for a long time. Therefore, this is inconsistent with the economic and social conditions in the modern era, such as the characteristics of businesses, products, and services including the rapidly changes in the consumption behavior of people in society from the past, but the excise tax rate has remained the same rate for a very long time. The Ministry of Finance (MOF) then looked into a new form of excise tax on beverages to cover all types of sugar-sweetened beverages. The expected outcome after revising the excise tax on beverages is government revenue that will be used to develop the country. At the same time, this will prevent products that do not have quality to be delivered to consumers since it may lead to health problems, which would be a burden on the government in the future, so the reform of the excise tax is one of key contexts to promote the policy of the excise tax collection on sugary beverages in Thailand and to be concretely driven according to the current context.

### 4.2.3 Political and Governmental Context

“Politics” is a matter of activities related to the use of power or influence to maintain or cause changes in various aspect of the society and to lead that society to success according to the will or the ideology established. This relies on political structures and institutions as mechanisms to carry out activities. "Governing" is comprised of the administrative regulations for the society to create equality and justness for the society for peace or the remedy to suffering (Phonsetthi Wuttipanyaisakun, 2013, p. 7).

Administrative governments play a direct role in making public policy alternatives. Therefore, each step of the policy-making is always relevant to the government and politic parties as well. In case of critical or urgent problems that cannot be simply solved, such as the problem of food and nutritional health risks of the Thai population, this requires the government and political parties to conveniently and smoothly provide solutions to the problem while governing is the exercise of power through government mechanisms as a pattern and scheme with different methods in governance. Therefore, the formulation and the drive of policies into practice necessarily require good understanding of the system and governing mechanism, resulting in efficient management of the policy process.

The most important political and governmental context was the coup in Thailand on May 22, 2014, where the NCPO seized political power from the elected acting government at the time to end the long-standing political crisis in the country. After that, the NCPO was considered to be the most powerful organization after the coup, with absolute power in the form of "authoritarianism," which gives freedom to the people at a certain level, especially economic and social freedom. The chief is General Prayut Chan-o-cha, serving as prime minister along with the Constitution of the Kingdom of Thailand (interim version), B.E. 2557. Later, the National Legislative Assembly (NLA) was established to use the legislative power of the interim cabinet for the National Reform Council (NRC), which is now the National Reform Steering Assembly (NRSA), to carry out widespread reform within the country and to approve a new draft constitution and the Constitution Drafting Commission (CDC) to draft a new constitution. Such political and governmental changes have resulted in the urgent implementation of various reforms in Thailand. The management of the country's



public health system and the reform of the entire taxation structure require a quick win strategy. Further, the NCPO has clearly defined a platform for national reform.

The excise tax policy on sugar-sweetened beverages, which has had a long and difficult drive, in the previous regular elected democratic government, has been seriously driven and enforced into law in the era of the NCPO. The implementation according to recommendations for the reform in various aspects by the NRSA is shown in Figure 4.1.

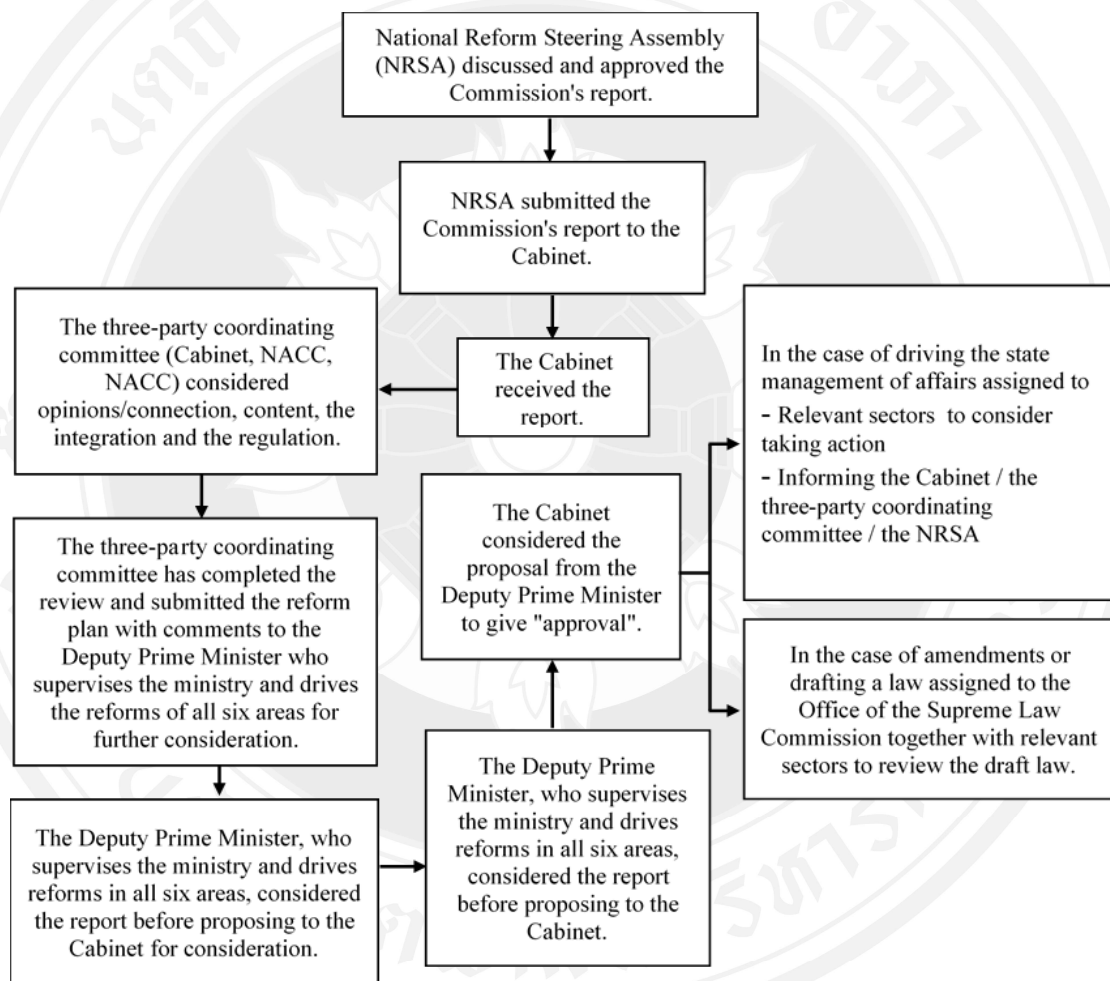


Figure 4.1 Guidelines for Implementing the Recommendations for Various Reforms of the National Reform Steering Assembly

Source: The Secretariat of the House of Representatives (2016)

#### 4.2.4 Cultural Context

“Culture” is a broad context and covers various aspects, including values, beliefs, and attitudes, which directly affect the confidence and trust of society towards the policy process (Tharawit Upaphong, 2018, p. 16). In addition, regarding the drive of the policy of excise tax on sugar-sweetened beverages, the cultural context that drove the policy is related to the trend of healthy consumption, which is a dietary culture in the present day.

The healthy trend which is emerging in the world, including Thailand, affects domestic industrial entrepreneurs in terms of having to adapt to this consumption trend. Many of them have been coming up with new beverage recipes, adapting them to reduce the sweetness by adding lower sugar content or adding an ingredient that can substitute sugar. Further, the tax depending on the sugar content of beverages in accordance with government policy will increase the production costs. As a result, this prominently promotes the demand for healthy drink products. Therefore, the process of formulating and driving the excise tax collection policy on sugar-sweetened beverages is likely to be more easily achieved through such reinforcement. When a negative attitude towards government taxation can lead to the transformation of the crisis into business opportunity, tax policy formulation's initiation and drive require an exchange of knowledge and policy cooperation between public sectors and industrial sectors as well.

It can be concluded that the excise tax collection policy on sugar-sweetened beverages in Thailand has to be undertaken in various social contexts, which vary from time to time since it was directly and indirectly influenced by the environment at that time. Further, a social context consists of a variety of factors, with the dynamic of constant change. As a result, the formulation of government policies needs to be in line with the characteristics of the society, the economic context that directly and indirectly affects public policy, the political and governmental contexts concerning the organization that exercises executive power, and the cultural context related to trends in healthy consumption, which is a dietary culture in the present day.

### **4.3 The Development of the Excise Tax Collection Policy on Sugar-Sweetened Beverages in Thailand**

The development of the excise tax collection policy on sugar-sweetened beverages in Thailand can be divided into four eras: the first era describing the development of the policy formation; the second is the post-coup era in 2014; the third is the formulation of alternatives and decisions; the fourth is the era of the three-sector policy network. The details of the development of the policy in each era are as follows.

#### **4.3.1 The First Era: The Development of the Policy Formation (2002-2010)**

##### **4.3.1.1 Sources of Problems and Violent Situations**

Problems of overweight, obesity, and the NCDs caused by the consumption of sugar content exceeding the health standards have been occurring in Thailand for many decades with the constant increase of the prevalence of the disease. The habit of consuming excessive amounts for a long time causes harm to physical health, which in addition to causing problems with obesity, also leads to various other related diseases as well. The world's population has been consuming beverages and foods high in sugar for a long time and may not even realize that if it consumes them in enormous amounts, it will become an addiction and a harm to one's health (Mantana Prathipasen, Rewadee Jongsuwat, & Chatapha Huttakosol, 2011; Warakorn Samkoset, 2017).

From the data on granulated sugar consumption of the Thai population between 1997 to 2010 on selling sugar to consumers directly, which means selling through middlemen and through consumers indirectly by selling to industries that use sugar as raw material for producing products for domestic and international distribution, it was found that the problem of consuming too much sugar was a major cause of health problems of people of both genders and ages. Excessive consumption of sugar causes various diseases, such as tooth decay, obesity and diabetes, etc. However, the consumption of sugar has steadily increased since 1997, accounting for 28.1 kilograms per person per year; and, when reaching 2010, the consumption of sugar

of the Thai population was 33.8 kilograms per person per year (Khanit Ratanarangsima, 2012).

When comparing the proportion of direct and indirect sugar consumption of the Thai population over the past two decades, it was found that the Thai population had direct consumption of sugar more than indirect consumption in the ratio of 3:2, indicating the increasing consumption of sugar through processed foods produced in industries. Additionally, when considering the proportion of direct and indirect sugar consumption, it was found that from 2007 to 2010, the proportion of direct consumption of sugar tended to decrease constantly by 1.24, 1.16, 1.14 and 1.17 million tons, while the proportion of indirect sugar consumption was likely to be steadily rising by 0.76, 0.76, 0.83, and 0.98 million tons. When considering only indirect sugar sales, it demonstrated that the highest percentage of sales of the beverage industries was at 45.5%-47.7%, followed by food, milk and dairy products, candy, bread and medicine (Khanit Ratanarangsima, 2012, p. 17), as detailed in Table 4.1.

Table 4.1 Sales of Sugar to Consumers Indirectly by Industry during 1997-2010

Unit: Sack (100 kg.)

Year of Distribution	Beverages (including Liquor and Beer)	Bread	Food (including Canned Food and Fish Sauce)	Dairy Products	Candy	Medicine and etc.	Total
2540	1,667,470.40	733,100.10	681,491.50	982,033.50	86,131.50	795,959.50	4,946,186.50
2541	1,936,579.50	216,537.00	2,121,258.50	1,500,712.00	226,145.50	1,069,053.50	7,070,286.00
2542	1,885,074.00	204,550.00	2,465,538.10	1,406,538.10	216,640.00	885,317.00	7,063,431.60
2543	2,526,250.00	131,817.00	1,933,838.00	1,654,021.00	205,079.00	503,844.00	6,954,849.00
2544	2,251,291.00	66,479.00	1,415,601.00	1,289,334.00	186,888.00	372,986.00	5,582,579.00
2545	2,199,270.00	91,634.00	1,574,249.00	1,323,099.00	218,583.00	251,679.00	5,658,514.00
2546	2,591,078.00	126,496.00	1,701,433.00	1,270,107.00	195,825.00	272,644.00	6,157,583.00
2547	2,643,850.50	142,180.00	1,293,023.50	1,306,531.00	247,239.50	228,427.00	5,861,251.50
2548	3,179,228.37	163,985.21	1,899,955.00	1,444,812.58	345,285.85	319,243.85	7,352,510.86
2549	3,617,616.50	212,417.50	2,809,271.25	1,413,639.50	315,805.50	207,534.56	8,576,284.81
2550	3,480,186.37	228,178.20	2,097,497.09	1,450,150.16	233,792.00	160,525.50	7,650,392.32
2551	3,639,320.11	231,903.00	1,950,505.20	1,505,286.34	219,764.87	89,347.50	7,636,127.02
2552	3,817,897.73	149,684.30	1,880,350.49	1,653,290.60	612,726.16	206,620.55	8,320,569.83
2553	4,478,137.43	243,405.96	2,588,975.43	1,967,530.55	329,836.30	240,220.50	9,848,106.17

Source: Khanit Ratanarangsima (2012, p. 17)

In addition, according to the statistics of the increasing consumption of sugar through processed foods produced in industries, especially beverage products produced from beverage factories in 2016, the last year before the implementation of the tax policy, it was found that the beverage industry was ranked at the top, which bought the highest sugar content up to 539,525,425 kilograms or 44% of the total industrial sector (Office of the Cane and Sugar Board, 2016).

Obesity and overweight are risk issues causing the increasing loss of disability-adjusted life years around the world. Disability-adjusted life years are a means of measuring public health status. This includes the losses caused by premature death and illness or disability. The issue on obesity around the world has been increasing severely due to DALYs. Additionally, the number of deaths worldwide from

having a high body mass index almost doubled in the period between 1990 and 2010. It can be said that food and beverage consumption behavior played an important role in causing overweight and obesity. In particular, the regular consumption of sugar-sweetened beverages was one of the leading causes of unexpected obesity and overweight. Furthermore, Thailand had the highest consumption of soft drinks per person in ASEAN, accounting for 41 liters per person per year. In addition to soft drinks, in Thailand, there are many sweet beverages available in the market in every channel. DALYs from obesity has had an impact on the national economy as resources were needed to take care of sick people and also the loss in the labor force from illness or premature death as well. In 2009, it was found that the total economic cost from obesity was 12,142 million baht. These costs can be classified into direct costs, which include medical expenses for illnesses caused by obesity, accounting for 5,584 million baht, and indirect costs accounting for 6,558 million baht from premature death together with the absence of work due to illness caused by obesity, resulting in a lack in the labor force (Mahidol University et al., 2014)

NCDs are caused by a variety of factors with reference to the body. Most are the results of people that exhibit risk behaviors, such as drinking, smoking, a lack of exercise, eating foods that are too sweet, and food that is salty. The World Health Organization has recognized that NCDs are a serious problem that is growing increasingly serious. From the statistics on deaths from NCDs in 2009, it was found that 63% of the world's population's deaths were caused by NCDs, and, more importantly, over 80% were in developing countries (Thai Health Promotion Foundation, 2020). In Thailand, NCDs (up to 14 million people) were found to be the leading cause of death in the entire country. According to statistics from 2009, more than 300,000 people died from NCDs, accounting for 73% of all deaths in that year. The economic loss accounted for 200,000 million baht per year. Moreover, the death statistics revealed that Thailand had more deaths than the world's average and will likely be higher in the future (Mahidol University, 2014)

Although the statistics on illness and death from NCDs each year are very high, NCDs can be prevented by avoiding the main causes or risk factors that arise from consumption behaviors. If one is able to reduce or modify these risky behaviors, it will reduce the risk of being sick by NCDs up to 80%, the risk of having cancer up to

40%, and the risk of stroke and type 2 diabetes up to 80%. Therefore, the Thai Health Promotion Foundation has considered encouraging people to change their behavior as a mean to sustainably reduce the rate of sickness and death from the root cause (Thai Health Promotion Foundation, 2020).

In order to alter dietary habits to avoid NCDs, the WHO has established two levels of sugar consumption recommendations: 1) the general level, which recommends that adults and children must consume less than 10% of the total energy consumed per day; and 2) the healthy level, which recommends that people should consume less than 5% sugar or the equivalent of 25 grams or 6 teaspoons per day for those who weigh 70 kilograms and need 2,000 calories per day. It can be less if they need less energy, reducing sugar consumption to less than 10% of the total energy consumed per day. This will reduce the risk of overweight, obesity, and tooth decay. In addition, member countries have been recommended to create policies to reduce sugar consumption to reduce disease burden and economic losses from the occurrence of NCDs (Thaksaphon Thammarangsi, 2015; World Health Organization, 2015)

The disease burden or the effects of NCDs is very serious and has tended to increase continuously (International Health Policy Program, 2012). The death of Thai people caused by such groups of diseases increased by 60.2% in 1999 to 73.0% in 2009. This increasing trend has led to the cost of the impact due to NCDs and behavioral health risk factors associated with NCDs which are of enormous value. Further, regarding the strategic plan to develop an index to assess the disease burden and health, the International Health Policy Program has studied the cost or economic losses incurred by NCDs among Thai people. It was found that the cost incurred from the main disease groups, including cardiovascular disease, cancer, diabetes, and chronic lung in 2009 accounted for 198,512 million baht, and in addition to this, the cost of the impact arising from the risk factors of NCDs is very high (Project to Study the Burden of Disease and Risk Factors in Thailand, 2012).

The rapidly growing trend of the population at risk and suffering from NCDs has resulted in the great value of DALYs and socioeconomic costs and still has tended to increase continuously. This directly impacts the quality of life due to illness and disability, which are difficult to avoid for both the patient and the family. However, NCDs are also a threat to economic development. These impacts are the result of the

huge expenditures of healthcare allocated by the government. In Thailand, the average expenditure per capita is 3,128 baht. If calculated from the population in the middle of 2017, it refers to expenses higher than 200,000 million baht, which excludes the expenditure that people were handling by themselves of more than 1,750 baht per capita (Siriwan Phitthayarangsarit, Renu Garg, Sirikorn Khunsri, & Sukkasem Thepsit, 2018).

Regarding the social impact of NCDs, one of the key factors is the loss of labor capacity from premature death and disability. The middle-income countries such as Thailand are expected to reach approximately 500 million baht. On the individual level, it was found that NCDs and risk factors are related to poverty in three dimensions. The first dimension is related to people with low economic status. They have a higher risk of NCDs because of their behaviors, such as consuming poor-quality food, smoking, and drinking alcohol; and by physiological changes, such as being overweight and hypertension (Siriwan Phitthayarangsarit et al., 2018).

The impact of NCDs is clear in the dimension of healthcare costs both paid by the patient and the family, including by society as a whole. During that time, research in developed countries, such as in Europe (Branca, Nikogosian, & Lobstein, 2007), predicted that the health expenditure per capita of obesity was between 32 to US\$285 and the overall expenditure accounted for 2% to 4% of national health expenditure. The gross national product accounted for 0.1%-1.4%, while in the UK, the total expenditure of obesity treatment was up to 3.3-3.7 billion GBP (House of Common Health Committee, 2004), and a study in US demonstrated that the level of expenditure varied depending on the severity of overweight and obesity (Thompson, Brown, Nichols, Elmer, & Oster, 2001).

A study in Thailand in 2009 found that the total social cost of overweight and obesity was 12,142 million baht or 0.13% of the GDP in the same year, divided into direct costs from medical expenses at the value of 5,584 million baht (46%), divided into 850 million baht for the outpatient's medical expenses and 4,734 million baht for the inpatient's medical expenses, while indirect costs from premature death and the absence from work was 6,358 million baht (54%) in total, classified as premature death of 5,864 million baht and absence from work of 694 million baht (Montarat Thavorncharoensap, Naeti Suksomboon, Paiboon Phithyatheiananant, Jomkwan Yothasamut, Wichai Aekplakorn, & Yot Teerawattananon, 2011; National Health



Commission Office, 2009, pp. 223-224). However, the high impact of overweight and related direct and indirect health behaviors reflects social expenditure and the loss of opportunity for developing countries caused by the problems of overweight and obesity among the population.

Moreover, solving problems with an emphasis on disease prevention and positive communication is also important. As Thai people are still at risk of developing NCDs because of their consumption behavior, the results of the study on the impact of NCDs on medical expenses by the Thailand Development Research Institute (Thailand Development Research Institute, 2018, pp. 28-30) suggested that in order to solve the problem of NCDs, Thai people should be more focused on prevention (in the same direction as the Thai Health House). In addition, information should be provided to all individuals in the public, not just doctors and nurses. There should be a positive community and environment that encourage everyone to be aware of how to protect him/herself from NCDs. This would bring about sustainable disease prevention through the support of many sectors. Health communication should be balanced between preventive and positive communication. The government should establish preventive measures and disease control plans, especially for NCDs, as most of these are caused by preventive and mitigating behaviors, such as the implementation of policies and measures that provide opportunities to promote guidance on health and disease prevention and innovative remedies for both patients and those at risk of getting sick. Therefore, relevant measures might reduce the risk of these diseases and reduce the government's future expenditures (Thailand Development Research Institute, 2018, p. 41).

The above indicates that the consumption of sugar exceeding the health standards and the proliferation of overweight, obesity, and NCDs have globally become a major problem, especially in Thailand. The cause of excessive sugar consumption comes from food products produced from the industrial sector, especially sugar-sweetened beverages. The crisis has raised international awareness to find preventive and corrective measures to eliminate the consequences. These impacts include the same economic and social impacts around the world, both at the individual and organizational level. Hence, the WHO has recommended that member countries come up with policies to reduce sugar consumption, according to the recommendation that less than 6

teaspoons of sugar should be consumed in a day in order to reduce the burden of disease and the economic loss caused by NCDs. Therefore, a lot of research has been conducted to support the planning of problem-solving measures. In the past, those were mostly research related to medical science or the use of medicine to prevent and treat obesity. The government has also used public health guidelines that focused on the implementation of policies and measures to manage social and environmental factors, including personal behavior modification to deal with overweight and obesity. Most of the measures still play a role in driving defensive problem management rather than proactive problem management.

#### 4.3.1.2 The Escalation of Problem Priority by Partnerships in Health Networks (2002-2009)

In a time when no one was talking about fiscal measures that would be formally or concretely used to support the public health of the country, in the past, Thailand still lacked preparation for dealing with overweight and obesity in an efficient and timely manner. In the past, food and nutrition policies focused on solving the underweight problem. However, food and nutrition policies regarding the prevention of obesity were first implemented in 2006-2007 through the 10<sup>th</sup> National Economic and Social Development Plan and the 10<sup>th</sup> National Health Development Plan, which established policies on the management, prevention, and control of overweight and obesity as a part of NCD prevention and health promotion programs. The partnerships in health networks that work together to play a role in driving the consumption of sugar content below the health standards in order to prevent Thai people from becoming overweight and obese mainly consist of networks of organizations and individuals and networks of medical professions, such as the Sweet Enough Network, the Network of Fatless Belly Thais, the Nutrition Promoting Network, the Family Network Foundation, the Dental Public Health Club of Thailand, etc. There are also public sectors in public health that have supported networks from the past to the present, such as the Department of Health, the Department of Disease Control of Thailand, and the Food and Drug Administration (FDA) under the Ministry of Public Health (MOPH) and the Thai Health Promotion Foundation, which is not a government agency or state enterprise, as well as NGO organizations, the "Network of Fatless Belly Thais" or NFBT, which was

established in 2006 and received academic support from the International Health Policy Development Agency (International Health Policy Program or IHPP).

The policy issue related to overweight and obesity among the Thai population is an important start, which has been developed over the past decade and has been included in the taxation on sugar-sweetened beverages with sugar content exceeding the health standard in 2017 by starting with the group under the name "Sweet Enough Network," which is a joint concept in the form of a network of organizations and individuals, jointly focusing on Thai children in order to reduce their consumption of sugar. The network was formed by a group of dentists, pediatricians, nutritionists, and independent scholars from various fields of study. The work began at the end of 2002 with the support of the Thai Health Promotion Foundation. The network has brought knowledge of the diseases arising from consuming too much sugar to the society and presented data from surveys that clearly indicate that many Thai children at that time received sugar content more than they should from sweets, sweetened milk, liquid yogurt, and soft drinks. As a result, Thai children faced more obesity problems. Further, there are many other complications as consequences. Therefore, the network has tried to create a new dietary trend among the younger generation for their health consciousness by changing the behavior to consume a lower amount of sugar.

The network operation used a variety of communication types in order to alter their dietary preferences and to promote a "sweet" vision for society to realize that reducing sugar consumption to the right amount makes them qualified and favored by the society, along with the promotion of creative media to educate Thai people, both children and adults, to realize and to recognize the health burden caused by over-sweetened consumption, including the advantages arising from not eating sweetened products.

The campaign was conducted by press conferences in order to encourage society to be more active regarding sweetened product consumption.

The successful work by partnerships in health networks led by the Sweet Enough Network includes the removal of sugar content from powdered milk in 2004 for children to consume sugar-free supplements until the age of 18 months, along with a warning not to add sugar to milk. This was considered to be the first successful work. The next policy was schools without soft drinks, which began in 2008 as a policy-driven through the Ministry of Education. First, the network conducted a study and found that

if the soft drinks were prohibited in schools, this would actually reduce children's sugar consumption. Therefore, the work was brought to the Ministry of Education to inform all schools to act accordingly. Additionally, the next policy was the Healthy Meeting campaign, according to which sugar content should not be more than 4 grams per day. This was successfully driven at the hotel association level in 2015, which welcomed such a policy since most customers who held the meeting were members of the Ministry of Education and MOPH. However, the policy that was considered to be the most difficult to drive at that time was tax measures (Piyada Prasertsom, 2019).

In 2005, when the network analyzed information from the Office of Cane and Sugar Administration to examine various aspects and issues, it was revealed that the main problems of consuming sweetened products come from beverages. The survey found that what Thai children mainly consume is soft drinks. Hence, if the problem can be solved, it will be possible that the consumption of sweetened products among Thai people will decrease immediately ("Ten Years in the Efforts of SEN," 2017). Therefore, from the beginning of the study and analysis to collect data on the sweet consumption among Thai children, the network has expanded the scope of the study to the population males and females and people of all ages by following up on the consumption behavior of Thais since 2005. Then, the data on the consumption behavior of Thais were scrutinized and analyzed. It was found that the sugar consumption rate among Thais tended to continue to increase every year (Piyada Prasertsom, Phutsadee Chanbang, & Rityoo, 2007). This phenomenon raised the network's concern regarding the negative effects on Thais' health as at the same time, the problem of obesity was becoming more and more serious in Thailand. When the network consulted with nutritionists and pediatricians, therefore, they all agreed that it was time to do a campaign to use measures to reduce sweetened product consumption among Thais. The campaign has been ongoing since 2005 and the first successful measure was to remove sugar from Formula 2 milk, as discussed in detail earlier. This measure received good cooperation from the FDA. This was considered to be the first law that the Enough Sweet Network has been involved in policy amendments (Piyada Prasertsom, 2019).

In 2008, the Department of Health, Ministry of Public Health conducted a project, the Network of Fatless Belly Thais, which received cooperation among partnerships, especially provincial public health offices throughout the country, to jointly strengthen the capacity expanded to other organizations, including partnerships to change dietary habits and lifestyles that help build strength both outside and inside the body. The exercise of appropriate physical strength of people in the community will reduce risk factors for disease development to live a life without disease. The project was funded by the Thai Health Promotion Foundation to create a fatless belly organization/community and to promote public policies in local and national agendas. The most common issues at the national level include school/child development centers without soft drinks, the promotion of the production/distribution of foods that reduce sugar, fat, and sodium content by 25%, and the restriction on children's snack ads. In addition, joint efforts have been made to promote the health consumer protection program with support from the Family Network Foundation and the Foundation for Consumers, leading to the announcement of the Government Public Relations Department on the "Criteria and Period for Advertising and Business Services on Radio and Television that Affect Children" in accordance with the cabinet resolution and the resolution by basic information at the village level on January 18, 2008. However, after the Broadcasting and Television Business Act B.E. 2551, the announcement automatically became inactive.

The partnerships in health networks took part in more international brainstorming via "The Health Consumer Protection Program and the International Consumer Protection Network" held by the ASEAN Conference on Marketing of Food to Children in 2008, attended by more than 150 people from Thailand, Malaysia, Indonesia, the Philippines, South Korea, Australia, the United Kingdom, Germany, and international organizations. These included the WHO, Consumers International, and the International Association for the Study of Obesity. The results of the meeting led to the Bangkok Call to Action on February, 29, 2008, which briefly summarizes that public sectors are required to control the promotion of all forms of high-energy but low-nutritional food to children under the age of 18. The missions of each sector are as follows: 1) the government must formulate a policy to control the patterns and methods of marketing foods for children and must promote nutritional labels that are easy to

understand and are monitored and strictly enforced, including support to educate children in schools in order to be aware of the dangers of the advertising; 2) business operators should not fully campaign in promoting the sale of this type of food to children; 3) civil society, consumer groups, and academics must support marketing controls for food and beverages for children; and 4) international organizations must cooperate, including the WHO, the UN Nutrition Working Group, Food and Agriculture Organization of the United Nations (UN FAO), Codex Alimentarius, the World Trade Organization (WTO), and relevant organizations to support the preparation of "International Code of Marketing of Foods and Beverages to Children," which is universally active and is able to protect children from cross-border marketing.

Until 2009, the project was integrated under the 2009 P&P National Priority Program for Health Promotion and Disease Prevention in the form of budget allocation funded by the National Health Security Office (NHSO) to implement the project, "Thailand Healthy Lifestyle: Belly Fat and Chronic Non-communicable Diseases" and the project, the "Diabetes Complications Prevention Program."

In addition, the project requested support for the 2010 budget to drive the strategic plan. However, the drive for action plans might face obstacles in action as overweight and obesity have multiple and complex factors. Therefore, solving problems that focus on only one factor without considering their relevance is not as effective as it should be.

From 2002 to 2008, overweight and obesity management has been driven primarily by the MOPH, and it was found that there were problems of being unable to implement many important measures. Although there was evidence that these measures are highly cost effective, due to strong resistance or because they were beyond the authority and responsibility of the MOPH, efforts have been made to gain participation from other sectors. Surprisingly, although in 2009 the cooperation by various sector was increasingly strong, it was impossible to gain the cooperation of all related sectors. Thus, there were many measures left unsuccessful, including tax measures and non-tax measures, such as regulation measures and measures to improve the environment to facilitate appropriate consumption behavior and physical activity. These measures had limitation or high resistance factors, such as the limitation on the priorities of sectors involved in budget allocations and the resistance from both society and entrepreneurs since the measures may affect the lifestyle or revenue of some

individuals (Piyada Prasertsom, personal communication, June 26, 2020). In addition, there was a lack of information on the effectiveness and efficiency of the measures that have been implemented, which would be useful for improvement of the current implementation. These result in the ineffective management of overweight and obesity (National Health Commission Office, 2009).

In summary, during the escalation of the problem, partnerships in health networks played an important role in raising awareness of Thai society about the crisis of overweight, obesity, and NCDs, as well as brainstorming at the national and international levels to stimulate Thai society to be aware of the importance of the problem and to build cooperation with other relevant sectors to find solutions to problems. The measure that was implemented to solve the problem in the early era was only to propose a defensive measure to alter consumer behavior to reduce sweetened product consumption. From the research results of many sectors, it is certain that industrial beverages in Thailand were one of the main causes of excessive consumption of sugar and that this led to more serious health problems. Although there were ongoing measures to deal with the issue, no measure has been concretely successful. Proactive measures, such as taxation and price measures to reduce the consumption of food that adversely affects health or laws to limit production and consumption, have not yet been enacted as those are beyond the authority of the MOPH and are opposed by many sectors.

#### 4.3.1.3 The 2<sup>nd</sup> National Health Assembly Resolution towards the Escalation of the National Agenda for Overweight and Obesity Management (2009-2012)

The year 2009 was the year of the movement to drive Thai society to concretely respond to the crisis of overweight and obesity. The draft resolution on overweight and obesity management has been proposed by the 2<sup>nd</sup> National Health Assembly. The draft resolution was created by the cooperation of the work of partnerships in health networks and has been approved as the strategy of overweight and obesity management (later approved by the National Health Commission (NHC) on February 19, 2010). This phenomenon can escalate overweight and obesity management to the national agenda. Additionally, there were clearly defined directions for building cooperation in various sectors in Thai society in dealing with such

problems. The 2<sup>nd</sup> National Health Assembly in accordance with the 8<sup>th</sup> resolution entitled the “Management of Overweight and Obesity” on December 18, 2009, has been approved. Therefore, the implementation of tax measures required the National Health Commission and the National Food Committee with the participation of relevant sectors to take action according to subsection 3.3, which is to implement tax and price measures to deal with the problem of overweight and obesity (National Health Commission Office, 2009). After the resolution, there was a study on the possible implementation of a tax measure to obtain policy recommendations for appropriate taxation on sugar-sweetened beverages (National Reform Steering Committee on Public Health and Environment Reform, 2016, p. 10)

After that, on December 28, 2009, a meeting of the National Health Committee No. 5/2552 passed a resolution acknowledging the results of the 2<sup>nd</sup> National Health Assembly and approving the resolution of the National Health Assembly as a whole by informing the cabinet to assign relevant sectors to take action. It can be said that the use of the 2<sup>nd</sup> National Health Assembly to drive policies and to build networks to manage overweight and obesity has been accepted and received cooperation from many sectors, both social and academic. It also expanded to related networks to enhance the health of Thai people. After the 2<sup>nd</sup> National Health Assembly approved the 8<sup>th</sup> resolution on the “Management of Overweight and Obesity”, including the strategy for managing overweight and obesity, the strategy was approved by the National Health Commission on February 19, 2010 and from the cabinet meeting on July 20, 2010, with the assignment for relevant sectors to proceed according to the resolution.

The 2<sup>nd</sup> National Health Assembly Resolution was not only a start to raising awareness of many important sectors to take part in dealing with the problem of overweight and obesity, but it also encouraged industrial operators that were directly affected by the implementation of the resolution to officially take actions as well.

On September 9, 2010, Payungsak Chartsutipol, the Chairman of the Federation of Thai Industries sent a letter to the Prime Minister, Mr. Abhisit Vejjajiva, asking for the opportunity to significantly participate in the formulation of the action plan and to express opinions on the management of overweight and obesity (especially issues



relevant to food product labeling, packaging, the promotion of infant and young food and foods containing fat or sugar or sodium above certain amounts).

According to the important phenomenon in Thai society responding to the crisis of overweight and obesity through the scheme of the National Health Assembly in 2009, since partnerships in health networks proposed a draft resolution on the management of overweight and obesity to the 2<sup>nd</sup> National Health Assembly and has been approved, there was the approval of the strategy from the cabinet as a national agenda. In accordance with the resolution in item 3.3 of the strategy, it is encouraged to implement tax and food price measures to deal with the problem of overweight and obesity in the country. The sector directly involved, which is the Excise Department, began to study the idea of using a tax as a part of the reduction in the consumption of sugar-sweetened beverages since there have been many sugar-containing beverages sold in the market. Those products have a direct impact on people's health. This caused the government to lose a large amount of public healthcare expenditure while many countries have already made it a priority to implement tax measures to control the consumption of beverages ("The Excise Department Uses Health Principles," 2011).

The drive of the policy as a result of the 2<sup>nd</sup> National Assembly resolution was to organize a public forum for receiving opinions on the "Drive of Food Tax Measures" on July 8, 2011 by the International Health Policy Program or IHPP in conjunction with the campaign of the Sweet Enough Network, the Thai Health Promotion Foundation, and partnerships in health networks to gather opinions from stakeholders from various sectors, including the public and private sectors and the general public, to study the possibility of driving food tax measures to manage overweight and obesity problems. The results from the platform concluded that the implementation of taxes and price measures on food and beverages affect all sectors consisting of policymakers and public sectors, including the Excise Department and the Department of Internal Trade, industrial sectors, entrepreneurs, and the general public. Therefore, the preparation to implement measures for all parties with mutual benefits is important. The participants in the forum came from different sectors, including policymakers from the public sector, such as the Ministry of Public Health (MOPH), the Ministry of Commerce (MOC), the Excise Department, the Ministry of Finance (MOF), the Ministry of Industry (MOI), scholars on the economy, food and nutrition,

public health policy, representatives from the provincial area excise office, representatives from the industrial sector (the food industry, the Federation of Thai Industries, the Thai Chamber of Commerce, and entrepreneurs), representatives of independent organizations, civil society, media, students, and the general public.

This showed the first serious cooperation in driving the policy by all sectors.

In addition, setting up a public forum in such a format has become one of the important means to form network participation. This includes policy ownership from all sectors that collectively explore the possibility of effective tax and price measures on food and beverages for Thais' health (International Health Policy Program, 2012)

The results from the public forum indicated that the participants had diverse perspectives on promoting the implementation of tax and price measures on food and beverages. Most of the comments projected that tax and price measures on food and beverages should be inclusive of all products that may cause problems with overweight and obesity. For example, the measures should cover non-industrial sweetened beverages (e.g. juices, mixed sweetened beverages by vendors). Guidelines or options for various taxation methods should also be considered. For example, if there is a taxation on sweetened beverages, it should be done according to the type of sugar or sweeteners. In addition, in order to have a complete taxation measure, the work should be in conjunction with subsidizing the product price. This will cause results that meet the objectives (International Health Policy Program, 2012).

However, the tax and price measures on food and beverages to manage overweight and obesity may still be new to some sectors since in most cases, the taxation is primarily intended as state income, not as the concrete and clear management of health problems. Therefore, the clear and appropriate objective of the taxation as a first step that the relevant departments must study and analyze in order to be able to formulate the policy is very necessary. This is to find means for all sectors involved to have mutual benefits. Then, the assigned sector is required to study relevant information if tax and price measures on food and beverages are implemented, such as a study on impacts such as people's consumption behavior, the burden of costs of some groups of people, changes in sweetening ingredients, innovation in creating other sweeteners, and the cultural aspects of Thai desserts.

In addition, alternative information is provided to people so that people and society accept the implementation of this measure, including operational information on tax and price measures on food from foreign countries. In this regard, the appropriate use of that information should be considered according to the context of Thailand. The opinions of the participants also expressed the idea that tax and price measures on food and beverages in order to solve overweight and obesity depend on a matter of time to process since it affects many sectors. Thus, measures in other areas are a priority, such as providing knowledge and education to people to healthy consumption behavior, to do appropriate physical activities, etc. (International Health Policy Program, 2012).

Although during the initial policy formation, the concept of tax measures was not be accepted as expected by policy decision-makers, partnerships in health networks still worked very hard. From the in-depth interviews with key respondents regarding policy formation on issues related to the 2<sup>nd</sup> National Health Assembly resolution and a public forum to receive opinions on the "Drive of Food Tax Measures," it was found that after the study, the academic forum, discussions among many domestic and international sectors, and gathering important information on the possibility of the implementation of tax measures to solve problems, partnerships in health networks found that price and tax measures were one of the measures that the WHO has studied to be effective in handling tobacco and alcohol problems which is cost-effective and can be extended to sweetened products. Therefore, experts from around the world came up with the idea to implement the taxation on sugar-sweetened beverages to deal with the health problems of the population. With results from many countries implementing tax measures, it was found that the taxation can actually lead to changes in consumer behavior. It is, then, expected to result in the reduction of obesity and NCDs in Thailand as well. Additionally, the taxation on sugar-sweetened beverages was justified with nutritional reasons, which is not difficult for establishing criteria on the taxation (Chanthana Ungchusak, personal communication, April 10, 2020; Piyada Prasertsom, personal communication, June 26, 2020).

The National Health Assembly forum, which was the origin of the 2<sup>nd</sup> National Health Assembly resolution in 2009, was a significant phenomenon in the development of the drive of the policy. This took place during the term of office of

Abhisit Vejjajiva and was regarded as the starting point that led to the national advancement of overweight and obesity management. The advantage of this public forum was to provide a wider and more diverse social space to provide opportunity for various sectors to exchange opinions on the issue of managing the health problems of the Thai population under deliberative democracy, which focuses on the process of communicating with each other, coexistence, understanding, and facilitating work for the public on a common basis (Chwalisz, 2019). Many departments and sectors were working together to find solutions to the health problems of the Thai population, including the policy proposal to promote the practice of good health in Thai society. This can be considered to be the beginning of a constructive process. However, the results of the National Health Assembly resolution at that time could only come up with a guideline for each relevant department playing their roles. Even though time passed until the elected government in 2011 under the administration of the country by the government with the Pheu Thai Party led by Yingluck Shinawatra as Prime Minister, the policy of tax collection on sugar-sweetened beverages had not yet been put into law. It was still only a policy idea waiting to be propelled seriously and to become the agenda for consideration by authoritative decision-makers.

In Thailand, cooperation has been established among Thai beverage industries to formulate strategy and various plans in order to achieve the objectives. This leads to being a leader in the beverage industry in the name of the "Thai Beverage Industry Association (TBA)," which was established in 2008 with 11 member companies co-founded, including nine leading producers and two suppliers in the beverage industry. The initial goal is to provide companies in the non-alcoholic beverage industry a forum to discuss issues that are mutually impacted and to create procedures for effective cooperation among public sectors and individual operators and among operators themselves.

The drive of tax policies has continued to gain stronger resistance since the public forums in the form of general assembly resolutions had a direct impact on the industry. Although at a later time there was a public forum to receive opinions along with the news that partnerships in health networks have tried to propose the idea of taxation on sugar beverages according to the recommendations by the WHO, on July 3, 2012, the Thai Beverage Industry Association composed a letter to clarify the tax

collection on sugar-sweetened beverages by referring to the issue that Thais are at risk of obesity due to the high consumption of sugar. Scientifically, overweight and obesity are problems caused by the body getting more energy from food than the energy used in daily life. The excessive energy that the body has accumulated is therefore converted to fat, eventually leading to overweight and obesity. It can be said that excessive energy from all types of food can lead to overweight and obesity. Therefore, measures to prevent and solve the problems of overweight and obesity need to focus on the overall dietary balance required by the body as well. It is not a matter only of restricting or reducing the consumption of a particular food, especially beverages. Additionally, academic and empirical evidence have been raised to support the association's idea (Secretariat of the House of Representatives, 2016, pp. 7-9)

In summary, the 2<sup>nd</sup> National Health Assembly resolution in 2009 was the starting point for escalating the resolution to the national agenda on the issue of overweight and obesity management. This is one of the most important events in the era of the formation of the excise tax collection policy on sugar-sweetened beverages in Thailand. The event has created cooperation in driving such policies among stakeholders from many sectors in Thai society and is a development of the concept of solving health problems of the Thai population that has been well supported to organize public forum to listen to opinions on the implementation of tax measures on food. This is another important event in escalating the concept. In the past, most of problem-solving measures were only defensive measures, but they are now proactive measures.

#### **4.3.2 The Second Era: The Development after the Coup by the National Council for Peace and Order (2014-2017)**

##### **4.3.2.1 Legal Reform in the Era of the National Council for Peace and Order**

On May 22, 2014 at 4:30 p.m., the National Council for Peace and Order (NCPO), headed by General Prayut Chan-o-cha, seized power from the acting government headed by Niwattamrong Bunsongpaisan. This was the 13<sup>th</sup> coup in Thai history. The coup took place after the country's political crisis, which began in October 2013, to oppose the amnesty bill and the influence of Thaksin Shinawatra. The reform of the country has been one of the main reasons that the NCPO has used military power

to intervene in the country since 2014 when the country faced political problems and was unable to develop along with many structural problems in terms of economic, social, and educational aspects. Many laws in use were also outdated and lacked serious enforcement, causing corruption problems. At the same time, the Thai bureaucracy is inefficient since the system is not keeping up with the rapidly changing world. Although the government in the past tried to make reforms, there were problems with political traps due to conflicts among sectors until the country was unable to drive the country's reform successfully. Thus, the NCPO used this opportunity to set up a national reform mechanism by drafting a new constitution and establishing operational guidelines for government agencies to jointly implement national reforms for tangible results.

After that, the NCPO took over the country in the first period of 2014-2015 and the "National Reform Council" (NRC) was established to act as the government's advisory council. The council played an important role in laying out the national reform guidelines in 11 different areas (after the expiration of the office term of the NRC, the NCPO had set up the "National Reform Steering Assembly" (NRSA) to take over the national reform in the period of 2015-2017). Due to the urgent all-round reform, the NCPO had to consider 80 bills that were still pending in the council at that time. General Paiboon Khumchaya, Head of the NCPO's Law and Justice Process, had full authority to consider and select the bills, based on the principle that they must be in line with the NCPO's policy. Then, they would be submitted to the Office of the Council of State for review and presentation to the cabinet and the NCPO for consideration every Tuesday ("NCPO Passed Six Important Legislative Bills," 2014). After the coup and the Constitution of the Kingdom of Thailand (Interim) B.E. 2557, the NCPO moved the legislative power to the NLA, consisting of 250 members from nomination by the head of the NCPO. This differs from the era of democracy where the members had to be elected by the people. Additionally, they must examine the laws directly related to the people. The NLA in the time of the NCPO is, then, a single council, and all members are appointed by the NCPO, who have been responsible for enacting laws for nearly five years from July 31, 2014 to May 21, 2019, and the NIA made 400 bills active.

The tax reform that the NCPO has raised as a major policy had several tax measures that have been approved to be implemented in the time of the NCPO, such

as a 20% corporate tax reduction, personal income tax reconstruction, investment promotion tax adjustment, tax regulation for group of persons and a single account regulation, including law at the level of the act of the main taxing authority, such as the enforcement of the new customs act and the enforcement of the new Excise Tax Act. The amendment of the excise tax law had begun before the NCPO took over the country. Therefore, the NRC has no responsibility to study or to recommend ways to reform under Section 31, paragraph 1 (1) of the Interim Constitution, B.E. 2557. However, they presented observations and the considerations of the draft law that have already been formulated which is the draft to use the Excise Tax Code B.E. .... and the draft of the Excise Tax Code. Additionally, the Committee on Economics, Monetary and Finance of National Legislative Assembly has compiled the results of the approved studies and the information obtained by hearing from the relevant agencies and submitted them to the NRC for consideration (Secretariat of the House of Representatives, 2015, p. 14). Nevertheless, the committee faced significant obstacles because on September 6, 2015, the NRC members voted against the draft constitution 135 to 105 with 7 abstentions, causing the immediate abolition of the NRC under Section 38 of the Interim Constitution, B.E. 2557 without consent.

After the NRC voted against the Interim Constitution, B.E. 2557, the NCPO had to appoint 21 constitutional drafting committees within 30 days from the day the NRC voted no to draft a new constitution within 180 days. Then, the draft had to be submitted to the cabinet and the Election Commission of Thailand (ECT) to arrange for another referendum. General Prayut Chan-o-cha, Prime Minister and Head of the NCPO, set up the National Reform Steering Council (NRSA) with 200 working people within 30 days from the day of the end of the NRC. Therefore, the process of considering the undergoing draft law had to be the responsibility of the NRSA. However, the NRSA was established on October 13, 2015 according to the Constitution of the Kingdom of Thailand (Interim) B.E. 2557, Amendment (No. 1), B.E. 2558, Section 39/2, to study and to reform all 11 aspects as a successor to the NRC that was abolished under Section 39/1.

In summary, after the NCPO seized power to run the country from a democratically elected government by the coup on May 22, 2014, the Thai political regime has shifted into an era of military dictatorship, also known as bureaucratic

polity. The NRC (2014-2015) and the NRSA (2015-2017) were established to serve as the Government Advisory Council (2015-2017). Due to the urgent all-round reform, the NCPO had to consider many bills that were still pending in the council at that time.

The head of the NCPO's law and justice process considers and selects the bills, based on the principle that they must be in line with the NCPO's policy. Then, they will be submitted to the Office of the Council of State for review and presentation to the cabinet and the NCPO for consideration. It can be said that the NCPO prioritized tax reform as an important policy.

#### 4.3.2.2 Excise Tax Reform

In the past, the administration of taxation by the Excise Department for all types of goods and services used seven main laws: the Excise Tax Act B.E. 2527 (1984), the Excise Tariff Act B.E. 2527 (1984), the Liquor Act B.E. 2493 (1950), the Tobacco Act B.E. 2509 (1966), the Playing Cards Act B.E. 2486 (1943), the Allocation of Excise Tax Act B.E. 2527 (1984), and the Allocation of Liquor Tax Act B.E. 2527 (1984). The reform of the law related to the excise tax occurred during the term of Yingluck Shinawatra. In this regard, the Excise Department had studied a new structure and administration of taxation and proposed to the MOF to consider. These initial acts were revised and merged into a single law because they have been active for a long time and are inconsistent with the economic conditions at that time. Moreover, the provision of an excise tax to many laws caused inconvenience to the public and those that perform their duties under the law and the public sector. For effective legal enforcement, the MOF has prepared a draft law to use the Excise Tax Code and the draft of Excise Tax Code proposed to the cabinet for consideration.

After the Constitution of the Kingdom of Thailand (Interim) B.E. 2557 has become active on July 22, 2014, the NCPO appointed the NLA on July 31, 2014. The MOF used this opportunity to re-propose the entire tax reform, which is a multiple taxation plan which has been approved, commented on, and adjusted according to comments from various sectors during the term of office of Yingluck Shinawatra to the NCPO for consideration. One of them is tax restructuring in Chapter 2, "Fairness Generation, Health Promotion and Environmental Development." Regarding the reform of such issue, the MOF has proposed taxation on beverages that are unhealthy. At that time, there were many different types of beverages that were supposed to be



taxed but were exempt from taxation. There were also many beverages that had not yet been taxed, such as coffee, green tea, and a number of other sugary beverages. The NCPO agreed on the said plan and therefore assigned the relevant sectors to study in greater detail. Such taxation must be proposed to the National Legislative Assembly (NLA) in order to formulate a clear law once again. The MOF anticipated that the tax measures would be implemented during the 2015 fiscal year.

Moreover, the idea of the reform of taxation on beverages is not new. It was an original concept that had been studied at the time of the term of office of Rangson Sriworasart, Permanent Secretary of Finance, serving as Deputy Permanent Secretary of the MOF. He was responsible for taking care of revenue collection and tax measures proposed to the NCPO for consideration. This is the revision of the idea. When the NCPO approved the entire tax reform plan, the MOF would drive and take this matter seriously. The next step was to submit the draft to the Council of State to consider all draft laws. There were also beverage products that had not yet been taxed, such as fruit juices and high-sugar vegetable juices, which are not beneficial to one's health and that do not help to promote farmers' income. The Excise Department proactively worked to study the excise tax collection on beverages in freezers sold at retail stores so that every store would pay taxes fairly. If any items were not taxed, they should be, such as tea, coffee, and fruit and vegetable juices with high sugar content, which had been exempt from taxation for two decades. If additional studies found that the production process and product style were as the same as with other types of beverages, they should also be subject to taxation ("The Ministry of Finance Aims to Collect Taxes," 2014).

In the country's public health system reform in the time of the NCPO government, the Public Health System Reform Commission and the NRC studied the reform guidelines according to reform agenda 24, which was a reform of health financing. The report of the Public Health System Reform Commission and the NRC was prepared and was supported with the principles, reasons, and the need for reform for the national interest and the people, as well as to achieve concrete reform within a reasonable time frame. This method was used to study information from individuals and documents related to public health reform, cross cutting with the commission involved in public health reform, and seminars and study tours to open up opinions

from personnel and representatives of relevant sectors, as well as to listen to the opinions of the people, including various organizations, both public and private sectors. After that, a complete report was made, proposed as the reform plan, which was approved by the NRSA on July 28, 2015 and submitted to the cabinet on August 18, 2015 for approval.

Regarding public health reform related to the reform of health financing, in the past, the government was responsible for a higher proportion of health expenditures, while health services still had problems in terms of efficiency, quality, and cost-effectiveness. Thus, the proposal to reform was a result of a study by the Public Health Reform Commission. One of the most important reform plans was to propose a strategy for financial sustainability. There was a guideline of increasing taxes on products, foods, or beverages that are harmful to health. Therefore, the reform of the excise tax system was driven by revising and proposing a draft of the Excise Act, which had a time frame of 1-2 years. It is expected that people will consume fewer sugar-sweetened beverages, which will be good for health. The summary of the report proposed to the NRC and the policy is as follows (Secretariat of the House of Representatives, 2015).

In summary, the reform of the law related to the excise tax collection was urgently reconsidered after the coup and the change in administrative power by the NCPO. The interim constitution was adopted and the NLA was appointed. The MOF proposed a plan to reform the entire tax structure. This includes taxation on beverages that are unhealthy. The NCPO agreed on the said plan and assigned related sectors to study it in greater detail before proposing to the NLA to formulate the law. During this period, the Permanent Secretary of Finance at that time played an important role in proposing tax measures for the NCPO's consideration and committed this matter seriously at that time as the excise tax act had not been revised for a long time. Therefore, there were many types of beverage products that were not beneficial to the body and did not mainly help to promote farmers' income, along with high sugar content that has not yet taxed. The MOF has, therefore, ordered the Excise Department to study the excise tax collection guidelines on beverages sold in general. The taxation must be inclusive, equal, and just. The public health system reform related to health financing is also an important factor in driving tax measures. The results of the study of the Public

Health Reform Commission found that one of the most important reform plans is to propose a strategy for building fiscal sustainability. There are guidelines in support of increasing taxes on products or foods and beverages that are harmful to health along with the excise tax reform for a reduction in the consumption of sweetened beverages to deal with public health problems with long-term effects.

### **4.3.3 The Third Era: The Policy Preparation and Policy Draft Proposal (2016)**

#### **4.3.3.1 Policy Design by the Ministry of Finance**

The MOF has prepared taxation on high-sugar and health-damaging beverages, including fruit juices, vegetable juices, and tea and coffee, which were granted as 111 tax exemption items by the Excise Department. On February 19, 2016, Somchai Sajjapong, Permanent Secretary of the MOF, ordered the Excise Department to prepare a plan to increase income over the next 5 years and to present the plan within two months, which may be made in conjunction with the Fiscal Policy Office (FPO), presented to the MOF for consideration. One of the most important goals, in addition to the reduction of the consumption of products that adversely affect health, is to predict the income that will be received if tax measures are implemented. It is estimated that within five years, the Excise Department will have to increase its income collection up to 800,000 million baht per year. From fiscal year 2016, it was expected that there would be an income collection of 4.9 billion baht. It goes without saying that the increasing income will affect the increase in the excise tax on several items, and within two months the details on the increasing tax of beverages would be provided.

In addition to the policy to increase tax, there were also additional studies on other types of taxation, especially products that have a negative impact on health, such as beverages containing sugar. However, before the taxation, studies were needed to prove that excessive sugar consumption is actually harmful to health. Thus, the implementation of the policy in the future can actually alter consumer behavior. After the study, if the results of studies have confirmed that the consumption of sugar poses negative health effects, the results, then, would be proposed to the Policy Department since the decisions in this matter are mainly made up by the Policy Department ("The Ministry of Finance Hopes to Raise Taxes," 2016).

Regarding the taxation plan on beverages, the MOF proposed a plan to the NCPO, on August 1, 2014 and it was initially approved. The study to design policy in parallel with such policy advocacy is one of the tax reform plans of the MOF. At that time, in addition to green tea, the NCPO assigned the Excise Department to study excise tax collection on beverages in freezers sold at retail stores, such as canned coffee containing caffeine and sugar, canned fruit juices, etc. As for the non-alcoholic beverage tax, previously in fiscal year of 2016, under the Excise Tax Act, B.E. 2527, there was a 20% levy. At that time, the Excise Department was able to collect a beverage tax of about 18,000 million baht per year. If there is an increase on the tax, it is expected that there will be an additional income of at least 10,000 million baht per year ("The Ministry of Finance Hopes to Raise Taxes," 2016).. Further, the academic information that can be used to support the policy design in accordance with the objectives can be received from partnerships in health networks. The MOF has been in discussion with the MOPH for many years on the matter of beverages containing high sugar. The MOPH cited the findings from the study that such beverages are a major cause of damage to consumers' health, causing obesity and NCDs, and there have been campaigns to reduce these types of beverages for a long time in foreign countries.

Regarding the solution to the problems resulting from policy design to reduce or to relieve the severity of the public's excessive consumption of sugar-sweetened beverages, it is to design an approach where the cabinet must approve the principle of revision to the definition of beverages under new Excise Tax Act to cover the beverage list according to the Food Act, B.E. 2522 (consisting of beverages in sealed containers, tea, coffee, soy milk, flavored milk, dairy products, liquid yogurt, and sports drinks, whose sugar content is more than 6 grams of sugar per 100 milliliters and assigned to the involved sectors, such as the MOF, the Ministry of Public Health, the Thai Health Promotion Foundation, the Ministry of Commerce, and the Ministry of Interior to proceed with. The results expected after the reform are as follows: 1) People will be aware of the health risks associated with sugar in beverages through nutrition labels and other social communication channels. 2) People's consumption of sweetened beverages will decrease, and this will reduce the risk of obesity and chronic NCDs, including the economic burden that will arise from the aforementioned diseases. 3) The government will have more income from taxation to develop the health service system

to be more efficient (National Reform Steering Committee on Public Health and Environment Reform, 2016, pp. 10-12).

In summary, the MOF has proceeded to design the policy in terms of tax rate adjustments on specific beverage products. The expected results are to reduce the consumption of sugar-sweetened beverages and to predict that government revenues will increase from the excise tax collection. Both of these are key elements in the policy outcome. After the political and governmental changes in the NCPO's government, the MOF seized the opportunity to propose a tax system reform plan and several taxations plans on August 1, 2014 and those have been approved. The MOF and relevant sectors, such as the health sector and partnerships in health networks have jointly studied, analyzed, and laid out guidelines for the use of appropriate tax measures continuously in order to obtain information presented to authoritative decision-makers.

#### 4.3.3.2 The National Reform Steering Committee on Public Health and Environment Reform, National Reform Steering Assembly

After the National Reform Council (NRC) made a recommendation for 505 reforms in the country and ended its duties after the vote to reject the draft constitution on September 6, 2015, and according to the Interim Constitution, at least 200 more people had to be appointed as a "National Reform Steering Assembly" or NRSA to take up duties from the NRC. Later on, the NRSA (October 13, 2015 to August 3, 2017) was established in accordance with the Constitution of the Kingdom of Thailand (Interim) B.E. 2557, Amendment (No.1), B.E. 2558, Section 39/2, to undertake the study and reform of all 11 aspects by the NRC in regard to the urgent importance and achievement of the reform. The work required cooperation with the National Legislative Assembly, the cabinet, the NCPO, the Constitution Drafting Committee, and other departments and organizations, including the public sector and the general public. If any case was considered to be necessary for the enactment of an act, the NRSA had to prepare a draft act proposed to the NLA for further consideration. This is the same authority as the NRC once had.

The NRSA consists of only 200 people appointed by the Prime Minister. The Prime Minister can appoint them without the King's consent. On October 5, 2015, General Prayut Chan-o-cha, Prime Minister, and Head of the National Council for Peace and Order, called a meeting at Kesakomol House with the appointment of 200

members of the NRSA, together with 21 members of the Constitution Drafting Committee (CDC). All 200 members consisted of former members of the NRC, academics, officials, and unofficial military officers and police officers, and representatives of political groups. The opening of the meeting was at the Parliament Building on October 13, 2015.

The role of the NRSA in the implementation of tax measures on sugar-sweetened beverages, officially began for the first time at the 9<sup>th</sup> National Reform Steering Assembly Meeting on Tuesday, November 10, 2015, where the meeting approved the resolution to set up 11 National Reform Steering Committees. One of committees was the "National Reform Steering Committee on Public Health and Environment" consisting of 22 personnel led by Pornpan Bunyaratpan as the chairman of the committee. On the following day, November 11, 2015, there was the first meeting of the National Reform Steering Committee on Public Health and Environment Reform with the consideration of the framework and guidelines for action of the commission as follows (Committee for National Reform on Public Health Reform, 2015).

In the first phase, the commission is required to submit a reform plan to the NRSA within 30 days from the date assigned and to report the progress as a document every month. They must follow up on the proposed reforms and report the results to the council. Initially, they had to propose the first reform plan to the council on December 9, 2015. Therefore, guidelines for propelling public health and environmental reform should be considered to drive important issues for real concrete results. The results of the meeting suggested that a subcommittee should be appointed and assigned to consider, study, analyze, and prepare guidelines and recommendations for various reforms, including the enforcement of various relevant laws along with the report submitted to the commission for consideration and approval to present it to the NRSA. However, the commission must continue to operate in accordance with the operating guidelines of the cabinet, the NCPO, the NRSA, and the NLA for the benefit of impelling national reforms. In addition, the subcommittee of the National Reform Steering Committee on Public Health has been appointed and led by Air Chief Marshal Theeraphap Senawong. This commission is responsible for studying the implementation of tax measures in taxation on beverages. The methods of studying tax measures consist of compiling problems from related sectors to cover all aspects by

traveling to study with the relevant sectors to gather information on facts and related problems for the benefit of moving the reform of the country with clear and concrete results in the future.

On Wednesday, February 9, 2016, the subcommittee held a meeting to consider issues that should be driven as a public health reform. One of the important issues, which has been revised after it had been proposed when the NRC had not yet been abolished, was the issue of health financing to propose amendments to Excise Tax Act B.E. 2527 on the taxation of sweetened beverages in order to deal with obesity and NCDs problems, as well as to reduce healthcare expenses (National Reform Steering Committee on Public Health and Environment Reform, 2016). Later, on March 16, 2016, the subcommittee held a meeting with the Public Health Commission, the NLA, representatives of the MOPH, and representatives of the Office of the Council of State to discuss laws for public health reforms for tangible results as quickly as possible. The meeting resolved to jointly propose amendments to the law and to consider drafting new laws as well as the study of taxation measures on food and beverages that have risk factors and potential damage to health. This reform report by the National Reform Steering Committee on Public Health and Environment Reform will be submitted to the NRSA in the future on a matter of "the prevention and control of risk factors for health on food and nutrition with the taxation on beverages containing sugar content exceeding the standard" prepared by the working group on the necessary measures to prevent health risks. The members consist of personnel from various related departments, such as the Excise Department, the Fiscal Policy Office, the Food and Drug Administration, etc. After a detailed review of the methods of taxation on sugar-sweetened beverages that cause health risk factors, the plan was then proposed to the next meeting, which was 17<sup>th</sup> meeting on April 7, 2016 (National Reform Steering Committee on Public Health and Environment Reform, 2016).

In summary, in the national reform process in the time of the NCPO, the NRSA set up a committee to drive national reforms regarding public health and the environment, which is one of 11 general committees. The commission has the authority to study, analyze, and prepare reform plans and methods with a schedule including recommendations for driving national reform on public health, natural resources, and the environment in accordance with operating guidelines of the cabinet, the NCPO, the

NRSA, and the NLA for the benefit of driving national reforms. The key issue related to reforms to achieve tax measures for the health of the Thai population is health financing to propose amendments to the Excise Tax Act, B.E. 2527 on the taxation on sweetened beverages to deal with obesity and NCD problems, as well as to reduce medical expenses, causing the report on "the prevention and control of risk factors for health on food and nutrition with the taxation on beverages containing sugar content exceeding the standard" proposed to the NRSA meeting for consideration on April 26, 2016.

#### 4.3.3.3 The Approval of the Report of the National Reform Steering Committee on Public Health and Environment Reform

The 20<sup>th</sup> National Reform Steering Assembly (NRSA) of April 26, 2016 at 1:00 p.m. at the parliament was led by Alongkorn Pholbut, the first Vice President of the National Assembly, to consider the report of The National Reform Steering Committee on Public Health and Environment Reform on "the prevention and control of risk factors for health on food and nutrition with the taxation on beverages containing sugar content exceeding the standard." The content proposed an excise tax on beverages, such as soft drinks, green tea, coffee, energy drinks, drinking yogurt, soy milk, and fruit juices whose sugar content exceeded the standard according to the concentration of the sugar content as follows. The sugar content has to be more than 6-10 grams per 100 milliliters of any kind of beverage at a rate that increases the price of more than 20% of the retail price. The sugar content of more than 10 milligrams per 100 milliliters of beverage shall be taxed at a rate that increases the price of more than 25% of the retail price. This will help people reduce the consumption of sugar-sweetened beverages that have a risk of being obese and having NCDs, such as high blood pressure, diabetes, heart disease, vascular disease, cancer, etc. These diseases have created a cost burden on the economy and society, causing many expenses since almost all of the beverages on the market at that time contained more than 6 grams of sugar. This also increases the income into the country by more than 10,000 million baht per year. Additionally, it was also proposed to the Ministry of Interior to regulate the marketing of gambling of sugar-sweetened beverages to control the stimulation of the consumption of sugar-sweetened beverages along with marketing strategies.



Pornphan Boonyaratpan, Chairman of the National Reform Steering Committee on Public Health and Environment Reform, said that, at present (April 26, 2016) Thai people consume 100 grams of sugar per person per day, which exceeds the health standard set to consume less sugar than 50 grams per person per day. This is the 9<sup>th</sup> highest sugar consumption in the world. However, the number of ready-made beverages available in the market at that time had an average sugar content of 9 to 19 grams per 100 milliliters of beverage, despite the amount of 6 grams per 100 milliliters according to the WHO. Therefore, there should be an increase in the tax on beverages that pose a health risk in order to reduce obesity and NCDs. The taxation on beverages with sugar exceeding the standard rate of 20% is what the WHO has studied. It has been shown to reduce the consumption of sugar-sweetened beverages in various countries, such as Mexico and Hungary. The outcome of such a measure is to reduce consumption of sugar-sweetened beverages ("National Reform Steering Assembly Agreed to Increase Tax," 2016; National Reform Steering Committee on Public Health and Environment Reform, 2016).

However, several members of the NRSA have expressed opposition to the implementation of tax measures. For example, Kasit Pirom commented that there should be non-tax measures, such as a way to raise public awareness of the reduction in excessive consumption of sugar beverages, as the use of tax measures will ultimately push the burden to consumers. Additionally, Kuruchit Nakornthap, a member of the NRSA, said that the tax increase on sugar-sweetened beverages in the same manner as alcohol and cigarettes might not be acceptable by Thai people. He also questioned the inclusiveness of a study that says that sugar-sweetened beverages can lead to diabetes and blood pressure, for the factors that cause these diseases are not solely influenced by the consumption of sugar-sweetened beverages —there are other factors, such as eating patterns and heredity. He argued that sugar is still an essential nutrient for the body; thus, further research should be conducted if any measures are to be taken to address the problem. ("National Reform Steering Assembly Agreed to Increase Tax," 2016; National Reform Steering Committee on Public Health and Environment Reform, 2016).

After the members of the NRSA all had a discussion, the meeting unanimously voted in favor of the report with 153 to 2 and 6 abstentions. Then, the National Reform Steering Committee on Public Health and Environment Reform was assigned to improve the opinions and recommendations of the members before submitting the report to the cabinet for consideration ("National Reform Steering Assembly Agreed to Increase Tax," 2016; National Reform Steering Committee on Public Health and Environment Reform, 2016). Further, later the report was presented to the meeting of the 3-sector Coordinating Committee (the cabinet, NLA, and NRSA) No. 18/2016 on June 8, 2016. The meeting approved the resolution to drive reforms on the prevention and control of the risk factors to health on food and nutrition with a taxation on beverages containing sugar content exceeding the standard. Therefore, the observations and suggestions from the meeting were reported to Prime Minister General Prayut Chan-o-cha for approval to submit this report to the 2<sup>nd</sup> Committee for Driving and Reforming the State Administration, Committee for Driving and Reforming Economy, Finance, Public Investment and Infrastructure, led by Deputy Prime Minister Somkid Jatusripitak, the 4<sup>th</sup> Committee for Driving and Reforming the State Administration, Committee for Driving and Reforming Public Health, led by Deputy Prime Minister, Admiral Narong Pipattanasai for consideration.

According to an interview with Suladda Ponguttha, Manager of Food and Nutrition Policy for Health Promotion (FHP), the International Health Policy Program (IHPP), one of the members of the Working Group to drive necessary measures against health risks, discussed the 2016 policy proposed to related sectors to implement tax measures to deal with the problem of overweight, obesity, and NCDs. This policy was considered by the NRSA. In the past, in the time of the NRC, a number of policies were presented for consideration and a lot of votes are taken, but only some of them have been pushed into action. Nevertheless, when the NRC was dissolved on September 6, 2015 and the NRSA was later established instead, some important policy issues that needed to be acted on urgently and had the potential to be successful in pushing forward were chosen and considered. This tax measure is one of the policies that the NRSA has reconsidered again through various subcommittees of the NRSA. When the NRSA approved the measure, the task was assigned to the relevant

department, which is the MOF, to proceed with. After that, there was further cooperation to work by jointly studying how the taxation should be implemented.

At that time, opinions from many sectors were received, including industries that would be affected by tax measures as well as health department and operating workers, to find mutual agreement and the direction of the measure (Suladda Pongutta, personal communication, June 26, 2020).

In summary, the development of the excise tax collection policy on sugar-sweetened beverages of Thailand was begun with the formulation of a policy driven by a working group to drive measures necessary to deal with health risks in the National Reform Steering Committee on Public Health and Environment Reform. The essence of the policy relates to the prevention and control of risk factors to health in terms of food and nutrition with taxation on beverages containing sugar content exceeding the standard. The committee then proposed it to the NRSA, which had the preliminary decision-making power when it was unanimously approved to drive the reform in the matter. Therefore, the report was submitted to the cabinet for consideration and assigned to the responsible sectors to proceed with.

#### **4.3.4 The Fourth Era: The Three Sector Policy Networks (2016-2017)**

##### **4.3.4.1 The Appointment of a Working Group to Study All Round Information to Formulate Appropriate Measures**

The Minister of Finance gave the 662/2016 order on June 7, 2016 to appoint a "working group on the reduction of sweetened beverage consumption" and a "sub-working group to study formulation of the excise tax collection policy on sweetened beverages according to the sugar content standard" by the MOF as the main host. For consideration and determination of appropriate measures, the working group members consisted of personnel from various organizations, both public and private sectors, including three sectors involved in the taxation on sugary beverages, namely the health sector, the finance sector, and the industrial sector. It was a formal policy network that jointly studied guidelines for reducing the consumption of sweetened beverages for further consideration in formulating appropriate measures.

#### 4.3.4.2 Resolutions of the Three Coordinating Committee Meetings to Postpone the Taxation

Later, just one day after the MOF appointed a working group to study ways to reduce the consumption of sweetened beverages, on June 8, 2016, a meeting of the tripartite whip (NCPO, NRSA, and NLA) was organized to consider the report of the National Reform Steering Committee on Public Health and Environment Reform to consider recommendations for driving national reforms on the prevention and control of risk factors to health regarding food and nutrition with the taxation on beverages containing sugar content exceeding the standard (agenda 4.2). The results of the meeting were concluded: the meeting approved the taxation on beverages with sugar content that exceeded the health standard, but it was also stated that there should be other actions along the way in order to effectively promote public health with concrete and sustainable results. These include: 1) campaigns for people to be aware of health issues; 2) related measures for motoring food and beverages with care by the FDA and sectors related to consumer protection; and 3) opinions from all sectors should be received to formulate the policy, suggested by the TBA with the MOF.

Therefore, it was concluded that the taxation on sugar-sweetened beverages should be postponed since the meeting had discussed and considered the positive and negative results in detail. Then, existing laws were confirmed to control the amount of sugar in beverages due to the concern that immediate taxation could affect the country's sugar producers, and this would affect the broader community, including SMEs as well as the economy of the country. However, the MOF still studied the guidelines of the taxation so that in the future, if the policy decision-makers want to continue on this matter, the information will immediately be available. In addition, the meeting also proposed that public sector educate consumers and the public on the advantages and disadvantages of consuming sugar-sweetened beverages, which is a non-tax measure to reduce the consumption of sugar-sweetened beverages, and the tax measure on sugar drinks with sugar content that exceed that standard is considered to be the last matter to proceed with as this would affect the fairness of taxation. In other words, there are not only beverages containing a lot of sugar, but there are also many sugar-containing foods that use high amounts of sugar than soft drinks ("Abolition of the Taxation," 2016).

#### 4.3.4.3 Excise Tax Act B.E. 2560 (2017)

After Excise Tax Act B.E. 2560 (2017) was published in the Government Gazette on March 20, 2017, 180 days later, on September 16, 2017, the Excise Tax Act B.E. 2560 (2017) came into effect. This new act is a structural change of the excise tax system and a new approach to taxation. This includes the excise tax on sugar-sweetened beverages as well.

One of the most discussed and worrying issues among industrial operators and importers is the tax rate on goods and services, which was ultimately announced regarding changes in the tax rate for various goods and services according to Ministerial Regulation Prescribing Excise Tariff, B.E. 2560. Such law was active before the Excise Tax Act B.E. 2560 (2017) and had come into effect for only one day, September 15, 2017, with a reduction in the tax rate based on value in accordance with the use of the suggested retail price as a basis for taxation calculation instead of using the ex-factory price informed by the industrial plant according to the prior taxation model under Excise Tax Act, B.E. 2527.

The taxation on non-alcoholic beverages under Excise Tax Act B.E. 2560 (2017) is as follows:

- 1) The rate is according to the price and the sugar content of the beverage, including a tax according to the sugar content of powdered beverages and additional concentrated beverages to make people aware of the health effects if they consume such beverages. In the first phase, the tax burden will not increase much, but after two years, the tax burden will increase every two years until 2023.

- 2) The use of non-tax measures is supported with the cooperation between the public and private sectors at the same time. This will enable the public to participate in reducing the consumption of sweetened beverages, such as healthy alternatives, the production of beverages with low or no sugar, ease of access, GDA nutrition labeling, etc.

- 3) Moreover, it is expected that after Excise Tax Act B.E. 2560 (2017) became active on September 16, 2017, the Excise Department's additional income from taxation increased by 2% or 12 billion baht per year. Further, the Excise Department believed that industrial operators would not raise retail prices so much that

it would become a burden for the people due to the high competition of entrepreneurs (Excise Department, 2017a; "The Excise Department Increased Tax," 2017).

In summary, the development of the excise tax collection policy on sugar-sweetened beverages in Thailand in the fourth era triggered the integration of policies in three related sectors: the public health, finance, and industrial sectors. The TBA asked for fairness and met with decision-makers, both civil servants and politicians, to request participation in policy formulation. As a result of the request, the taxation of sugary drinks was ordered to postpone indefinitely. It was claimed that the tax measure may have some negative impacts on a wide range of stakeholders. The meeting of the tripartite whip (NCPO, NRSA, and NLA) recommended that the existing legislation from the current responsible agency should have been implemented to control the sugar content in beverages due to the concern that immediate taxation could affect the country's sugar producers. This would ultimately affect the broader community, SMEs, and Thailand's economy.

However, the drive of the policy has ceased, but the MOF still stands to continue to design and formulate policies in the form of a three-sector working group to study all-round information before formulating appropriate measures. In the meantime, there is competition among interest groups to negotiate and to compromise for the extension of law enforcement due to the adaptation of industrial operators. The tax measure was still in the process of studying options and policy decisions. The MOF still has not given up on the idea of the taxation on sugary drinks and was trying to continue to study suitable models as Mr Apisak Tantivorawong, the then Minister of Finance explained that there are many parties involved in this public policy. The MOPH wants people to consume less sugar in order to keep themselves healthy, but sugarcane farmers believe that using less sugar will affect them. Thus, sugar manufacturers agree with the farmers. Beverage producers also are afraid of the impact on sales. Consequently, the MOF has to accept ideas from all parties to find a balance ("Minister of Finance Has Not Given Up," 2017).

The Excise Tax Act B.E. 2560 (2017), which is the policy outcome, was published in the Government Gazette on March 20, 2017 and came into effect in 180 days later. September 16, 2017 was the first day in Thailand that the excise tax collection policy on sugar-sweetened beverages were implemented to prevent and to

resolve public health problems in a concrete way after a continuous movement to push this policy to be adopted and enforced, it took at least 15 years (2002-2017) to be successful.



## **CHAPTER 5**

### **POLICY AGENDA SETTING**

In the policy agenda setting stage of the excise tax collection policy on sugar-sweetened beverages in Thailand, the researcher studied and analyzed the origins of the policy and the factors influencing the policy's emergence, thus increasing the understanding of the policy background. Furthermore, in order to understand the process of entering the policy agenda, an appropriate theory, namely John W. Kingdon's multiple streams framework has been used as the main theory to outline that the policy process can be situated according to problems, policy, and politics. This framework helps to point out the process more clearly and to explain the history of policy, the interest groups' influence on policymaking, as well as policy advocates, with details as follows.

#### **5.1 The Problem Stream, Policy Stream, and Political Stream Affecting the Policy Agenda Setting**

Ideas are progressively shaped by policy entrepreneurs into a proposal with concrete implementation strategies. The three streams then converge within a policy window and drive the window to open and bring problems for government consideration. In this regard, the three streams that affected the policy agenda setting concerning the collection of an excise tax policy on sugar-sweetened beverages in Thailand are as follows.

##### **5.1.1 Problem Stream**

The conditions in which the situation of overweight, obesity, and non-communicable diseases, as well as the socio-economic impacts recognized by decision-makers as a problem that urgently needs to be changed, included indicators, focusing events, and feedback (Kingdon, 2003, pp. 90-113).



#### 5.1.1.1 Indicators

The problem stream that pushed the problem of sugar-sweetened beverage consumption into policy agendas is a condition that increases the interest among the public and policymakers. Such a phenomenon occurred because a number of people in society have had concerns from awareness of change or from certain influence, especially indications of the existence of a problem and the degree of severity of the problem. In this research, an important indicator found that the health problems of the people as a result of the consumption of sugar-sweetened beverages exceeding the daily health standard of Thai people, which has begun to be realized and become a widespread problem. This problem has not been only limited to Thailand, but is also a vital global tendency. The issue has made it possible to become a policy agenda or to open the policy window because it is a problem that policymakers perceive as an urgent issue that needs to be changed through measures or solutions. Various existing indicators can lead to the formation of the policy stream; moreover, they are among the most important forecasters of issue attention and agenda setting as policymakers are encouraged and drawn to rapid changes in statistics (Kingdon, 2003, pp. 197-198).

Problems with the situation of overweight, obesity, and non-communicable diseases caused by the consumption of sugar in excess of the health norm have been a problem and have eroded Thai society for a long time, and the prevalence of these serious diseases has been increasing day after day. The sugar industry has a long history and has been very important to the national economy and the consumption culture of the Thai people. In addition, sugar itself is a nutrient that is useful for the body; nevertheless, the problem lies in the habit of consuming excessive amounts to meet the body's needs, known as addiction to sweetness. Consuming too much sugar consequently has a negative impact on the good health of the Thai population.

The World Health Organization has seen NCDs as a growing problem and has been providing information and campaigning to continuously solve the aforementioned problems. According to NCD death statistics in 2009, 63% of the world's deaths were caused by NCDs. Further, more importantly, over 80% of the population is in the developing world (Thai Health Promotion Foundation, 2020), while

in Thailand at that time, 14 million people were found to suffer from NCDs, which was the leading cause of death in the entire country. Such a problem accounted for economic losses of 200,000 million baht per year; moreover, the aforementioned death statistics demonstrate that Thailand has had more deaths than the global average and is likely to increase even further in the future (Mahidol University et al., 2014).

In the past, it was found that direct and indirect consumption of sugar was 3:2 higher than that of indirect consumption, with the increase in sugar consumption from the consumption of ready-made food produced at the industrial level. From 2007 to 2010, the proportion of direct consumption of sugar began to decline steadily; on the other hand, the proportion of indirect sugar consumption tended to increase. Further, the beverage industry sales accounted for the highest, 45.5% to 47.7%, followed by food (including canned food and fish sauce), milk and dairy products, candy, confectionery, bread, liquor, beer, and medicine, respectively (Khanit Ratanarangsima, 2012, p. 27). The statistics of the increase in sugar consumption are primarily due to the consumption of processed foods produced on an industrial scale, especially from beverage products produced from the beverage factories. Furthermore, in 2016, the last year before tax measures were introduced, the beverage industry became the biggest industry that bought the highest amount of sugar, up to 539,525,425 kilograms or 44 % of the entire industrial sector (Office of the Cane and Sugar Board, 2016).

Although the statistics on morbidity and mortality from NCDs each year are very high, the health problems that have arisen from this disease group can be prevented by avoiding the main cause or risk factor, which is caused by the risk behavior in consumption. If Thai society is able to reduce or change these risk behaviors, it will reduce the risk of NCDs caused by excess sugar consumption. In this case, it has been estimated that it will be able to decrease the risk up to 80 %. Hence, encouraging people to change their behavior is the most sustainable way to reduce the rates of illness and fatalities (Thai Health Promotion Foundation, 2020). In the past, usually, solving major problems used treatment with medical science or mainly the use of medicine to prevent and treat obesity and related NCDs, while government organizations ordinarily provided public health guidelines that focused on creating

policies and measures to manage social and environmental factors and personal behavioral adjustments to manage overweight and obesity. However, most of the past measures played a more driving role in defensive problem management than proactive problem management measures.

#### 5.1.1.2 Focusing events

The impacts that people around the world and in Thailand confront from overweight, obesity, and NCDs have become the focusing events in the problematic situation that has widely garnered public attention. The tendency of populations at risk and suffering from NCDs has proliferated and the crisis has resulted in severe loss of health years and socio-economic costs, and inclines to continue increasing. Health problems have a direct impact on quality of life due to illness and disability, which are difficult to avoid for both the patient and the family. Economically, these types of diseases are considered as threatening obstacles that impede economic development because their impacts always come with the huge costs of healthcare that the governments in each country have to allocate money to and have to invest in healthcare. For Thailand itself, the average cost per capita is 3,128 baht per person, and if calculated from the population in the middle of 2017, it means that the expense could be higher than 200 billion baht, excluding the costs where people have to bear their own burden—more than 1,750 baht per person (Siriwan Phitthayarangsarit et al., 2018).

One of the important effects of NCDs on society is the loss of labor capacity from premature death and disability, particularly in the middle-income countries; for instance, in Thailand, it has been estimated to be as high as 500 million baht. Additionally, on the individual level, NCDs and associated risk factors have been associated with poverty. Low-income people are at a higher risk of NCDs because they have more behavioral risk factors, such as low-grade food intake, smoking, drinking alcoholic beverages, and physiological changes such as being overweight and hypertension (Siriwan Phitthayarangsarit et al., 2018).

The impact of NCDs is most evident in terms of both patient and family expenditures and society as a whole. In recent studies in developed countries, for example, in Europe (Branca, Nikogosian, & Lobstein, 2007), it was estimated that the health expenditure per capita from obesity is between 32 to 285 US dollars and overall expenditures account for 2 to 4 % of the national health expenditures and 0.1 to 1.4 %

of the GDP, while in the UK, the total cost of treating obesity is 3.3 to 3.7 billion pounds (House of Common Health Committee, 2004), studies in the US have shown that cost levels varied with the severity of overweight and obesity (Thompson et al., 2001).

A 2009 study in Thailand found that the total social cost of overweight and obesity was 12,142 million baht or 0.13 % of GDP in the same year. The costs were divided into direct and indirect costs. The direct costs arising from medical expenses were 5,584 million baht (46%), classified as outpatient medical expenses at 850 million baht and inpatient medical expenses at 4,734 million baht. Meanwhile, indirect costs from premature death and absenteeism totaled 6,358 million baht (54%), divided into 5,864 million baht and 694 million baht, respectively (Montarat Thavorncharoensap et al., 2011; National Health Commission Office, 2009, pp. 223-224). The impact of overweight and related health behaviors, both directly and indirectly, was very costly, reflecting the cost burden of society and opportunities for developing countries that were lost by the problem of overweight and obesity of the population.

Addressing the problem with an emphasis on disease prevention and positive communication is also important because the Thai population is still at risk of developing NCDs because of their consumption behavior. The results of a study on the impact of NCDs on medical expenses by the Thailand Development Research Institute (2018, pp. 28-30) suggested that managing the problem caused by NCDs in Thai people should be more focused on prevention (in the same direction as the Thai Health Promotion Foundation). Moreover, the provision of information to the public should come from all parties involved, not just doctors and nurses. There should be a positive community and environment that invites every people to be aware of how to protect themselves from NCDs, making disease prevention sustainable through the support of many parties. Additionally, health communication methods should be balanced between preventive and positive communication. As a result, the government should establish preventive measures and disease control plans, especially regarding NCDs, as most of these diseases are caused by daily life behaviors that can be prevented and mitigated. For example, a solution should be made by issuing policies and measures that provide opportunities for health promotion and disease prevention, along with new disease mitigation, as alternatives for patients and those at risk of illness. Relevant

measures could help reduce the risk of these diseases and decrease the government's future expenditures as well (Thailand Development Research Institute, 2018, p. 41).

#### 5.1.1.3 Feedback

One of the major problems encountered and the repercussions that have led to advocacy was Thailand's beverage taxation in the past by the Excise Department. Although the tax had been collected for a long time since 1984, tax laws were criticized as being too obsolete because they had not been updated for decades, whereas the sugary drink market was constantly changing. The public health agency also argued that the model of taxation at that time was not designed to protect the health of Thai people in accordance with the intention of collecting excise tax, stating that taxation must be imposed on harmful goods or goods that have a negative effect on health. On the other hand, the government imposes a lower tax rate on sugary drinks than the rate collected from non-sugar drinks and exempts the tax on many sugary drinks. These methods of taxation were somehow able to increase the risk of developing diseases caused by sugar-sweetened beverages. All of these problems were related to the structure of excise taxes in the past; therefore, there was the view that the tariff collection of excise tax should have been made up to date and in accordance with the changing environment. Henceforward, there was a movement from the MOF to prepare a draft excise code by integrating the revision of the excise tax law based on fairness, transparency, and internationalization. At that time, the excise tax law was in the process of consideration by the Office of the Council of State. If it could be passed, it would be the foundation for the collection of excise tax to facilitate the protection of public health even more. However, the draft law had to be considered first so that it could move forward to the next steps.

However, in the environment of the problem stream, according to the opinions of the parties that disagreed with the taxation, it was believed that adopting tax measures was not the right solution. The tax may not have been the best tool to reduce the consumption of sugar-sweetened beverages because public health problems were not solely due to beverage consumption. Consequently, beverages should not have been viewed as the main cause of the problem and there should not have been any policy formulation that aimed to collect tax on beverages only. This has become long-standing, skeptical feedback that the industry and some scholars have commented on in depth;

the realistic goal of formulating this policy was that the government will certainly have more income from taxation in the future.

In summary, policy problems with a wide range of national crisis normally have indicators, focusing events, and feedback that make them possible to be considered into the policy agenda. In addition, it was found that various laws were considered an important factor in the formulation of public policy; if Thailand did not yet have laws that could be applied to solve various problems for the people, it was difficult for the various crises that arise in society to disappear because any movements for advocacy might confront the obstacles that cannot easily be resolved. Likewise, the problem-solving organizations themselves will be unable to perform their best operations due to their limited power.

Pushing a problem into a policy agenda normally begins from one problem stream to another; in other words, this means beginning with a problem leading to fitting solutions in the future. According to the concept of the multiple stream framework, public health problems due to the consumption of sugar-sweetened beverages that exceed the standard were an issue of interest to the public and the government. It was expected that some measures would be pushed into law in order to resolve the related problems in the future. The problem stream that led to the entry into the policy agenda was a situation when the Thai people's consumption of sugary drinks with more than 6 grams per 100 milliliters of sugar produced from industrial plants and was one of the main causes of obesity and NCD crises, finally leading to enormous economic and social costs. It was revealed that the tax laws that existed and that were in force at that time were outdated and did not cover all types of sugary beverages. This was considered as explicit feedback that has led to advocacy of the policy. In this regard, the issue has been directed by policy entrepreneur from the health sector that played an important role in entering the policy agenda. Further, such a problem was like justifying the entry into the policy agenda of the decision-makers.

### **5.1.2 Policy Stream**

The policy stream is like a primeval soup; that is, at some point the thought will settle to the bottom of the pot waiting for help to dissolve the soup. As attention rapidly grows from one problem to another, the possible solutions involved in large policy

changes will take time to develop. According to Kingdon (2003, p. 116), the ideas in the policy primeval soup are considered as useful information and evolved as suggested by one of the actors, and were then reviewed and edited by an enormous number of participants in policy communities that may have to be softened up to new ideas regarding sugar-sweetened beverages taxation. Dealing with the disconnection between dwindling attention and slow policy development, the participants accepted solutions to anticipate future problems, and then to find the right time to take advantage or encourage attention to the issues involved. In the end, it was an idea that tax measures had to be applied.

The actors involved in the policy have come from both internal and external agencies outside the government, such as academics, medical personnel, nutritionists, government agencies, official university lecturers and industrial operators, etc.

In addition, the success of the policy agenda-setting process, one of the most important aspects, also depended on policy entrepreneurs. Before policy outcomes could be made into law, there had been numerous policy ideas revolving in the process. Policy proposals and descriptions regarding excise tax collection policy on sugar-sweetened beverages in the context of Thailand's suitable measures had been presented, evaluated, analyzed, and criticized through various forums, such as listening, brainstorming, and publication of documents for meetings or forums. However, only some ideas or proposals were able to get through these steps because some were cut off or merged with others. The policy ideas that had been raised in the case of the excise tax collection policy for beverage products took into account four key elements: value acceptability, technical feasibility, network integration, and the policy community, which are detailed below.

#### 5.1.2.1 Value Acceptability

Value acceptability within the policy community is a critical factor in the success in implementing tax measures as such policy will have broader implications for the communities and the livelihoods of many stakeholders, especially entrepreneurs and related industries. Moreover, it may also have an impact on the tax burden on consumers both directly and indirectly. In this case, one of the key factors contributing to the success of such public policy application was the possibility of receiving support from the policy communities, and that possibility also depends on consumer support.

Nevertheless, without the acceptance and support of the community, policy, and consumer in the economy, it was difficult to make the application of such measures feasible in practice.

The campaign of the Sweet Enough Network (SEN) from 2002-2005 had been considered as one of the most important movement to build value acceptability. The network brought knowledge about the disease from eating too much sweetness to the society. They also presented data from the survey that clearly shows that many Thai children had been consuming too much sugar from sugary foods and beverages. The SEN has made efforts to provide a variety of useful information so that the Thai population is aware of the negative effects of consuming sugary foods and beverages, both in terms of the negative effects on the health of the consumers themselves and the negative effects on the macroeconomic and social contexts as well. Moreover, the movement has aimed to help the Thai population change their eating behaviors by upholding the vision of "less sweet" for society to realize the importance of reducing the consumption of sugar to just the right amount of consumption. Adjusting and creating values for the public through such a movement were the starting point for educating and creating acceptance from both consumers and government agencies responsible for fiscal policymaking and public health and have risen awareness that the crisis had to be urgently addressed.

One of the major impulses that resulted in the consideration of the adoption of tax measures arose from the publication of research papers and academic reports by academics both in Thailand and abroad on obesity and various NCDs, which have become part of the problem. Since the early 2000s, academics have begun publishing public health reports and articles as well as various statistical records on the health of Thai people regarding their increase in overweight, obesity, diabetes, and other NCDs. Later studies, including various academic conferences on the issue of NCDs, linked this group of diseases to the consumption of sugary drinks and the taxation measures to address them. Value acceptability was moreover obtained by researching the data of partnerships in the health networks, and then used the data to manage and analyze it in order to look for various aspects and issues, making it known and generally accepted that the main problem of sweet consumption derives from sugar-sweetened beverage products. This is consistent with the results of surveys on various



food categories in the daily life that the Thai population likes to consume, and one important conclusion is that Thais prefer to drink beverages with high sugar content. Therefore, if the problem can be dealt with, there is a possibility that the consumption of sugar-sweetened beverages amongst Thai people will decrease immediately ("Ten Years in the Efforts of SEN," 2017).

From the beginning of the study and the analysis to collect data on the sweet consumption of the Thai childhood population, the SEN later expanded the scope of the study to the population of all ages. They have been monitoring the consumption the situation of Thais since 2005, and then searched and analyzed data on the sugar consumption behavior of Thais, and finally found that the rate of sugar consumption of Thai people had continued to increase year by year (Piyada Prasertsom et al., 2007). The results of their study brought them to concern that improper consumption behavior would have more adverse effects on the health of the Thai people as well. After the SEN had discussed with nutritionists and pediatricians, they agreed that it was time to adopt a corresponding approach to have a campaign and take measures to reduce the sugar consumption amongst Thais. Then, campaigns have taken place continuously since 2005. This cooperation of health networks was an important starting point, which would lead to the formation and agenda setting of policies to resolve Thais' health problems in a few years.

However, in the early stages of policy formation, the preliminary measures (non-tax measures) that were used to prevent and address such public health problems, although somewhat successful, had in practical terms some limitations and were not proactive enough to drive a wide range of changes in the macroeconomic system. The little success was due to the preceding measures at that time being too defensive and only could raise awareness and change the behavior of specific groups of Thais that actually received accurate information, but the dissemination of information may not be able to spread comprehensively to other diverse consumer groups. The partnerships in health networks viewed that if the country desired to achieve sustainable change and to avoid taking decades, proactive measures must be implemented as well. One of the important measures that was accepted by many public health experts around the world, as well as recognized by many public health scholars in Thailand at that time, was tax measures. Preventive controls for obesity and NCDs

are internationally recognized as being necessary for implementing measures to control disease risk factors. Otherwise, the number of patients and the burden of health and economic and social costs will not be reduced. This required authorization or cooperation from other agencies outside the health sector, which is a mission outside the authority of the MOPH. Consequently, if the country aimed to implement measures to raise and collect taxes on drinks with high sugar content, it required cooperation from the major relevant government agency, namely the Excise Department, MOF, which was the agency responsible for the taxation of beverage products in Thailand at that time.

#### 5.1.2.2 Technical Feasibility

Many countries view that levy taxes on food and beverages are one of the best interventions (best buy interventions) for the prevention and control of major NCDs. This measure has worked effectively for liquor and tobacco products, with the tax affecting the prices of alcohol and tobacco (the sin tax) reducing the consumption of these two main product categories in many countries. The WHO therefore has recommended that governments in various countries and in Thailand adopt a tax policy as a primary measure in dealing with health problems caused by the consumption of high-sugar foods and beverages, which will lead to the change in the population's consumption behavior. In addition, it has been predicted to bring about the reduction of obesity and NCDs with adequate nutritional reasons for establishing clear guidelines for taxation, easy-to-collect approaches, and as well as having adequate resources without spending a lot of money. Further, such measures in addition to having the potential to promote public health can also increase the government's income, which will benefit society as a whole if it is allocated for further action in the public interest.

However, in order to make tax measures successful, it had to be done in parallel with the reform of the excise tax structure to be in line with the contexts of the country at the time as the lack of modernization of the excise tax law was one of the major weaknesses from the problem stream, which technically had to be fixed by several suitable policy approaches. On this point, to be able to move forward, a reform of the entire excise tax system had to be accelerated so that the government could implement tax measures appropriately and in line with the problems that arose at that time. Further, the policy on taxation was still a concept that the government may or may

not select for intervention; thus, there had not yet been a clear guideline for its implementation. This caused some doubts regarding its adoption and resistance from those that did not support taxation, especially from the industrial sector. In other words, although it was accepted that tax measures can be used to manage, prevent, and solve health problems, in Thailand, during the period of passing those problems into the policy agenda, it was necessary to fix some of the mechanisms of the policy tool so that all related measures could be developed on the basis of technical feasibility.

#### 5.1.2.3 Network Integration

The gathering and synergies of the network to promote taxation for preventing and addressing health problems began with the establishment of the health network partners, most of whom were from the government agencies in the health sector. At the very beginning of the idea of a sugar-based beverage taxation, the network faced a number of hurdles in terms of entering the policy agenda and driving such measures, although there was evidence to confirm that this is a highly cost-effective policy intervention. The most significant reasons was due to strong resistance or that it was beyond the authority and responsibility of the MOPH; moreover, there was insufficient information to motivate decision-makers to realize the importance of urgent solutions to the problem, resulting in the management of health problems of the Thai population in the early days being inefficient and more ineffective than they expected.

In the early era of policy formation efforts, the Excise Department, the governmental organization responsible for the direct taxation of beverages, did not appear to have a role and had not yet made a point of formulating a policy and or issuing it into the law. The second National Health Assembly resolution in 2009 stipulated the missions of various agencies involved in improving the management of public health problems. Therefore, since then, there has been collaboration among network partners and various agencies from many sectors in order to work together to find resolutions for dealing with this problem by using tax and price measures. A resolution was drawn up by a working group and the strategy was circulated to be proposed to relevant agencies from various sectors, which at the time was a network affiliate of the National Health Commission, which was informed and made comments. Most of the working groups during that period consisted of academics, researchers, and regular government officials. Although the members of the working group were primarily public health

personnel, it also allowed people outside the health sector to participate, especially those with expertise and interest in the issue of overweight and obesity and NCDs and their impact on the economy and society, dealing with such problems in the form of cross-section coordination. The assembly of the working group was established by actors that had the same common objectives to work in their respective areas and to share their ideas, creating advocacy at that time based on the information flowing from the various sectors involved, as well as various communities that were in the case studies for research conducted by networks of NGOs working in public health.

The collaboration in the form of working groups that came together after the second National Health Assembly resolution can be considered as one of the strongest cooperation since the campaign for Thais to reduce their sugary consumption, which was initiated by the SEN in 2002 onwards.

Nevertheless, the effort of the network in the days after the second National Health Assembly did not have enough influence to advocate for concrete legislation to levy sugar-sweetened beverages. Thailand thus continued to apply the existing law several years later, with tax on beverages as an ad valorem tax based on ex-factory prices as the basis for the tax calculation under Excise Tax Act, B.E. 2527 (A.D. 1984). At that moment, the tax measure using the sugar content of beverages as a basis for calculating taxes and the tax rates were not yet set up and still remained an issue that needed to be officially studied. As for the interest groups opposed to taxation, there was a movement from the industrial sector to prevent the adoption of such tax measures. Whenever there was news that the government would collect a tax on sweetness, there would normally be a movement from industrial operators, and then the matter of advocating such a policy disappeared over time. This was the case throughout many governments.

Another important type of cooperation and synergy of networks was in the era of the National Council for Peace and Order (NCPO) government, with General Prayut Chan-o-cha as prime minister. It was the time when Thailand continued to reform the country in many ways. The twentieth National Reform Steering Assembly (NRSA) on April 26, 2016 resolved to drive reforms on the prevention and control of the risk factors for health regarding food and nutrition with taxation on beverages containing sugar content above the suggested standard. The next step in policy

development and advocacy in the policy stream was the establishment of a network for the collaboration of academics from various departments in the form of a working group, appointed to conduct a detailed in-depth study of policymaking, consisting of two main working groups: 1) a working group to study the approaches for the reduction of the sweetened beverages consumption, and a sub-working group hosted by the MOF; and 2) a working group for implementation and monitoring of non-tax measures for suitable sugar consumption for Thai people, and a sub-working group hosted by the MOPH. Both working groups provided opportunities for industry personnel to come together to find solutions and to lay out guidelines for implementing appropriate tax measures. More details of the network integration will be described in chapter 6, which will be directly involved in the policy formulation process. It can be considered a significant development of the network integration in the policy stream when the two working groups were open to the presence of industry representatives to join the network and to help find solutions and study guidelines for implementing appropriate tax measures.

The process of this policy stream took a long period of time and the draft was repeatedly and continuously presented. During that time, the concept of draft proposal was changed, and there were debates over the draft proposal that led to revised draft proposals in response to those that had contributed to the issue. The final proposal had lastly been drafted to be included in the agenda and further influence the policy agenda. Finally, the network was able to draw up a draft of the final proposal that was mutually accepted in order to bring it into the agenda for consideration and to make it affect the determination of policy agenda in the future. The ideas of reforming the taxation of sugary drinks was, in fact, not new, but this advocacy was a revisit of what the actors involved in the policy had thought they would do in the past, returned to develop again. Later, there had been action to push related measures very seriously from the second National Health Assembly resolution in 2009 until the era of the NCPO government in 2014. Additionally, in order to push the tax measure into law and to come into force it had to be presented to the juridical council to consider all laws in parallel with the implementation of national public health and environmental reform guidelines.

Network integration in the form of two working groups, both the working group studying tax measures and the working group studying non-tax measures, consisted of members that were actors from various related sectors. These working groups were therefore a strong network to jointly study, analyze, and find solutions to comprehensive problems and to push for the policy. In addition, there was an effort to adjust the policy in solving the problem to be appropriate and accepted by the relevant sectors until it was finally recognized by the public and political parties.

#### 5.1.2.4 Policy Communities

Policy communities refer to the relevant groups of policymakers, which are networks of connected individuals or organizations and are interested in the policy of taxing sugary beverages to prevent and address health problems of the Thai population. A variety of useful ideas, thoughts, and information from the communities in the policy networks were exchanged to formulate policies and to be presented to decision-makers. The policy stream is concerned with how problems are identified and resolved; therefore, the characteristics of the policy community are important. If the policy community is well integrated and works together continuously, the health problems of the Thai population, such as overweight, obesity, and NCDs caused by consuming sugar-containing beverages, will receive constant attention from the public and the government as well.

In terms of the interaction among the members of the community, the policies in the process of entering the policy agenda, the patterns of the role and influence in the process of formulating the taxation of sugar drinks in Thailand began with the policies and measures from the global level to Thailand. According to the significant movement of a global organization, the WHO, a leader and pivotal for the prevention and control of NCDs, it has made policy moves and measures to address physiological risk factors. A set of effective and high-value measures (best buy intervention), the ASEAN Healthy Lifestyle policy, has been put in place by pushing the NCD agenda as a policy agenda at the top the management's meeting. In terms of the approaches of such policy and procedures, ASEAN member countries have adopted key measures such as the Global Plan of Action for the Prevention and Control of NCDs or the best buys interventions package, with each member country applying measures consistently in the context of each country. For Thailand itself, one of the ASEAN

member states, several action plans related to food and sugar-sweetened beverage taxation have also been applied in the context of the country (Weeranuch Wongvatanakul et al., 2014). Therefore, the formulation of the excise tax collection policy for Thai sugary beverages has been influenced by international organizations through advising and by presenting information from international organizations to relevant government agencies until they were developed and presented in the policymaking process with the political parties making the final decision.

If one analyzes the mechanisms and processes for managing overweight, obesity, and NCDs problems in Thailand in the early days (2002-2008) or before 2009, it was found that Thai society had not yet dealt with the public health problems from these diseases as it should have. Moreover, the process of solving problems in Thailand was often delayed due to the lack of mechanisms for escalating solutions to the socio-economic development strategy, the lack of ownership, and the lack of participation from various sectors, especially the sectors outside the health system. In the early stages of policy formation, most of the actors involved in and initiating the policy in the policy community were from the health sector. Those actors formed a group of health network partners with limited authority and still lacked the coordination and integration mechanisms found in other sectors. Moreover, the early movements were limited in terms of the fields of knowledge, information systems, and research, as well as limitations in implementing strategies and policies and monitoring and evaluating (National Health Commission Office, 2009). In this way, the early operations of the policy communities were limited to the perspective of actors from the health sector. The relevant population-level measures were mainly characterized by passive measures for disease prevention, such as organizing activities or public campaigns on disease and risk factors, building public awareness through campaigning, the production and dissemination of knowledge, etc.

When entering the second era of policy communities or after the second National Health Assembly resolution in 2009, the missions of relevant agencies have been established to improve the management of public health problems. As a result, the community policy on the excise tax collection policy for sugar-sweetened beverages began to expand to other related sectors that were outside the health sector; and after that resolution, the feasibility of a tax measure was conducted in order to obtain policy

recommendations for the appropriate taxation of sugary drinks (National Health Commission Office, 2009; National Reform Steering Committee on Public Health and Environment Reform, 2016, p. 10). A cabinet meeting was informed of the results of the second National Health Assembly and was assigned to notify relevant agencies for further notice (23 March, 2010). Then, there was consultation among relevant agencies on the driving and monitoring of the second National Health Assembly, Resolution 8, on the management of overweight and obesity problems (24 May, 2010). The meeting agreed on three issues: 1) use of a strategy for managing overweight and obesity problems at the end of the National Health Assembly resolution as a link to work on this issue; 2) propose a specific mechanism to drive this National Health Assembly resolution because the Food Committee is a policy-level mechanism and focuses on food; and 3) the model of the mechanism should have had two levels: a committee level and a working group level.

Using the second National Health Assembly forum to drive policy and to build networks to manage the problem of being overweight and obese is a movement that has helped to create a policy community to expand further than in the past. In order to establish policy communities, at that time, feedback and cooperation were received from many sectors, both social and academic. The collaboration also expanded to related networks with the same intention of promoting the health of the Thai people. However, even though these phenomena have created significant policy changes to raise the issue in the national agenda, tax measures were not immediately pushed to the point of legislation. Experts in the policy communities still had to continue to study and find methods to take appropriate tax measures. Meanwhile, the Federation of Thai Industries, which opposed the taxation, had begun to formally call for formal involvement in favor of the opportunity to participate significantly in establishing an action plan and expressed opinions on managing overweight and obesity problems; nonetheless, the policy communities had not yet persuaded them to be very involved in the policy process to tackle the issue.

The third policy community is the reform era (2014-2016), which occurred after a coup d'état to seize political power and to take over the administration of the country by the NCPO, aiming for urgent and all-round reform of the country. This era of policy communities focus on public health and environmental reform issues.



It consisted of a group of experts from three main sectors, divided by their duties according to the expertise of each sector: public health, finance, and industry.

The health sector was the initiator of the policy, comprised of personnel from health network partners, government agencies, and non-governmental organizations. It had been solidified since the time of being an affiliate of the health network, which is one of the policy communities, a pioneer in finding solutions to early overweight, obesity, and NCDs. The fiscal sector was made up of experts in excise tax, and fiscal and commercial sectors, primarily from government organizations. There was an assembly in the form of a government agency that was responsible for regulating, approving, as well as legalizing various policies. Prior to joining the community, the policy took action in order to prevent the policy communities from supporting sugar-sweetened beverage taxes and to oppose the government from enacting drink taxation by several movements, such as persuading decision-makers, lobbying politicians and government officials, and using various media channels to provide information on objection to the policy, etc. These activities resulted in many disruptions of the policy process in the past. However, in the end, they joined in the official working groups during the policymaking period in the era of the NCPO government, both as a working group for formulating tax measures and as a working group for non-tax measures by presenting important ideas, perspectives, and suggestions that are beneficial to advocacy.

These three sectors (forces), although they had different expertise, theories, paradigms, and experience, they shared common interests and concerns over the same policy issue: the health problem of the Thai population, methods and solutions to problems, as well several appropriate measures to be taken. It can be said that this was an era in which the policy communities were united and ready to bring issues and solutions into the policy agenda for decision-makers to consider.

### **5.1.3 Political Stream**

The political stream is the stream in which the government or political parties is aware of existing problems, with issues that should be addressed: the prevention and control of food and nutritional health risk factors in the issue of taxation of beverages containing sugar exceeding the health standard. These problems are formed or defined

as a result of the interaction of important forces in society, such as national moods and changes in political and governmental regimes (political and governmental transition) with details as follows.

#### 5.1.3.1 National moods

The social trends or opinions of the majority in society influenced the process of policy agenda setting of the excise tax collection policy on sugar-sweetened beverages of Thailand at that time. People's attitudes towards government taxation are often perceived more negatively than the expectation of the positive benefits that society will receive. For example, social trends or national moods in the consumer sector are concerned that taxation will be a burden on consumers because if industrial operators are paying more taxes, they may raise the price of products in the future. On the side of industrial entrepreneurs, they have seen that taxes will increase their costs, while many types of food and beverages containing high sugar content have been sold without paying taxes; and they argue that taxation on beverages may not be the best solution because in fact, the main goal of the tax measure is only to earn income for the government. These negative data are all information that the policymaker can perceive and use to try to build a comprehensive understanding of the problem, continue to listen to opinions, and design consistent policies with the needs of various sectors involved in the policy process considered.

The effect of health taxation has been controversial, though, whether it was an appropriate method or just an excuse for earning government income. Nonetheless, based on the experience in developed countries, many of them have been successful in collecting health taxes. Increased taxes have often been pushed onto the burden of real consumers, resulting in a decrease in the consumption of products that are harmful to health. Health taxation is therefore one of the government's most important tools to help tackle obesity and other related diseases among citizens.

In addition, tax measures may not be the only measure that will be successfully implemented, as non-tax measures should also be used for good results. Examples of well implemented and immediate non-tax measures include providing education and information regarding problems and solutions, advertising campaigns on excess sugar consumption penalties, distributing knowledge on good nutrition, and regular as well as adequate exercise. However, the provision of this knowledge to consumers requires

good publicity in order to be socially acceptable, to reduce resistance, and to see the need for such policies. Consequently, people have had to be educated and to find appropriate ways to manage themselves, their families, and their own organization along with the parallel implementation of non-tax measures, such as the standard of the drinks sold in schools or hospitals, and reduced/sugar-free desserts or savory recipes. Reducing the consumption of sugar-sweetened beverages or to stop consuming them should also be communicated periodically until becoming a mainstream part of society and the norm of a healthy society in the future (Chanthana Ungchusak, personal communication, April 10, 2020).

One of the social changes that could easily affect advocating policies was the emergence of more diverse healthy consumption options, which was a shift in the demand of Thais from normally enjoying consuming very sweet drinks in the past to their own healthy consumption. The healthy trend has created the demand for healthy drink products with little or no sugar content. This phenomenon is one of the trends that has caused industrial operators in Thailand to shift their supply, and to adapt to the consumption trend by increasing the supply of healthy beverages in the market. In other words, in adapting to the national mood in the policy stream at that time, many industrial operators invented new beverage recipes by adjusting their recipes to reduce the sweetness by adding less sugar or switching to sugar substitutes. This changing trend went hand in hand with solutions to address the impacts from taxation. If the government adopted tax measures on sugary beverages, it would make the trend of the demand for healthy drink products more prominent.

When industrial operators could reduce costs from using sugar as a component in their production, there would be less tax burden; moreover, most importantly, the government levied taxes on all beverage industrial operators at the same time across the country, so no one has had a competitive advantage. In the manufacture and distribution of low-sugar or sugar-free formulated beverages, industrial operators can apply for the symbol on the label, "Healthier Choice" from the Food and Drug Administration (FDA), to confirm that the beverage products are actually good for the health of consumers ("The Food and Drug Administration Supports the Taxation," 2017). As a result, consumers have more options and it is easier for them to access health products on the market. Additionally, in terms of the income

from the collected taxation, the government can continue to use it for promoting health and increasing equal access to health services, which can be another route for creating a positive image of the country's tax system ("World Health Organization Encourages Thailand," 2016). The changing national mood, both for consumers and for manufacturers, will lead to turning the crisis into business opportunities for industrial operators, which will benefit the consumers' health as well. The process for formulating and advancing the excise tax collection policy for sugary beverages is likely to be more easily achieved through such reinforcement.

#### 5.1.3.2 Political and Governmental Transition

As for the factor related to the change in political and government regimes, the major political change was the coup in Thailand on 22<sup>nd</sup> May, 2014 by the NCPO seizing political power and comprehensive public administration. The political and governmental transition at that time was an important opportunity for the MOF to propose a comprehensive tax structure reform plan, which was the related series of taxation schemes for the NCPO to consider on August 1, 2014. One of the key plans was tax restructuring to create fairness and to promote health and environmental development. In the said category of tax restructuring, the MOF proposed reforming the excise tax collection system for unhealthy beverages, including beverages containing high amounts of sugar. The NCPO agreed with this plan and assigned the relevant organizations to study it greater detail before its formulation and implementation. Since then, the political and governmental change in Thailand has brought the issue to the attention of the government again after a period of lack of serious and silent push due to suspension from the previous elected governments in the past.

After the results of the political and governmental changes in Thailand in 2014 and the following year, a National Reform Steering Assembly (NRSA) was established to study, analyze, and advise on reform plans and to make suggestions on reform agendas to the National Legislative Assembly, the Council of Ministers, and the NCPO related agencies. Later in 2016, in the case of the reforms related to the taxation of beverages, the NSTA approved the report by the National Reform Steering Committee on Public Health and Environment regarding "the prevention and control of risk factors for health on food and nutrition with the taxation on beverages containing

sugar content exceeding the health standard." The mechanism, which has changed due to the political and governmental transition, has made it easier to push the excise tax on sugary drinks into the policy agenda. Together with the Thai parliament during this period, there was no opposition party because the ordinary election had been suspended; consequently, the process of passing various legislations in the era of NCPO's administrative power could be carried out quickly if those laws were in line with the 11 national reform guidelines set by the NCPO. In addition, those proposed laws did not have to undergo a difficult scrutiny and did not receive political opposition.

After the problem stream and the policy stream had been clearly demonstrated for a while, the political streams later emerged and helped push the health problems of the Thai population from drinking sugary drinks and the measures to solve the problems into policy agendas. One of the reasons for this success was the change in the political and governmental regime from elected democracy to a bureaucratic polity or a regular civil service system; and after the NCPO had agreed to the taxation plan for sugary drinks, the partnerships in health networks had the opportunity to make an effort together to formulate policies with the MOF and the Excise Department. Seemingly, it can be said that the political sector desired to drive this matter urgently and considered that existing health issues caused by sugar-sweetened beverages had to be resolved.

In the political stream, policymakers have the motive and opportunity to turn a solution into policy; therefore, policymakers have to pay attention to the problem and to be receptive to the proposed solution. The Excise Department and the FPO have turned their attention and cooperation toward advancing tax policy together with network partners. Back to the past several years, before the political and governmental change, there were only general academic discussion meetings to find solutions to problems, which could only be done by gathering some available information and by exchanging ideas, but still they were unable to push them into a concrete policy. Until the government organizations, particularly those from fiscal sector, became involved, the status and form of the policy network changed.

After the fiscal sector had been fully involved in the policy process, there was an improvement of the policy network from historically informal networks (the network where members join together to form a network without signing, without

written regulations, but come together with the intention of working for the achievement of common objectives) to be a formal network (the network where members join together under a written commitment, where there is a clear structure regulated by the network, and has clear roles and duties of its members). Ultimately, the official network that advocates for this policy consists of two policy networks established as working groups: the working group that studied the implementation of tax measures and the working group that studied non-tax measures.

## **5.2 The Policy Entrepreneurs**

The policy agenda arose from the convergence of the problem stream, the policy stream, and the political stream at the right time when the issues entered the policy agenda (Kingdon, 2003, p. 201). Policy entrepreneurs are those that play an important role, such as being an expert, a recognized person, the leader of an interest group, or a person in a position of decision-maker (Kingdon, 2003, pp. 204-205). In the case of the excise tax collection policy on sugar-sweetened beverages in Thailand, it was found that those who play a role in this policy are mainly in the groups of academics and people working in government agencies, with the NRSA being an advisory committee of the government. All three groups of advocates are considered as stakeholders in the policy agenda, and are an important variable to open the policy window, which later affects the management's decision agenda and waits to drive the process into the policy agenda in each stream. In this regard, policy operators raised the issues that they consider important to become governmental agenda and played an important role in initiating and developing new policy alternatives in new directions, as well as acting as a coordinator of other groups of policy advocates.

In pushing the policy of collecting an excise tax on sugary drinks into a policy agenda, ideas, theories, experiences or recommendations from policy stakeholders, both at the policy community level and at the larger public level that have a wider scope, actually had more diversity. It can be compared with a primeval soup waiting for advocates from different groups to help soften up the soup to become ready to eat (Kingdon, 2003, pp. 127-128). Those policy entrepreneurs must be individuals or organizations willing to devote their energy, time, and resources (including social

acceptance) to support decision-making or policy change. Therefore, when the policy window opens, policy entrepreneurs must use that opportunity immediately to coordinate the problem stream, the policy stream, and the political stream, and then ultimately drive policy decisions. In addition, they could possibly link to a wide variety of forums and discussion points regarding sugar-sweetened beverage taxation.

This increases the opportunity to find a policy window and to take the opportunity from the policy window that is opened. In the case of the setting up a policy agenda for excise tax collection policy on sugar-sweetened beverages in Thailand, there were important actors involved in advocating the policy from the key sectors, including the health sector, the fiscal sector, and the NRSA, as follows.

### **5.2.1 Policy Entrepreneur from Health Sector**

The policy entrepreneur from the health sector is a female dentist, Piyada Prasertsom (Piyada), Director of the Bureau of Dental Health, Department of Health, MOPH. She is also the manager of Thailand's Sweet Enough Network and is a member of the working group that drives necessary measures against health risks in the National Reform Steering Committee on Public Health and Environment Reform. Piyada is the initiator of a campaign to encourage Thai people to reduce their consumption of sweet food according to the goal of SEN. SEN was established by the MOPH's Dental Health Division, to promote formulating tighter regulations concerning sugar-sweetened beverages in Thailand. The movement advocated the banning of sugar-sweetened beverages sold in educational institutions along with added sugar found in milk powder for babies.

As a manager of SEN, Piyada began a campaign and a movement to support for a resolution through non-tax measures, and was then raised to the adoption of legal measures to help prevent and tackle overweight, obesity, and NCDs by taking tax measures to control. In the context of Thailand, the tax measure has been studied together with academic domestic and international organizations in the health and fiscal fields with the support from the Thai Health Promotion Foundation. The cooperated study of the network found that tax measures are a viable tool in the form of proactive measures, despite their impact on certain interest groups, but they were worthwhile and considered as a "good buy" or "probably best buy" intervention to lessen sugar-

sweetened beverage consumption. The SEN's movement was accomplished, with Piyada expanding the network's collaboration to gain the support of many related departments and policy stakeholders because there were many factors that remained beyond the authority of the MOPH to do so. The policy Entrepreneur from the MOPH tried to gain the advocacy of the policy, along with the movement to persuade the beverage and food industrial operators, as well as all relevant government agencies, to join the network to help reduce the sugar consumption of Thai people by not exceeding the standard. One of the objectives of the movement was to improve the health of Thai people in the long term.

With years of experience work with this policy pioneer, Piyada has been part of the working group that drives necessary measures against health risks in The National Reform Steering Committee on Public Health and Environment, NRSA. From advocacy through various methods such as studying information from relevant departments, conducting research, organizing academic seminars, along with following the actions of responsibilities against health issues of the MOF and the industrial sector, it was found that although an increase of the tax rates on sugar-sweetened beverages is a very effective measure, it may not be the only solution in the contexts of Thailand to reduce sugar consumption because there must also be a campaign process to continue to raise awareness and knowledge continuously.

Another role of Piyada is civil servant, as the Director of the Dental Public Health Bureau, Department of Health, who has played an important role in advancing the policy from working in working groups to study details of the policy on the collection of excise tax on beverages according to the sugar content limit with the MOF as the main host. Another working group she worked for is the working group regarding implementing and monitoring non-tax measures for suitable sugar consumption for Thai people, and a sub-working group hosted by the MOPH. Without a policy entrepreneur from the health sector to pursue a long campaign on the health problems of the Thai population from sweet consumption until the era of the NCPO government, there would not have been a continuous movement in the past; moreover, all related problems would not have been introduced into the policy agenda, and such policy formulation would not have happened. When a policy window is recognized and open, policy entrepreneur provide opportunities for each network group to present their views



and opinions on various issues of policy comprehensively in order to enable a comprehensive exchange and discussion of evidence. Consequently, this helps to reduce the conflicts, both conceptual and practical, which differ greatly between each sector.

From advocating for almost 10 years until the policy outcome came out as a form of tax measure, which Piyada has it as the hardest part of this movement because it has been a policy that affects the entire country, finally success was achieved.

She has been working on this issue since 2009 through data collection and cooperation from the MOF, the Excise Department, the National Reform Council, and the National Reform Steering Assembly, until resulting in a policy outcome that can be implemented in a concrete way. Piyada also suggested that the taxation of sugary drinks signals that all parties need to adjust to the situation and work together to resolve the issue, and consumers will gain knowledge or create an understanding that the government is aware of health problems, leading to the excise tax collection policy on sugar-sweetened beverages that has made Thais take more care of their health ("the Sweet Enough Network Believes Taxes help," 2017).

### **5.2.2 Policy Entrepreneur from the Fiscal Sector**

The main outcome of the policy if the push for the excise tax collection policy for sugary drinks is achieved as expected is the Excise Tax Code, which the current name is Excise Tax Act, B.E. 2560 (2017). The draft Excise Tax Code was created during the period that Rangsan Sriworasart (Rangsan), Permanent Secretary of the MOF (worked in this position between 1 October 2013 and 30 September 2015) was the policy entrepreneur in the fiscal sector at that time. The preparation of the said code was to reform the new tax system to be modern in line with the changing economic and social context of Thailand. Several excise laws that were then under the control of the Excise Department were amended and compiled into a single law. Prior to that, the MOF had continuously studied the collection of excise tax on beverages for a period of time since the Second National Health Assembly resolution in 2009 assigned the MOF a mission to study tax and price measures for food to deal with the problems of overweight and obesity. Nonetheless, in the Thai context, the policy entrepreneur from this sector has managed and analyzed how tax policy should be directed to meet both

tax revenue goals, while people become healthier, such as setting tax rates in line with sugar levels and designing inclusive and equitable measures with different types of beverages as well.

Rangsan during his tenure as Deputy Permanent Secretary of the MOF Head of Revenue Mission Group (responsible for the Revenue Department, Customs Department, and Excise Department) pushed for tax measures for beverage products that affect the health of consumers. He assigned the Excise Department, with Mr. Somchai Poonsawat as the Director-General of the Excise Department at that time, to accelerate the review of beverage tax collection by analyzing the possibility of correct taxation on all types of beverages, especially sugar-containing beverages. If it was discovered that any marketable beverage contained materials that were not useful to consumers, it would be taxed to protect consumers from being taken advantage of by the beverage industry by selling useless beverages that contain only water and sugar as the main ingredients.

There were actually two major important goals of the excise tax restructuring for beverages, where Rangsan had laid out guidelines before proposing to the decision-maker (cabinet). The first goal of the taxation is to bring in income for the development of the country. Another important goal is to help control unqualified goods from reaching consumers, as it can lead to health problems that would be a costly burden for the government in the future. As a result, the reform of the excise tax law was one of the significant contexts to promote the excise tax collection policy on sugar-sweetened beverages in Thailand to be continuously and concretely pushed in a framework appropriate to the era.

Later, after Rangsan was appointed Permanent Secretary of the MOF (since October 1, 2013), he pushed forward serious reform of the sugar-sweetened beverage tax structure, with the support of health scholars and associated authorities, such as the MOPH Ministry of Industry and the Office of the Consumer Protection Board (OCPB), etc. Academics suggested taxing drinks in accordance with sugar levels, along with price measures, to lessen sugar-sweetened beverage consumption and to give Thai people more access to healthy food and drinks. At that moment, tax and price measures for food and beverage were categorized as one of six effective and cost-effective measures that the WHO recommended countries to take in order to tackle the obesity

crisis, diabetes, and other NCDs. The sugar-sweetened beverage taxes and related principles were increasingly getting attention from around the world and many organizations were supporting the MOF 's approach to raising taxes on beverages.

When a change in the political and government regime occurred, the NCPO took over the administration of the country, which was a great opportunity for the policy window to open. Rangsan consequently introduced a new taxation plan to propose decomposition of the NCPO for consideration after it was suspended during the previous governments. Actually, one of the plans to enter the policy agenda was the formation of an excise tax collection policy on sugar-sweetened beverages. In fact, the idea of reforming the taxation of beverages was not a new plan because it had been a concept since the time that Rangsan served as Deputy Permanent Secretary for the MOF overseeing income collection. This time, it seemed to be a “dusting” of what he had thought had to be deliberated again and expected that the MOF would be able to implement this measure successfully in the future. Fortunately, the NCPO agreed with the plan, and then the drafted tax policy was proposed to the NLA in order to enact a clear law. It was found that, in the NCPO government, the MOF once again had the opportunity to perform fully proactively because when the political actors had seen that necessary activities concerning this issue should be taken, the bureaucratic system was thus able to work more easily in order to continue reforming the entire tax system of the country.

At the same time, while the policy window was still open, Rangsan coordinated with other policy entrepreneurs and agencies of policy stakeholders from the health sector to join as a policy network and to continue to push forward policies. Although later Rangsan retired from government service on September 30, 2015 (later appointed as a member of the National Reform Steering Assembly), he handed over the excise tax reform work to the next permanent secretary, Mr. Somchai Sajjapong, to continue with the process of policy formulation.

### **5.2.3 Policy Entrepreneur from the National Reform Steering Assembly**

The NRAS is primarily responsible for the study, analysis, and formulation of guidelines and recommendations for various reforms to be presented to the NLA, the NCPO, and related agencies. In this sector, Pornphan Boonyaratpan (Pornphan) the

chairperson of the National Reform Steering Committee on Public Health and Environment Reform, the NRSA was the key policy entrepreneur from this organization. She did most of her work in the policy stream, working on policy agenda-setting ideas and provided an opportunity for policy actors and representatives from the Excise Department, the FPO, and the FDA to associate with the working group that drives necessary measures against health risks. The mentioned organizations had a coherent common objective that the commission deemed appropriate to reform. In other words, the reform approach had considered the urgent importance and achievement of national reforms in the remainder of the NRSA regarding the prevention and control of health risk factors and a sustainable financial and fiscal health insurance system. Therefore, the commission proposed an urgent plan to drive public health reform by reforming the taxation of sugary drinks at levels that were harmful to health, especially those related to NCDs, for decision-makers to consider.

The working group that drives necessary measures against health risks studied and provided a report on the prevention and control of food and nutrition risk factors on the issue of the taxation of beverages containing sugar content exceeded the health standard. The preparation of such report was in response to the national reform plan of the National Public Health and Environment Reform Steering Committee; moreover, it was considered as one of the key components that contributed to the subsequent policy decisions by the NRSA. Pornphan presented the report to the 20<sup>th</sup> meeting of the NRSA on April 26, 2016 for consideration, and the meeting unanimously approved the report. Later, the commission applied the opinions and suggestions of the members of the NRSA for further improvement before submitting a report to the cabinet for further action.

It can be said that Pornphan is the policy entrepreneur that proposed policies and helped to facilitate integration by influencing people from different policy communities, such as the health sector, the fiscal sector, and academics that shared the same interests who joined together to formulate a common policy draft. When the policy window opened due to such an urgent need for reform, she immediately took advantage of this opportunity. If the opening was missed, it would mean that they would have had to wait for a new policy window in the future, whose time could not be determined exactly.

In summary, the entry into the policy agenda of the collection of excise tax for sugar-sweetened beverages in Thailand was the beginning of the policymaking.

The factors leading to pushing the problem into the policy agenda consisted of three important streams that helped to open the policy window and to bring the problem into consideration by the government. The three factors consisted of: 1) the three elements of the problem stream, namely indicators, focusing events, and feedback; 2) the four elements of the policy stream, value acceptability, technical feasibility, network integration, and policy communities; and 3) the two elements of the political stream, namely national moods and political and governmental transition. All three streams converged at the right time, bringing various issues into the policy agenda.

When the policy window opened, policy entrepreneurs from the policy communities immediately took that opportunity to coordinate the problem stream, the policy stream, and the political stream, and ultimately drive policy decisions.

The problem stream focused on the public's attention and asked policymakers to resolve a specific social issue, which in this research is the health problem of the Thai population and other connected impacts due to the consumption of sugary drinks that exceed the health standard. The policy stream was relevant to the preparation of tax measures to address the problem, where alternative solutions to the problem had been studied for a decade. As for the political stream, it described the political and governmental change in 2014, which was the main stream that had supported the current problem and policy stream. If the harmonization of the three streams from the opening of the policy window to pass had been allowed for, it may have been necessary to wait for the opportunity until the elements were obtained and the optimum conditions were met again.

Importantly, the convergence of the three streams is based on the policy entrepreneurs, who are the key players from the health sector, the fiscal sector, and the National Reform Steering Assembly. Such convergence supported continuing the push for the concept of tax measures for sugar-sweetened beverages. Moreover, policy entrepreneurs had to be ready to serve as intermediaries between other groups of advocates, to realize the main sources of the issues, and to create appropriate policy solutions for the government policy agenda.

## CHAPTER 6

### POLICY FORMULATION

Policy formulation is an important step that greatly affects policy implementation. This is because the effectiveness of a policy implementation must also depend on good policy formulation and policy design. At this stage, analysts who offer policy alternatives to decision-makers must analyze those available policy options, and only appropriate options should be selected. Consequently, they must be aware that policy alternatives for the excise tax collection on sugar-sweetened beverages must be consistent with the objectives of policy decision-makers. Further, the suitability of policy alternatives must be clearly and completely clarified as policy formulation is sophisticated, and there are many environmental factors involved.

Regarding research on the excise tax collection policy on sugar-sweetened beverages in Thailand, the researcher investigated the policy formulation process through the role of the actors who were involved in this public policy, the political context affecting the policy process, and public policy models. Clarification is as follows.

#### **6.1 Actors Involved in Policy Formulation**

During the policy process, the actors played a key role in raising attention regarding health problems caused by the consumption of sugar-sweetened beverages in Thailand. That issue evolved to be a policy agenda and was set out under the period of time when the Thai political regime was a limited political pluralism, comprising three public sectors: the MOPH, the MOF, and the MOC. There were nine actors in total presented at the organizational level; moreover, five organizations from the industrial sector as well as academics and government officials were involved. Policy leaders from various sectors also jointly studied the guidelines for reducing consumption of sugary beverages and conducted a detailed analysis to determine the excise tax levy on

sugary beverages that exceed the standard, such as the categorization of beverages and sugar content criteria. The clarification is as follows.

### **6.1.1 Actors under the Ministry of Public Health**

The MOPH played a significant role, in the development of public health through health promotion, and disease control and prevention, through research development and the application of this knowledge and technology in the health service system. This results in people with strong health, both physically and mentally.

The actors from the public health sector played roles as academics, administrators and reformers. They were a policy pioneer who recognized the importance of studying and analyzing approaches to prevent and resolve health problems of the Thai population caused by the consumption behavior regarding food and beverages containing high amounts of sugar content. Initially, non-tax measures were implemented to alter consumption behavior, but the measures implemented in the past, such as campaigns, educational provisions, and various public relations could not handle the critical problems. Consequently, the idea to prioritize tax measures came up. Then, these measures have continued.

There was a guideline in the reform after the implementation of the tax measure. That is, the MOPH had to coordinate its work with the MOF. That cooperation included the assessment of the consumption of sugar-sweetened beverages, government income, and other side effects to improve public health policies and tax policy on sugar-sweetened beverages. Additionally, the sugar content in the market had to be investigated. Then, if the sugar content of the beverages did not match the label, legal measures were proceeded with. The study on the safety of artificial sweetening agents is needed for decision making to consider improving the tax conditions on sugar-sweetened beverages in the future.

The actors under the MOPH involved in policy formulation included four main organizations: the Bureau of Dental Health and the Bureau of Nutrition under the Department of Health, the Food and Nutrition Policy Office under the International Health Policy Development Program, and the Food Bureau under the Food and Drug Administration.

### 6.1.2 Actors under the Ministry of Finance

The actors under the MOF involved in policy formulation included four main sectors: The Bureau of Tax Policy under the FPO and the Bureau of Tax Planning, the Bureau of Law Affairs, and the Bureau of Tax Collection Standards and Development 1 under the Excise Department. All personnel from these sectors are government officials under the MOF.

In policy formulation through the fiscal sector, the Excise Department and the FPO scrutinized categories of sugar-sweetened beverages that had to be taxed. Nevertheless, before the tax was implemented, there had to be studies to prove that excessive sugar consumption actually causes damage to health. The MOF expected that the implementation of the tax policy would play an important role in changing consumption behavior. The Excise Department had continued the study after the 2009 National Health Assembly resolution posed the guidelines and principles. When the results of the studies by academics in finance and health could be assured that excessive consumption of sugar exhibits negative health effects, those significant proved results were then proposed to policymakers because the decision on this matter depended primarily on the agencies that formulate the policy. Regarding the taxation on beverages, the MOF proposed a report to the NCPO government on August 1, 2014 and since then, it has been approved. The tax policy was then designed and driven as well as the excise law revised in order to suit the current situation. This was also one of the MOF's tax reform plans, which subsequently could be entered into the process of policy formulation.

In policy formulation, the MOF estimated that the government would gain more revenue if the taxation and the tax rates on sugar-sweetened beverages were increased. It is expected to gain an additional income of at least 10,000 million baht per year ("The Ministry of Finance Hopes to Raise Taxes," 2016). Therefore, it can be understood that the rise of tax revenue was also one of the important objectives to drive the policy. Regarding the academic information supporting policy formulation in accordance with the objectives, some information was received from partnerships in health networks. Further, the MOF had discussed the case of beverages containing high amounts of sugar with the MOPH for years. The MOPH had mentioned the findings from the research—that such beverages are a true cause of the deterioration of consumers' health, resulting



in obesity and NCDs. In other countries, there has been a variety of campaigns to reduce these types of beverages for a long time, such as Mexico, Hungary, and France. Globally, it has been found that taxation on sugar-sweetened beverages and food can reduce the consumption of sugar-sweetened beverages; moreover, people have become aware of the dangers and have begun to control their own consumption behavior. There has also been a prediction concerning this approach, indicating that it could prevent the causes of many diseases, while the government would gain more taxes to significantly increase the government's income, and the industrial operators themselves would adapt their plans by decreasing sugar content according to the criteria.

The NCPO had accelerated the implementation of the policy since the empirical data affirmed that the taxation on sugar-sweetened beverages is another measure that can effectively deal with the health problems caused by unhealthy consumption. Moreover, the tax measure, in addition to promoting health, would be able to increase the government's income. This was considered to benefit people in the society if that revenue is allocated for further action for the public interest. The policy driven could therefore be effective after this policy had been postponed for many years by the former governments due to its consequences that would affect some powerful interest groups. At that time, the MOF was preparing a draft Excise Tax Code to support the new form of taxation on beverages with the integration of the excise law for fairness, transparency, and universality. The law code was being processed by the Office of the Council of State. It was expected that if the law passed, this would be the basis for the excise tax collection to contribute to public health care.

### **6.1.3 Actors under the Ministry of Commerce**

The implementations of tax measures to handle health problems caused by unhealthy consumption may increase the prices of products due to excise tax burden on industrial operators. The Bureau of Price and Quantity Administration, the Department of Internal Trade (DIT) under the MOC, is responsible for the changing retail price of sugar-sweetened beverages in accordance with the incoming new excise tax rate.

The DIT has the authority to monitor and control the prices of beverages before and after the implementation of the excise tax collection policy on sugar-sweetened beverages by investigating the prices of beverages available in the market. If an offense

is found under the Act on Prices of Goods and Services B.E. 2542 (1999), any person possessing goods in excess of the specified quantity or not selling controlled products or refusing to sell them without reasonable reason will be imprisoned not exceeding seven years or fined not exceeding 1.4 hundred thousand baht or both.

In terms of the change of beverage retail prices in the market, principally, the tax measure is expected to raise prices for sugar-containing products so that sugar consumption can be reduced, resulting in people's good health. However, if the excise tax rate has not yet been raised, industrial operators will be unable to utilize such an excuse to increase prices. Furthermore, at that time, the tax collection policy on high-sugar beverages was still being studied to find out the advantages and disadvantages. Hence, there should not have been any reasons for industrial operators to find excuses to raise their retail prices. Further, during the policy formulation process, the top-selling sugar-sweetened beverages such as carbonated soft drinks, energy drinks, and sports drinks were monitored by the DTI as these types of SSB products have already been registered on the Watch List (WL). Consequently, whenever the tax policy is active, the monitoring of the product prices is needed every 15 days in order to avoid exploitation from the tax burden and price effects.

#### **6.1.4 Actors under the Industrial Sector**

Although the industrial sector is normally the policy stakeholder directly impacted by the taxation, in the past, during policy formulation, it was preceded by government agencies along with partnerships in health networks, while industrial operators played a part only when they were asked or when brainstorming meetings were held. They had not been invited or appointed as industry representatives to join any working group before. The information, ideas, guidelines, and forms of taxation proposed to the NRSA mostly came from the network that supports the tax measure and regular civil servants from the relevant departments. Nonetheless, there was no opportunity for those that opposed the policy from the beginning. As a result, the development of public policy on the prevention and control of risk factors for health on food and nutrition with taxation on beverage products with a higher proportion of sugar than the standard had not yet been open to the industry to officially participate in.

Regarding the objection to the tax policy and participatory demand of the industrial sector, in the past, the government had neglected to make it more important to involve industrial operators in policy-making, but the NRSA instead resolved to approve the tax collection. It was suspected that policy-making was performed without consideration or comprehensive analysis and that there was no deliberation about the impacts that would occur in the future. The industrial sector was concerned that the approval of taxation could affect the policy-making process and continued to influence policy decisions without accurate information from industrial operators. Consequently, there was a movement from representatives of the TBA in order to discuss with the sub-committee, the National Reform Steering Committee on Public Health, and consultation was held with the then Minister of Finance, Mr. Apisak Tantivorawong (worked in this position between August 19, 2015 and July 10, 2019), describing that the information that the government received was a one-sided aspect and negative that would affect the industry as a whole.

The objection and the encounter with the authoritative decision-maker led the taxation policy to not be approved by the three coordinating committees the (NCPO, NRSA, and NLA). The draft policy was suspended and policymakers would be revisited, providing a basis for formulating policies based on comprehensive analysis of data. Relevant agencies therefore were required to re-study the new approach thoroughly before prescribing appropriate measures. The appointed working group studied tax measures led by the fiscal sector in policy formulation while non-tax measures were the responsibility of the health sector.

Ultimately, the policy process could continue when the actors under the industrial sector were formally involved in formulating measures and practices in connection with the collection of the SSB tax. The representatives from the TBA were appointed to the working groups to study guidelines on reducing the consumption of high-sugar beverages according to the order by the Minister of Finance in the order of the Ministry of Finance No. 662/2016 on June 7, 2016, which comprises the Thai Beverage Industry Association, the Three Sugar Factory Association, the Thai Dairy Industries Association, and sugarcane farmer organizations. The authority of the working group was to study approaches for decreasing the consumption of sugar-sweetened beverages for further consideration in formulating appropriate measures.

### 6.1.5 Hidden Participants

Hidden participants were the stakeholders from various sectors that supported policy formulation behind the scenes in addition to the stakeholders mentioned above. Some hidden participants have participated from policy initiation becoming a policy agenda. The objectives of hidden participants were to provide empirical data and to offer reliable and viable alternatives to the policy-making process. In the case of the excise tax policy on sugar-sweetened beverages, the actors in this group consist of civil society on health, led by the SEN, research groups on health, finance, and economics, primary administrators, and government officials that implement policy under the MOF and MOPH, university-level lecturers in educational institutions, experts from the TBA, to name but a few.

For a study of which agencies were the main agencies that were directly responsible for designing measures to formulate this policy, it was found that the government officials from the MOF were the main policy participants that directly contributed to the policy formulation and even progressed to implementation.

The involvement of hidden participants behind policy-making emanated primarily from these departments, including the following.

1) The Excise Tax Policy Division, the Bureau of Tax Policy, the Fiscal Policy Office

- Responsible for offering and designing policies, plans and measures related to finance and excise tax, as well as recommendations on taxation on new types of product according to the government policy

2) The Tax Structure Development Division, the Bureau of Tax the Planning, Excise Department

- Responsible for analyzing and offering recommendations to develop tax structure and the tax administration system of the Excise Department

3) Tax collection standards and development 3 Division (beverage products), the Bureau of Tax Collection Standards and Development 1, the Excise Department

- Responsible for studying to improve tax management, standards, criteria, methods, and procedures related to beverage products

4) The Law and Regulation Division, the Bureau of Legal Affairs, the Excise Department

- Responsible for studying, analyzing, editing, improving, and developing the excise law system to be in line with the tax policy of the Excise Department and the MOF for its effectiveness with an emphasis on economic, social, and the environmental aspects

5) Analysis 3 Division (beverage products), Goods and Exhibits Analysis Group, Excise Department

- Responsible for analyzing, researching, and developing criteria and standards of beverage product qualifications and developing methods, standards for detecting sugar content in beverages for taxation

## **6.2 Attitudes Related to Policy Formulation and Taxation in the Context of Thailand**

Generally, with any public policy formulation among a large number of policy stakeholders and the public, there is a variety of different attitudes that can be clearly divided into two sides: people that agree and those that disagree with the policy.

This phenomenon is similarly linked to the process of the excise tax collection policy on sugar-sweetened beverages in Thailand. In the policy-making process, there are some controversial attitudes between the two parties: the pro-tax community and the anti-tax community. The issues include justice in taxation, business competition, consumers' rights to consume products, the impact on the economy, and the ultimate goal of the implementation of the tax policy. In this section, the researcher reveals the attitudes from the anti-tax community that disagreed with the policy in terms of early content, and then explains the fact that the pro-tax community disputed it.

The clarification is as follows.

### **6.2.1 Fairness in Taxation**

1) Attitude of anti-tax community - the taxation of specific beverages is discriminatory and brings about unfairness.

After the NRSA approved the report of the National Steering Committee on Public Health and Environment on “the prevention and control of risk factors for health on food and nutrition with the taxation on beverages containing sugar content exceeding the standard” on April 26, 2016, and later on July 3, 2012, the TBA had composed a clarification letter on overweight and obesity caused by the accumulation of excessive energy. They referred to a point about discrimination—that overweight and obesity are caused by excess energy accumulation, whether it comes from any food or beverage, and can cause these health problems. Therefore, there is no reason or justification to formulate a discriminatory policy and to consider imposing specific taxes on certain types of food, and it would also create injustice between each group of operators, as if the government had discriminated against only one type of beverage, that is, ready-to-drink beverages in sealed packaging only. This group of drinks is the only beverages that are consumed by the general public because people still have choices for consuming sugary drinks that are produced and distributed by many other types of producers, such as restaurant operators, coffee shops, and many non-alcoholic drink booths sold directly to consumers where this group of drinks has no tax burden. Therefore, taxing only certain groups of beverages, in addition to creating unfair competition, may also reduce the collection of excise tax revenue if consumers switch to drink some beverages of similar properties that are not taxable (“The Thai Beverage Industry Association is Requesting Reconsideration of Taxation,” 2016)

Further, Tan Passakornatee, managing director of Ichitan Group Public Company Limited or ICHI, expressed his opinion that according to the NRSA's excise tax on drinks with excessive sugar content, as an operator, he is willing to comply with the government policy, but such policy should be fairly implemented. In other words, the taxation must include all types of beverages, including small and large scales of industrial operators (“Ichitan Adjusted Strategy This Year,” 2016).

Moreover, Wichai Kanlayanamete, executive committee member and excise tax specialist from the TBA, commented that the implementation of tax policy is restricted to a specific group of products while the obesity problem is caused by excessive energy that comes from all types of foods and beverages. If such a policy needs to be implemented, it should include all types of similar products. For instance, there should be a tax on beverages that are brewed and sold in restaurants and coffee

shops. This will create justice for all beverage industries, and the implementation of tax measures will effectively be active. The policy does not encourage people to reduce their consumption of a specific product due to the increasing price, or turn to consuming other types of products with low nutritional value due to cheaper prices (Wichai Kanlayanamete, personal communication, April 25, 2020).

2) Attitudes of the pro-tax community – the excise tax is used for certain specific products, not ordinary products, depending on the possibility of the taxation and legal matters

The tax collection must be within the scope of probability in terms of the benefits and the scope of legal authority. Regarding this, policymakers from both fiscal and health sectors commented, as seen below.

Nattakorn Utensut, director of Tax Planning Bureau and Deputy Spokesman of the Excise Department, revealed the reason why specific types of products will be taxed. It is because the excise tax law has already determined the type of product that must be taxed. Such beverages can be taxed based on the exact amount of sugar. Therefore, if industrial operators do not want their products to be taxed, they should produce healthy products with the addition of small amounts of sugar or sugar-free products. Although the tax policy is effective for beverage products produced from the industry, there are also many types of beverages that are commonly brewed, such as coffee and bubble milk tea, which all have very high sugar content per cup and those mentioned are not taxed by the Excise Department. It can be said that regarding people's healthcare, if any product is not in the criteria, they are exceptions. Consequently, the suitability, the value, and the possibility of taxation must be taken into consideration along with the implementation of non-tax measures at the same time, such as campaigns to educate buyers and vendors at brewed beverage stores in street food locations, sweetness level labels at the stores, or other means where consumers can choose their own sugar content level. This can prevent sellers from adding too much sugar regardless of consumers' health. These methods are likely to be more suitable and effective (Nattakorn Utensut, personal communication, April 27, 2020).

Maneekwan Chandarasorn, Director of the Excise Tax Policy Division, Bureau of Tax Policy, FPO, commented that the MOF still continues to study if in the future, the tax base may be extended to include more taxes on other beverages with

added sugar, such as street-brewed beverages, pearl milk tea drinks, as well as food products that are high in sugar. For example, dairy products, which are not currently levied on high sugar levels, are not levied on dairy products, especially fermented milk beverages that are very high in sugar and their main consumers are children and adolescent consumers, but we still cannot collect taxes on this type of SSB. The health ministry also wants these drinks to be levied, exempting the tax on dairy and non-sugar dairy products, but still facing legal issues. In addition, when it comes to the laws of the MOPH, cooperation between the two ministries is required in order to amend this section of the law, which will take some time to revise. Otherwise, if the law is not resolved, it cannot continue (Maneequan Chandarasorn, personal communication, April 23, 2020).

Moreover, Suladda Pongutta, manager of the Food and Nutrition Policy Program, the IHPP, explained that in the future, if the taxation is extended to include food types, it will be necessary to look at how feasible it is. Taxation should be within the scope of the work of the authorities that can be thoroughly monitored. For example, in a foreign country, such taxes are levied on industrial-produced foods or snacks, which can be easily controlled and collected. This could include the imposition of a tax on sweet, salty, and fat consumption. However, if it is in the form of street food or a brewed drink for sale at that retail point, it may require a different mechanism. This should not be a problem if the government sector, with the MOF, will collect taxes on these stores as well. Nevertheless, policymakers need to deliberate on the scope and capacity to develop a tax structure for any beverages that are currently not taxed thoroughly; otherwise the taxation system may be too complex to be implemented (Suladda Pongutta, personal communication, Ministry of Public Health, April 23, 2020).

### **6.2.2 Business Competition and Consumers' Rights**

1) Attitude of anti-tax community - it is concern that the tax policy will affect business competition and violate the right to buy products. There are many other ways to get rid of public health problems instead of the tax policy.

According to the announcement by the TBA, which opposed the resolution of the NRSA meeting on April 26, 2016, approving the tax policy, the



association expressed concern that the resolution might not be a permanent solution to the problem. The tax policy will trigger unfair trade competition, affecting severely the business sector and industrial sectors throughout the supply chain. The policy will also violate basic rights of the consumers, and may not help the government to gain more revenue. In addition, the TBA also considered that the reform does not provide direct stakeholders with the opportunity to express their opinions or offer information on such matters. As a result, the implementation of tax measures will be an unrighteous approach and clearly contradictory to the country's reform philosophy ("The Thai Beverage Industry Association is Requesting Reconsideration of Taxation," 2016)

Due to the implementation of the policy, some beverage producers that have never been taxed before are concerned about the possible impact if their products are taxed and then, there will be a direct impact on consumers. Chatchawan Maneetap, President of Thai Dairy Food Industry Association (TDIA), revealed that the association is concerned about the concept of the excise tax collection policy on the beverages that are industrially-produced and mixed with high sugar content above the standard. In the near future, some industrial operators in dairy food industry fear that the taxation will also cover drinking yogurt and ready-to-drink milk. If the government decides to tax dairy products, this will directly affect the increasing costs to the whole Thai dairy industry and consumers in the country because they will have to buy milk at high prices. Some customers might stop drinking milk and turn to consume other products. Additionally, Thai entrepreneurs cannot compete with international exports with neighboring countries. The TDIA, therefore, believes that dairy products should not be included in products under the prevention and control of the risk factors for health in terms of food and nutrition. Instead, the consumption of dairy products should be promoted since they are healthy. The government then should continue to educate consumers about healthy food choices and nutritional balance ("The Thai Dairy Food Industry Fears," 2016).

Wichai Kanlayanameteer gave an example of the impact on the industry caused by the taxation on sugar-sweetened beverages. It would generate a tax burden for the operators and costs arising from the adjustment of the production to be in accordance with government policy in the future. This requires investment in testing the target market, and it may risk losing if the new products are unsuccessful.

If consumers are not satisfied with low-sugar products, the manufacturers cannot sell them. In addition, the tax policy could have an impact on the beverage industry by decreasing the growth rate of the business and competitiveness, as well as affecting many related industries continuously (Wichai Kalyanmethee, personal communication, April 25, 2020).

2) Attitudes of pro-tax community - it is imperative to implement tax measures that prevent manufacturers from taking advantage of consumers, and protect consumers from becoming victims of marketing and from becoming vulnerable to subsequent health problems.

Health academics strongly support the adoption of tax measures, citing empirical support that many commercially available ready-to-drink beverages contain very high amounts of sugar as the main ingredient, which can adversely affect the health of consumers if they drink more than the body needs per day. In this regard, in the past, Thailand has learned from intense competition in the green tea beverage market.

The beverage industry entrepreneurs have fueled a trend that drinking green tea is good for health, which may be true if it is the homemade tea that consumers can make to drink for themselves. On the other hand, for a wide variety of commercially available bottled or boxed beverages that are as easily available as bottled water, they are actually no more useful than sugar-infused beverages, like carbonated drinks.

Moreover, one very important issue is that Thais have continually increased their consumption of sugary beverages over healthy beverages such as milk and fruit juices. This is partly because the prices for popular beverages such as soft drinks and green tea are much cheaper. Therefore, the risk of Thai people developing chronic non-communicable diseases is likely to increase because they are addicted to the consumption of sweet foods and beverages. The amount of sugar consumption has soared and it can be said that it is critical. More than half of the sugar consumption comes from these beverages produced by industrial production. There is also academic information confirming that the tax policy on sweetened beverages can increase the price of beverages and leads to reduced consumption of those products. It can be concluded that the taxation is therefore an important means in dealing with NCDs well (Sirawut Raweechaiyawat, 2013).

Piyathida Prasertsom, project manager of SEN and the director of the Dental Public Health Office, Department of Health, reported that the marketing of soft drink producers will encourage more children and youth to consume soft drinks. Therefore, it is best to prevent excessive consumption. The case of soft drinks is not different from alcohol. If there are sales promotions and giveaways, it will result in long-term negative effects. Many years ago, the SEN used to negotiate with some soft drink companies to reduce such promotion, but they suggested solving the problem by pushing the burden away to consumers instead. In legal terms, the SEN and the policy network in cooperation could not interfere in private marketing because it may affect the rights of industrial operators to operate their businesses. Additionally, those companies were not breaking the law. The academics working on the campaign of Do Not Eat Sweet and Lose Fat expressed concern that the marketing competition among soft drink companies would encourage people to drink more sugar-sweetened beverages. As for the measures to address this past problem, there has been much discussion and it was seen that this issue had to be taken as a national measure with the introduction of tax measures by taxing beverages based on the content of the sugar content (Pimchanok Sornphet, 2012).

Although Thailand has implemented a tax on beverages since 1984 under Excise Tax Act B.E. 2527 (1984), there have been very few modifications to the taxation, while the beverage market has developed and expanded its competition to a great extent already. Sirinya Poonkerd, Manager of Food and Nutrition Policy for Health Promotion, commented that the Excise Department has currently been working on the taxation on beverages. Therefore, it is not new to Thailand, but the current beverage excise tax system (2013) is not consistent with the management of health problems. Sugar-added beverages are taxed at a rate of 25%, which is lower than sugar-free beverages, while caffeinated beverages are exempt from the taxation. Additionally, the Excise Department has not yet adjusted the tax rate for a very long time. Therefore, it is time for the MOF to reform the excise tax system on new beverages by considering the specific tax on beverages according to the sugar content (Sirawut Raweechaiyawat, 2013).

Chantana Ungchusak, Member of Plan Executive Committee 5, Thai Health Promotion Foundation under the Working Group to drive necessary measures against health risks in the National Reform Steering Committee on Public Health and Environment, remarked that there is a need to implement the tax policy since the main cause of public health problems, especially NCDs, comes from daily lifestyle or excessive consumption. These behaviors are manipulated by the food industry as social environment, while the people hardly resist the impact by themselves. Additionally, Sugar added to beverages and food (added sugar) is an excess of energy that is unhealthy (empty calorie). Consequently, the reduction or cancellation of such consumption is beneficial for health and can reduce expenses. This is why the tax policy is necessary. Moreover, regarding the policy of tax collection on sugar-sweetened beverages recommended by the WHO, many health and finance academics have agreed that the tax policy is a best buy intervention, which refers to low investment but high efficiency. Therefore, it is a suitable means of handling public health problems (Chantana Ungchusak, personal communication, April 11, 2020).

From a clinical perspective, Professor Piyamit Srithara from the Faculty of Medicine, Ramathibodi Hospital, stated that NCDs are increasing, especially among the urban population. This is caused by changing consumption of food, sweet fruits, and beverages containing large amounts of sugar along with the lack of exercise. Therefore, the rate of the NCDs of the Thai population is higher than in other countries. This is one of the most important reasons why prevention and control of this issue are extremely urgent. Consequently, there should be taxes on sugar-sweetened beverages along with non-tax measures as well ("Calling the Business Sector," 2016).

### **6.2.3 Impact on Economy**

1) Attitudes of the anti-tax community - the tax policy will affect the overall economy of the country, namely the employment in the beverage industries and related industries, losses of small and medium-sized enterprises (SMEs) or new industrial operators, relocation of production bases to other countries that do not collect taxes, etc.

The TBA on behalf of beverage and related industries objected that the tax policy would directly affect the trade, investment, and employment of the beverage

industry. This would affect other supply chains of production as well, including the sugar industry, the packaging industry, the advertising industry, the manufacturing machinery industry, the logistics industry, the energy industry, the retail industry, etc. This would also affect the overall government revenue, especially the corporate income tax collected from related businesses, including personal income tax collected from employees working for these businesses. The expectation then that the government would increase excise tax rates providing them with more revenue might be untrue. In addition, this tax policy provides a clear guideline that would like to pass on the entire tax burden to consumers in the form of 20-25% higher retail prices. If the prices increased, this would contradict the policy to reduce the cost of living of people that the government had promoted. Further, consumers would have to pay for more expensive beverages according to the tax policy ("The Thai Beverage Industry Association is Requesting Reconsideration of Taxation," 2016).

Tan Passakornnatee commented on the impact of the excise tax on local green tea and coffee producers, stating that green tea and coffee are economic crops which the Board of Investment of Thailand (BOI) promotes and supports farmers to cultivate. If the government drives a policy to tax sugar-sweetened beverages, including tea and coffee drinks, in addition to industrial beverage operators, it would definitely affect tea and coffee producers ("The Government Is Totally Impoverished," 2012). However, the government should give green tea companies time to prepare, especially those that have recently begun their business. SMEs could be severely affected as production costs would immediately increase and they could not compete with other industrial operators. The government's responsibility is to promote the Thai private sector to compete both locally and internationally. If industrial operators perform a strong domestic business and have good sales, they will have sufficient capital to expand their export businesses to foreign countries, which is the key to generating income for Thailand. Therefore, the government should carefully consider such matters. Operators still have to follow up on the consequences of such policy and its effects. It is believed that there might be impacts on short-term sales. However, such tax collection is unlikely to happen since, in the past, the government had already had a tax policy on green tea and coffee beverages, but it was "gone with the wind" ("Fruit Juice

and Green Tea Producers are Preparing to Raise Prices," 2013; "The Government Is Totally Impoverished," 2012).

In terms of the reaction of the capital market to the policy, Kornphat Worachet, Director of Investment and Research Services, Capital Nomura Securities Public Co. Ltd, stated that if the government increases the tax rate on drinks that contain sugar, it would affect the profits of listed companies that had run businesses related to sugar-sweetened beverages since 2017. The company that would be most affected is Ichitan Group Public Company Limited, as the company has the largest market share among green tea industries. The taxation at the rate of 5 to 10% would affect the net profit of approximately 15 to 20% in 2017. There are two fundamental means: reducing sugar content in the beverages or resizing down the product with same price to reduce costs ("Increasing the Tax on SSBs," 2016).

2) Attitudes of the pro-tax community - there is no clear evidence from other countries that the implementation of a tax policy will adversely affect employment, SMEs, relocation of investors' production bases, or the impact on the overall economy of those countries. On the contrary, it is clear that if sugar drinks are not taxed, sickness or fatality would be caused by obesity and NCDs. This also will continue to increase and affect the increase in economic and social costs spent on solving these problems.

Regarding the impact on the economy, if the tax policy were implemented, the National Reform Steering Committee on Public Health and Environment Reform, National Reform Steering Assembly (2016, p. 9) argued that the results of the study considering foreign taxation policies on sugar revealed that there were many countries at that time (2016) successfully driving a policy and collecting taxes until now. One of the important factors that drives tax collection is that policy-makers prioritize its importance and take action seriously. They also have tangible academic evidence and are able to communicate effectively with the society. Such communication requires a drive from non-profit social organizations. In addition, there is a clear guideline on how to utilize the tax collected for society's benefit. As in Mexico, there is education on the negative health effects caused by sugar-sweetened beverages, the benefits that the country received from the taxation, as well as strategies

for allocation of income from taxation, until the policy is pushed forward and implemented.

Emeritus Professor Wannee Nithiyanan, President of the Diabetes Association of Thailand under royal patronage, Her Royal Highness, Princess Maha Chakri Sirindhorn, encouraged the tax collection on high sugar beverages by referring to the resolution of the NRSA approving the amendment of the excise tax collection on beverages containing sugar content that exceeds the health standard. She agreed with the idea that excessive consumption of sugar affects the health of consumers. As a result, Thailand lost 2.14% of its GDP, or nearly 200 billion baht, while Thais consume a very high amount of sugar per day, which is higher than the criteria recommended by the WHO. Additionally, the taxation will help manufacturers turn their attention to their products because the beverage products that are sold in the general market contain very high amounts of sugar. On the other hand, the WHO has set out criteria that each consumer cannot consume more than 6 teaspoons of sugar per day, and the Global Agricultural Information Network's survey found that Thais consume an average of 27 teaspoons of sugar per day and 50 percent of the domestic sugar consumption is used in the beverage industry ("Support the Tax on Sugary Green Tea and Soft Drinks," 2016)

Mayuree Ditmetharaj, specialty academic, Food and Drug Administration, mentioned the source of the drive of tax policy on sugar-sweetened beverages and the benefits obtained from the policy. Thai health and public health problems are urgent since, in the past, Thais have had problems from NCDs, especially diabetes and obesity caused by the consumption of foods and beverages having high sugar content. As expected, this increases the burden on both public and private health sectors in terms of gathering resources to treat patients from these improper health behaviors. There are also economic losses on healthcare budgets and public health welfare. The benefits received from the implementation of the tax policy would reduce sugar consumption of Thais as well as encourage changes in their consumption behavior, which may be gradually reduced and finally and sustainably controlled in the future. In addition, a portion of the tax revenues can be utilized for public health development (Mayuree Ditmetharaj, personal communication, May 26, 2020).

#### 6.2.4 Ultimate Objective of the Tax Policy

1) Attitudes of the anti-tax community - the implementation of the tax policy cannot solve the problem. Indeed, the government may want more revenue instead of people having good health. Moreover, the private sector was blocked from participating in policy formulation as well. Thus, this policy community has seen that the policy formulation of the taxation on sugary beverages is an implementation of unrighteous authority.

Weera Akaraputiporn, vice president of the TBA, objected to the idea of the taxation on sugar-sweetened beverages to solve the problems of obesity and other diseases of Thais since such policy, according to him, cannot solve the problem.

This is because obesity is caused by unbalanced dietary behavior; hence, the body receives more energy than is daily required. This excessive energy from all types of food or beverages causes obesity. In addition, sugar is one of the nutrients that our bodies need, and it provides benefits when consumed properly just like other nutrients. If we really want to improve the quality of life of Thais, the government, industry, and health professionals should work together to figure out effective and sustainable means to solve the problem. However, the government should have a clear policy on beverages for the long-term health benefits of Thais to tax sugar-sweetened beverages, and the TBA considers that taxation should not have been a direct solution to obesity and other public health problems. This may also reduce government tax revenue as well ("Sugary Drink Tax Is Objected," 2016; "The Thai Beverage Industry Association Expressed Its Opposition," 2016).

Further, the major operator of the fruit juice and vegetable juice beverage industry, Ekaphol Pongstaporn, managing director of Tipco F&B Company Limited, commented that the tax policy has many issues that contradict the codes of taxation to prevent and solve public health problems from excessive sugary consumption. There is one important thing that the government should do at the same time. If the government prioritizes solely public health, it should promote exercise, correct daily living, and provide information on good nutrition instead of only considering sugar content in drinks. An ambiguous policy might not have any benefits for people's health. Anyway, it is certain that the government revenue would definitely increase, the price of the beverage products would be more expensive, and consumers



would reduce the consumption of such products. According to the tax on sugar content, sugar substitute agents were added to some beverages, such as soft drinks. Because of this, consumers would still be addicted to sweetness. Therefore, this policy may not be in line with the objective that the government wants to achieve (Ekaphol Pongstaporn, personal communication, April 23, 2020).

According to the announcement by the TBA opposing the government policy, there are doubts about the legitimacy and origins of the resolution of the NRSA approving the tax collection on drinks containing sugar, as the beverage operators did not all get a chance to express their opinions or provide information from different perspectives as a participation in the decision-making process for justice, comprehensiveness, and inclusiveness. The TBA was ready to support and work with all sectors for Thais' overall health along with the growth of the national economy for the long-term health benefits of the whole country. Instead, it was found that the resolution was driven by a small group of people with only a one-sided perspective with the support by some government officials who, in fact, must exclude personal opinions or standpoints from the ongoing projects they are funded with. Moreover, they must cast equal opportunities to all actors. The association will collect the information and propose it to the relevant departments for criticism ("The Thai Beverage Industry Association is Requesting Reconsideration of Taxation," 2016)

2) Attitudes of the pro-tax community - the government must collect the tax for the well-being of Thais, and to prevent and resolve problems from diseases caused by the excessive consumption of sugar amount above the quantity recommended from public health authorities. When people are healthy, public health expenditures will significantly decrease; in addition, the income from such taxes will be utilized for further development of the country.

Dr. Vitch Kasemsap, advisor of the Multi-Sectoral Network for Non-Communicable Diseases Control under the cooperation of the WHO and the Thai government, gave an important example of the case of Mexico. Mexico has successfully promoted the tax policy on sugar-sweetened beverages and food since the Mexican government is courageous and has foresight with an emphasis on the quality of life of the population. This is considered to be a good example of a country trying to prioritize the health and life of the population from the food and beverage threats that lead to

obesity and other health problems. Recently, Thai academics has worked together to support the government for implementing a tax policy for protecting Thai population and preserving the national economy. In the past, the Thai government has spent nearly 30 billion baht per year to treat people with diabetes and obesity, which have caused premature death, disability, and loss of employment opportunities. This is a burden on family and society; thus, the tax policy on sugar-sweetened beverages and foods will be a necessary means to deal with improper consumption behavior to effectively control and prevent NCDs among the population with the long-term effects (Pavinee Theepkumram, 2013).

Dr. Phusit Prakongsai, the director of the IHPP, discussed the concept of looking for health financing sources to apply in the health insurance system, which is important in policy design. From his perspective, the taxation on sugar-sweetened beverages will reduce the health problems of Thais caused by various NCDs. Any brands containing a lot of sugar should be taxed more than those with less sugar in order to trigger awareness for manufacturers to reduce sugar according to the health standard since it can cause obesity and NCDs. Further, the taxation on sugar-sweetened beverages can provide a budget for the health insurance system as well. This measure will be able to apply to Thailand by using useful data from countries where tax measures have been successfully implemented to design and formulate policies that are consistent with the context of Thailand. Since the past, Thailand has used a very large amount of government taxes on its annual health insurance projects. During good economic conditions, the government can still grant subsidies, but during economic crises, the government's revenues will decrease. If we do not have plan to seek budget sources, the funding will cease. Therefore, we must also find other sustainable sources of money. Fortunately, the tax policy will be an important means for both Thais to have good health and new funding sources to spend on public health (Monnisa Tangthong, 2013).

Pornchai Thirawet, deputy director of the FPO, reported that before Excise Tax Act B.E. 2560 (2017) came into effect on September 16, 2017, there was a misunderstanding about the formulation of the tax policy on sugar-sweetened beverages along with the reform of the excise tax structure. It was found that the numbers reported were inaccurate. The maximum tax ceiling was calculated to find the tax value. This is not correct since before September 16, 2017, the actual tax rate had not yet been

imposed; and the fact that the government wanted to gain more revenue was not the ultimate objective of the policy. In the past, the Excise Department has always insisted that after applying the new excise tax law, the tax burden on entrepreneurs would be equal to the original. Regarding the rumor that the government encountered fiscal problems or that the government was "broke," in fact, the new form of taxation had to be based on its suitability. It is not because the government encountered fiscal problems. In this regard, the government also claimed that revenue during the four months of fiscal year 2017 still exceeded the expectation of over 10 billion baht ("Government Gazette Announced New Excise Tax Act," 2017).

### **6.3 Political Context Affecting the Process of Policy Formulation**

After the review of the role of the main actors in the formulation of the excise tax collection policy of Thailand, as well as the attitudes of both the pro-tax community and anti-tax community, this part of the dissertation will provide an explanation on how the political context affects the process of policy formulation. The clarification is as follows.

#### **6.3.1 Policy as Elite Preference**

The establishment of the excise tax collection policy for sugar-containing beverages in Thailand at the beginning is between 2014 and 2016, or since after the coup, seized political power and took over the administration of the country by the NCPO in 2014. The beginning of policy proposals for decision-makers to consider is also covered when the NRSA has approved the relevant authorities to implement tax measures in 2016. During this time, policies were dictated by the needs and values of the elite that ruled the country at the time; thus, what form of policy would be largely dependent on the needs of the elite. This phenomenon can be explained by the elite model.

According to the elite model, the excise tax collection policy on sugar-sweetened beverages was formulated by the elite who were minorities in Thai society. Although the policy aims to prevent and solve public health problems, it is based on the country's reform approach defined by the "five rivers," the group of organizations that

played an important role in the country's reform after the coup on May 22, 2014. The five rivers include River 1, the National Legislative Assembly; River 2, the cabinet; River 3, the National Reform Council; River 4, the Constitution Drafting Commission; and River 5, the National Council for Peace and Order. These five organizations were derived from the Constitution of the Kingdom of Thailand (Interim) B.E. 2557 (2014), which is like the source or origin of all five rivers. Nevertheless, it has been observed that River 5 or the NCPO is considered the most important river because from River 1 to River 4, in principle, it was established from the approval or support of the NCPO.

For the main elites in formulating this policy is the regular government officers from various government agencies involved in national reform according to the NCPO guidelines. The political sectors or the cabinet came from the government officials appointed by the NCPO to get positions in politics, mainly working for the government in the time of the parliamentary opposition's absence. The political and governmental regimes at that time were controlled by a military dictatorship, the NCPO, with the goal to get rid of political movements, while people or interest groups could participate in policy formulation. However, the political, economic, and social authorities at that time were under bureaucratic polity, whereas there were few interest groups involved in the policy and there was only one interest group opposing the tax policy. This anti-tax group is in the industrial sector, whose main representative is the TBA, which was established in 2008 along with leading beverage industrial operators and suppliers as the main member groups. The main purpose of the association is to establish an opportunity for companies in the non-alcoholic beverage industry to have a forum to discuss various issues that jointly affect them, and to establish mechanisms for effective cooperation between government agencies and individual industrial operators as well as among the industrial operators themselves.

During the process of policy formulation, the concept of the country's tax reform requires expertise, so this is narrowing for those that have expertise working for the fiscal sector, while health experts are narrowed to partnerships in health networks, which have a strong bond. Those members are personnel from different sectors, such as government officials, academics, NGOs, foundations, associations, and groups of people with similar interests. The National Legislative Assembly (NLA) is responsible for the enactment of laws. All 250 members were requested by the NCPO five times.

Foreign media also criticized that it was a rubber stamp council as there were many military members unlike during the democratic era when members had to be elected by the people. They were also responsible for examining the laws directly related to the people. Hence, there was no possibility for interest groups to participate in the enactment or amendment of the excise law, or in the formulation of tax policy.

The absolute administration of the military government towards the country's reform has continued with a political regime where the elite is the main policymaker of the country. There was the establishment of the cabinet on August 2014, the NRC on October 2014, and later the NRSA on October 2015, respectively, to act as the government's Advisory Council, which played an important role in directing urgent reform in various aspects, including the reform of the country's entire tax system as well. The National Reform Steering Committee on Public Health and Environment was established along with academics and administrators with health expertise. They had to be able to coordinate all sectors and to provide direct feedback to the government.

The policy formulation at that time was comprised of a variety of opinions from different sectors. This was a good opportunity for the policy networks that were driving the taxation on sugar-sweetened beverages to offer ideas and guidelines gathered for several years to the NRSA. The MOF also took the opportunity to propose a whole tax structure reform plan to the NCPO after it was once postponed.

Regarding the political structure since the 2014 revolution by a dictatorship, the governance of the country and most policy formulations are, therefore, depending on the authorities of the elite, which are the regular civil servants, both the military and the civilian, who receive political positions in the government, mainly by the NCPO's appointment. Due to bureaucratic polity, the administrative power, including policy planning, policy implementation, and budget allocation, is based on permanent civil servants. At the same time, political power depends on the military officials whose forces were established from the coup. The chief is Prime Minister Prayut Chan-o-cha, who did not win an election and is supported by military officers. This contradicts the democratic characteristics, such as an elected house. In addition, senators are also appointed. Therefore, it can be said that it is an era in which the military and civil servants have the most decision-making authority. Further, most of the military officials possess political power. However, the general administration is held by the regular civil

servants because they are enriched with information, knowledge, and expertise. In this way, the military and civil servants rely on each other.

The country's urgent reform includes 11 aspects according to the NCPO guidelines, which neglected the participation of industrial groups in policy formulation as well as monitoring the work of the government or the civil service department.

After there was opportunity, the policy network, initiated by partnerships in health networks, coordinated with regular government officials from the financial sector after the political sector appointed by the NCPO considered that the management of public health problems by the implementation of the tax policy was urgent. Policy formulation then was driven systematically and concretely, and was not just a concept. It is also expected by policymakers from both the health sector and fiscal sector that the political sector under the NCPO would help their policies to become successful.

However, policy formulation based on the needs and values of the elite during that time was made regardless of the participation of the industrial sector, while the beverage industry and related industries were stakeholders directly affected by the government's tax policy. In addition, the elite is confident that the concept of tax reform and the concept of public health taxation require academic proof or expertise. Therefore, neither the private sector nor the industrial sector was invited or appointed to participate in policy formulation. Nevertheless, the industrial sector has attempted to participate in this process since it has bargaining power and access to powerful decision-makers, including sufficient resources to bargain, pressure, or demand the government to find solutions according to their needs. This was done successfully in the elected government before the NCPO.

In terms of policy formulation according to the elite model, it was found that as the elites came from different sectors, there are some different opinions due to different perspectives, experience, and expertise. This created conflicts in ideas or interests among the elites. Actors from the health sector believe that non-incremental change is urgently required, as public health problems are becoming more severe. Further, such policy has been studied for a long time to prove its success, so there is no time to wait for problems that have accumulated over a long period of time until the original policy could deal with such developed problems. Additionally, actors from the fiscal sector consider that this is associated with board policy change, which does not occur often as

it requires various factors, and there are often political and institutional barriers that often cause delay in change and the maintenance of the status quo. Therefore, incremental change needs to be used to aim to avoid opposition or resistance. Incremental change will make it easier to deal with any problems arising in the society.

### **6.3.2 Policy as Group Equilibrium**

Another important factor that influenced the process of the formulation of the excise tax collection policy on sugar-sweetened beverages during the second period is the resolution by the NRSA in 2016, approving the implementation of the tax policy on sugar-sweetened beverages on April 26, 2016. The researcher found that the public policy model that can be used to explain the policy process at this time is the group equilibrium model, which describes the concept of the struggle between groups in society in order to participate in public policy formulation. In order to deal with such conflicts among groups, compromise and a balance between benefits are a necessary means.

During the process of policy formulation, Thai political and governmental regimes were under the power of the dictatorship led by the NCPO with military force seizing power from Yingluck Shinawatra, former Prime Minister. The NCPO promised to return happiness to the people in the country, and the important agenda was the reform of Thai society in many aspects, which were the main structural problems of the country. The bureaucratic polity at the time of the NCPO was characterized by limited political pluralism, which means most policymakers came from only the public sector with specialized expertise, while the private sector often being blocked from participation in policy formulation.

Public policy would be an equilibrium for any interest group of society with great influence at that time. In the case of tax policy, it would tend to be more inclined to the demands of the group. If there is a large amount of influence or a sufficient number of supporting factors, it will also affect the change of public policy. This reflects that although the Thai political and governmental system at that time was not a democratically elected government, social groups were still trying to gain influence over public policy formulation by seeking methods to empower groups so that public policy was in the best interest of their groups.

The NRSA had approved the report by the National Reform Steering Committee on Public Health and Environment Reform and assigned the MOF to implement tax measures for public health and fiscal benefits at the same time. Since then, there has been strong contributions from various pro-tax agencies such as public health personnel, academics, and related public sectors. Moreover, many beverage companies have been vigilant to meet new tax systems that could affect their business by vigorously adapting and innovating new healthy products with the addition of small amounts of sugar or sugar-free products.

The approval of the NRSA on this matter actually affected the then anti-tax communities, which were mainly in the industrial sector, represented by the TBA to ask for fairness. The association agreed with the public health community and the NRSA on the main issue—that health problems could be caused by overweight and obesity, and many other types of NCDs are major public health concerns that need urgent solution, but they did not agree on selecting SSB taxation as the main solution to the problem. In their point of view, this solution cannot solve such problems for several reasons. For instance, the government's implementation of the tax policy measures is an inappropriate intervention, resulting in many negative consequences for the industry as well as the economy. Moreover, the reforms and policy formulations do not provide the opportunity for those that become involved to express their opinions and offer information. Therefore, this resolution was considered to be an unjustified means and contradicted the national reform philosophy (Ekaphol Pongstaporn, personal communication, April 23, 2020; Wichai Kanlayanamete, personal communication, April 25, 2020). For such reasons, along with negotiation, compromise, and a lobby, the resolution of the three coordinating committees (the cabinet, the NLA, and the NRSA), on June 8, 2016, postponed the tax policy on sugar-sweetened beverages by requesting inclusive research, as the information presented to decision-makers was only collected from the pro-tax community. As a result, the policy-making could not continue smoothly, and the process of the policy stream had to take a long time, as the feasibility of policy formulation had to be studied repeatedly. Then, the public sector and the policy networks at that time had to inevitably invite some key actors from the industrial sector to officially participate in policy formulation, where their



representatives were finally offered an opportunity to work for two major working groups, both in the tax measure working group and the non-tax measure working group.

Although policy-making, or even overlapping of the decision-making process, had been indefinitely postponed, it was seen as a suitable opportunity for industrial operators to become involved in setting taxation policies as part of the policy network. This helped to make this policy include more comprehensive academic information in the public policy process and led the quest for a solution aimed at expanding the views of public policy stakeholders from a broader range of sectors. Policy design based on this approach can be considered as a strategic policy management method on the part of the policy network to integrate policy decision-making processes and create gradual, long-term policy changes based on collective learning (Sabatier, 2007).

However, the formulation of this taxation policy has helped to address conflicts between the groups by creating an atmosphere of compromise and to create an equilibrium between the benefits of each group. Unlike in the past, the implementation of the country's fiscal policy was largely a governmental function, and the government normally used tax measures as the sole tool. The departments involved in the MOF's taxation put the policy into practice, while with the policies related to the health of the Thai population, the MOPH advanced non-tax measures; nonetheless, for solving the problem of overweight, obesity, and NCDs, it was the first time that the two measures has simultaneously been selected and used for policy formulation.

The collaboration in a formal network model strengthened policy formulation in a direction that responded to the ideas and needs of effective policy changes for each group. This type of network is well-structured, regulated, and clearly defines the roles and functions of its members and the exchange of knowledge among different sectors to have an equilibrium of information on both the positive and negative aspects of the policy. Moreover, the level of the struggle between concepts is in the form of compromising and balancing interests to create an equilibrium between benefits, although at some point, industrial operators could not completely convince all authoritative decision-makers.

Even though in formulating a policy on taxing sugary drinks the government provided more opportunities for the industrial sector to participate, resulting in creating good relationships among all actors and reducing conflicts of ideas and practices, there

were some issues where industrial operators were unable to theoretically justify and argue for bargaining or persuading some government agencies to conform to their ideas. Thus, there were some important points of discussion that the industry struggled to compete with in order for the government to make decisions in the direction of their respective groups. At that time, there were some of the controversies that opposition to tax measures could not negotiate or convince government agencies to formulate policies in line with their expectations; for instance, the issue of taxation that is not yet covered in all types of beverage products is causing injustice; for beverages that are not added with sugar but that are naturally sugary, the government should not impose a tax; and the issue that industrial operators wanted the government to extend the period of tax enforcement for sugar-sweetened beverages by five years.

Nevertheless, the demands of industrial operators on the aforementioned issues have been unsuccessful. It was because ultimately the government made the policy decisions without being able to make all of the options available, resulting from the bargaining of the various groups in society, as only some alternatives and approaches that were considered as practical possibilities had to be selected, and it was important to adhere to the principle of equilibriums among the groups. In this regard, unsuccessful negotiations and persuasion may be due to public policy formulation in a particular society, especially in Thai society with its unique political system; whether policies resulting from interest group negotiation can be considered or not, it still has to be up to the authority to decide the policy. Consequently, often times, the government makes policy decisions, perhaps not as a result of the bargaining of various interest groups in society.

#### **6.4 Policy Change**

From the results of research on the advocacy coalition framework, it was found that policy changes in the excise tax collection policy on sugar-sweetened beverages in Thailand are caused by the participation of advocacy coalitions in the policy through a policy broker and a change or intervention by external factors. Advocacy coalitions participated in the policy process, creating changes as follows.

#### **6.4.1 Policy Subsystem and Policy Advocacy Coalition**

Policy decisions are very complex in terms of regulations and processes, especially various contexts that affect the drive of the policy. Therefore, an advocacy coalition has to have expertise in the policy domain in order to effectively participate in the policy process. Such a policy domain can also be divided into a policy subsystem. Hence, actors consist of personnel from different departments that comprehend the scope of the subsystem of the excise tax collection policy on sugar-sweetened beverages in Thailand, especially the content of the subsystem in which they must be involved. This was performed in order to connect to the regulations governing that subsystem, which would allow the correct involvement of the policy process, and then the tax measures could be formulated concretely.

The policy participants involved in the subsystem of the excise tax collection policy on sweetened beverages consist of five advocacy coalitions: a network under the MOPH; a network under the MOF; a network under the MOC; a network from relevant sectors in the industry; and a network of hidden participants. These five advocacy coalitions had formally participated in the subsystem to brainstorm for propelling the excise tax collection policy on sugar-sweetened beverages in the form of working groups, namely the working group to study approaches to reducing the consumption of sweetened beverages and the sub-working group to study the formulation of the excise tax collection policy on sweetened beverages according to the sugar content standard. Each advocacy coalition provided a useful tool or resource for the policy formulation, shared the beliefs and customs of its own interests or strengths, discussed parts of its activities, negotiated problem solutions, harmonized interests, and selected the most appropriate strategies for each party. There was a policy broker that mediated in the event of a conflict, leading to the so-called “Devil Shift,” a phenomenon caused by fears or concerns that the network they belonged to would be defeated by a competitor’s network (Sabatier & Weible, 2007).

Nevertheless, for this policy change, it was found that there were two policy brokers mediating the actors, whose key concern was to keep political conflict at acceptable levels, reaching some rational solution to the problem. The first broker was Krisada Chinavicharana, the executive of the FPO, the main responsible agency for setting up a working group to study tax measures. Mr. Chinavicharanawas the director

of the FPO (at that time) and the chairman of the working group to study approaches to reducing the consumption of sweetened beverages. The second policy broker was Pornchai Thirawet, deputy director of the FPO (at that time) as the chairman of the sub-working group to study the formulation of the excise tax collection policy on sweetened beverages. Both policy brokers acted as intermediaries to achieve positive synergies and created cooperation between networks to prevent or mitigate conflicts in advance among the members of the working group. Thus, each network group had the opportunity to exchange and learn from each other, and partnerships were enabled to create diverse perspectives and to gain a better understanding of each other. Further, it was an opportunity for policy decision-makers to gain comprehensive and in-depth knowledge of information from each advocacy coalition, which could lead to a careful and inclusive review of the information that helped the policy decision-making to become successful and to experience the least discrepancies.

#### **6.4.2 External Factors Affecting Policy Change**

In formulating excise tax collection policy on sugar-sweetened beverages, in addition to taking place in a policy subsystem through interactions among advocacy coalitions consisting of experts involved in each policy group, the decision-making process in each sub-policy system also depended on various external factors.

The external factors that affected the policy change were short-term constraints and the resources of the subsystem actors. In this research, it can be classified into two main groups; relatively stable parameters and external system events. The details are as follows.

6.4.2.1 Relatively stable parameters - the factors that rarely affected policy changes but were important in policy design and formulation to provide a degree of consensus needed for major policy change as follows.

1) Basic attributes of the problem area on excessive sugar consumption that adversely affect the health of Thais, including overweight, obesity, and NCDs, as well as the dynamic effects on the economy and society. Thailand and other countries have had these critical problems for a long time, and these have been recognized by decision-makers and by the public as problems that need to be

accomplished by implementing proactive policies to prevent and solve problems seriously and urgently.

2) The fundamental socio-cultural values and social structure in Thailand in regard to the consumption of sweet and savory foods containing sugar have been the way of living and culture of the Thai population for a long time. As urbanization has expanded, the way of life in today's society has changed, compelling the Thai population to consume more food produced from industrial systems that can be bought and consumed anywhere and at anytime (Khanit Ratanarangsima, 2012). Moreover, these days, there has been a lack physical activity as well as changes consumption due to the lifestyle in urban society. In the past, Thais normally ate desserts only during important festivals. Nowadays, desserts have become a food that Thais can consume at any time and on every occasion. Sugar-containing beverages have become a common commodity that is heavily advertised in various media to stimulate consumer demand, leading to an increase in the sales of those products. Unsurprisingly, when fundamental socio-cultural values and the social structure have changed, people can easily buy sugar-sweetened beverages in the market. This is one of the most important sources of the problem that makes the Thai population tend to consume more sweets day after day (Auttakiat Karnjanapiboonwong & Supattra Srivanichchakorn, 2016; Bureau of Non-communicable Diseases, 2016).

Although these factors are limitations that prevent immediate policy change, they can be used to guide decisions on whether to implement or not to implement the tax measure. Part of the policy change came from pursuing a consensus, which was a common agreement within the stakeholder groups involved in the policy subsystem to obtain feedback from both pro-tax and anti-tax communities. Nevertheless, while the consensus of various ideas raised from each policy group were not unanimous outcomes, there must be no excessive objection from the anti-tax community to the extent that a resolution cannot be reached on a critical issue.

6.4.2.2 External dynamic factors from external system events affecting policy changing consist of factors or variables that can change over time, resulting in more obvious policy and behavioral modifications. The key external factors include changes in socioeconomic conditions and changes in public opinion as follows.

1) Changes in socio-economic conditions include the increasing rate of overweight and obesity and fatality caused by NCDs. One of the major sources of the problem was the consumption of high-sugar beverages, which was an important indicator for the policy change. In addition, Thailand had been confronting and trying to find solutions to the health problems of the Thai population continuously as the increasing rate of such diseases causes disability-adjusted life year (DALY) as well as economic losses. Hence, the government had to manage expenditures and balance the country's fiscal stability according to health expenditures. It can be said that the tax policy to reduce the consumption of sweetened foods and beverages of the Thai population is, therefore, a key alternative to deal with both health and fiscal problems.

2) Changes in public opinion include important events that caused changes in public interests regarding situations of sickness and fatality from diseases and consumer behaviors caused by excessive sugar consumption. These external events with a gradual change began with a campaign movement by partnerships in health networks to drive various measures for dealing with the problems. The movement triggered increasing public awareness of the health problems and led to a second National Health Assembly resolution in 2009, one of the significant occasions that created a movement and encouraged Thai society to cooperate in response to the crisis of overweight and obesity through the National Health Assembly in a more concrete way. This seems to have escalated the management of overweight and obesity problems to the national agenda. Further, the direction to gain cooperation in various sectors in Thai society has been clearly paved to handle such problems. Furthermore, the next important event was the resolution by the NRSA in 2016 that approved the relevant departments to jointly prevent and control risk factors for health regarding food and nutrition with a taxation on beverages containing sugar content exceeding the standard. This eventually led to the implementation of the tax policy. It can be concluded that the gradual changes in the opinion on public policy took more than a decade.

The government welcomed the private sector to play a part in governing the country by suggesting, controlling, and criticizing government policies despite of the era of government from a coup. During the time when Thailand was run by the NCPO government, surprisingly, at some points, all actors involved in taxation policies

rather had freedom of expression to express their attitudes and beliefs towards the policy. In formulating such policies, in addition to having supporters, unquestionably, there were opposition people, especially those stakeholders affected by the taxation policy, who disagreed and later performed some movements against the policy. Therefore, at that moment, the policy core beliefs were clearly divided into two groups: the coalition supporting a policy to tax sugar-sweetened beverages (Coalition A) and the coalition opposing the policy (Coalition B). Nevertheless, the interaction in the form of the advocacy coalition under the FPO as a policy broker could create the share of beliefs and customs based on their own strengths, debates on the matter, negotiation, and drawing out the strategies of each actor through a policy broker to deal with conflicts between and among coalitions. Due to various opinions, each group ceased fighting and created a belief system that included a set of basic values, causal assumptions, and problem perceptions. Advocacy coalitions jointly figured out the solutions to problems. This, eventually, led to the policy change under a mutual belief system and objectives.

## **CHAPTER 7**

### **SOLUTIONS TO THE IMPACTS OF THE POLICY AND STRATEGIES FOR DRIVING THE POLICY**

From the studies on the problems, obstacles, and solutions to the impacts of the excise tax collection policy on sugar-sweetened beverages with the attitudes of the actors, the data were collected by document research along with interviews with key informants, including actors from public and industrial sectors, and academics and a university lecturer. In this chapter, the researcher would like to present the results of the study that have been used in consideration to propose a strategy for driving the policy in the context of Thailand as follows.

#### **7.1 Obstacles and Solutions to the Impacts from the Excise Tax Collection Policy on Sugar-Sweetened Beverages**

Based on data collection through document reviews, articles, news from various media, in-depth interviews from key informants, and a focus group discussion to examine the problems, obstacles, and solutions to the impacts of the excise tax collection policy on sugar-sweetened beverages through the attitude of stakeholders, the results of the study are illustrated as follows.

##### **7.1.1 Enforcement of Non-tax Policies**

In order to achieve the ultimate goal of policy implementation, both tax policies and non-tax policies should be simultaneously implemented. For instance, there should be education on nutritional knowledge and healthier choices of food and beverage products to show consumers the alternatives for health as well as healthy product promotion in various stores. Another method is to provide education on the negative effects of consuming sugar that exceeds the healthy recommendations and education on good nutrition and regular and adequate exercise. However, this kind of knowledge should be more publicized. Relevant sectors need to educate the public with appropriate



means, so that the people can control their consumer behaviors. Therefore, non-tax policies must be implemented as well, such as the standard of beverages sold in schools or hospitals, recipes for desserts or savory dishes with reduced/no sugar added, as well as constant communication in order to reduce the consumption of sugar-sweetened beverages or to cease consuming them at all until this becomes the main practice of the society and the norm for a healthy society (Chantana Ungchusak, personal communication, April 10, 2020).

Tax measures and non-tax measures must be simultaneously implemented as the working groups eventually must integrate all data. Further, the Excise Department has previously recommended that the secretary of the working group should be from the private sector due to wider perspective than healthcare workers that have only the perspective of a nursing campaign while the private sector has better advertising campaigns and potential than the government sector does, so they should be able to attract consumers better. Thus, the results of a study on the evaluation of the policy for the collection of excise tax on sugar-containing beverages, where the Excise Department was working with research institutes, found that non-tax measures have not been successful as expected. Therefore, the private sectors are required to participate in the process (Nattakorn Utensut, personal communication, April 27, 2020). Furthermore, the excise tax collection policy on sugar-sweetened beverages will reduce the causes of obesity and children's overweight as well as various types of NCDs. These measures will be conducted and finally become successful due to the mutual cooperation from all parties, especially consumers of food and beverages; moreover, non-tax policies must be implemented at the same time as well (Wichai Kanlayanametee, personal communication, April 25, 2020).

Education for consumers is also important. In fact, the government should seriously introduce to Thais information about balanced nutrition and the notion of constant exercise. This must also be instilled since childhood because Thais can then establish a habit of not eating sweets from an early age. On the other hand, as adults are accustomed to consuming sugary foods and sweets in the Thai food culture, adjusting dietary habits can thus be more difficult and time consuming. Therefore, such education is very important, and the relevant sector involved in this field is the Ministry of Education (Maneequan Chandarasorn, personal communication, April 25, 2020).

From the opinions expressed from the key informants above, it seems as though the appropriate policy is more likely a non-tax measure. Therefore, it might be implemented as a primary measure in solving such problems. Nevertheless, the measure must be effective as well since it can reach consumers more easily than tax measures, which focus more on the industry. In the end, it cannot be denied that both types of measures must be implemented simultaneously.

### **7.1.2 Shelf Management for Shopping Ease**

Due to the adaptation of industrial beverage operators caused by tax measure implementation to change the ingredients of beverages by reducing the sugar content, the products including fruit juices and vegetable juices, carbonated drinks, flavored beverages, cereal drinks, soy milk, and powdered drinks with sugar content at less than six grams per 100 milliliters of one serving less than 300 milliliters and less than 18 grams per 100 milliliters of one serving less than 300 milliliters can request a certification and a nutritional symbol for "Healthier Choice" under the subcommittee to develop and promote the use of simple nutritional symbols. However, the placement of these healthy products is not yet supported for a clear view of the consumer. Shelf management would also help consumers access and purchase healthy products more easily.

An executive of a beverage company has commented that guidelines for solving this problem should provide enough support for industrial operators, especially to provide channels for industrial promotion of products including beverages and healthy food that have been adjusted and lowered in sugar in order to make it easier for consumers to access and buy healthy products. In addition to Healthier Choice, the relevant sectors of industrial Ministry of Commerce should look for cooperation from retailers to provide at least a specific shelf for alternative health products. Further, the entry fee should be exempt or may be charged once a year until the products are popular (Alias "Industrial Operator B," personal communication, April 28, 2020).

### **7.1.3 The Suitable Amount of Sugar Substitute**

Sugar substitute or artificial sweeteners is crucial. Maneekwan Chandarasorn, the director of the Excise Tax Policy Division, FPO, supposed that, nowadays,

industrial operators have widely used artificial sweeteners to maintain sweetness with less real sugar in order to avoid tax. Therefore, policymakers must examine the effects of these substances on customers in the long term. However, the use of natural sugar substitutes is much better, such as an extract from Hang Guai fruit, which can be used to add sweetness. Moreover, in the future, the study on the suitability of taxation in the case of sugar substitutes is needed as well (Maneekwan Chandarasorn, personal communication, April 25, 2020).

In the present, healthy drinks such as functional drinks also have these substances added perhaps more than soft drinks. The policy designers themselves might not have expected this at the beginning; only a tax on sugar-sweetened beverages from only sugar in a basic view was discussed, regardless of substances or sugar substitutes. In general, it is mainly about soft drinks, but for functional drinks which are often advertised as healthy drinks, therefore, are added a lot of artificial sweeteners. Consequently, in the future, if these sugar substitutes are used too much, like sugar, with proven negative effects on consumers' health, a tax on sugar substitutes might be needed. This matter requires collaboration between various sectors, both private and public sectors as well as civil society. The government must help the industrial sector from fatal impacts. It must help consumers alter their consumption behavior of sweetened beverages since manufacturers must reduce the amount of sugar in drinks, find a substitute or adjust products' ingredients. Industrial operators must plan this adaptation every two years (Chayada Bhadrakom, personal communication, April 28, 2020; Wasuntharee Saereesuchart, personal communication, May 22, 2020).

The industrial operators of fruit juice and vegetable juice also commented on this matter. Ekaphon Pongsathaporn, Managing Director of Tipco F&B Co., Ltd., questioned regarding changing the drink recipe by reducing the sugar content with sugar substitutes, will consumers actually be as healthy as policymakers expect? The implementation of policy obviously resulted in the higher price of the taxed beverage products, and consumers are less likely to buy such products (Ekaphol Pongstaporn, personal communication, April 23, 2020).

Regarding the effect on the industrial beverages of fruit juices and vegetable juices, fruit and vegetable juices normally contain beneficial nutrients, such as vitamin C and fiber. However, those are taxed due to the total sugar content, causing an impact

on healthy drinks that contain natural sugars and other nutritional values. Therefore, healthy drinks become more expensive, making it more difficult for consumers to access healthy drinks. Taxes have made it possible for many industrial operators, such as those that make soft drinks, to avoid sugar-free drinks because they do not want to pay taxes and turn to sweeteners instead. However, the pros and cons of sweeteners are not known. In fact, these sweeteners have been recently used in the beverage industry. Therefore, the side effects have not been detected from consuming them in the long term. There are some substances that are prohibited because they have been shown to have side effects on consumers. Hence, although there are no studies confirming the negative side effects of sweeteners, it is believed that, in the long term, they might have impacts in either way, as most of these substances are actually chemicals. In the present, soft drinks add sweeteners instead of sugar. It turns out that soft drinks may sell well. Therefore, consumers that are addicted to them may be addicted for a longer period of time. This indicates that the effect of tax measures is not driven in the logical direction that it is supposed to be.

This tax policy has increased the cost of taxes for industrial operators. Many industrial operators have to take costs instead of customers by maintaining the same prices because industrial operators want their customers to consume the most natural products. Regarding the tax policy implemented on natural beverages such as fruit and vegetable juices, most of them are made from 100% fruit and vegetables. They contain only natural sugars and then they are taxed, while drinks that do not contain any beneficial nutrients, such as soft drinks with sugar substitutes, are not taxed. From the industrial operators' perspectives, this is unfair and contradicts the taxation for health goals because the tax policy seems to mainly contribute to government revenue.

In the future, such effects should be neutralized by changing some of the policy criteria. For example, in other countries, such as the UK, Singapore, and the Philippines, 100% fruit juices are exempt from taxation. Therefore, such beverages should not be taxed in Thailand either as they are beneficial to consumers' health. Industrial operators have been struggling about this on the behalf of Thai Beverage Industry Association.

Sweeteners that many industrial operators use widely as a substitute are caused by the taxation since industrial operators agree that, eventually, Thai consumers are still addicted to sweetness. Thais still choose to add a lot of sugar in their noodles, desserts,

and coffee anyway. Therefore, the objective is to alter people's behavior to eat fewer sweets. Other non-tax measures, then, need to be implemented at the same time. Currently, non-tax measures are still not seen to be effectively implemented. Instead, the tax on sugar content is not utilized to support public health funds like the tax on liquor and tobacco (Ekaphol Pongstaporn, personal communication, April 23, 2020).

#### **7.1.4 Balanced Diet and Regular Physical Activities**

The relevant sectors should promote a balanced diet, with food that contains all kinds of essential nutrients for health with enough quantity for growth and a happy life. This includes regular exercise as well as calories in, calories out rather than the sugar issue. Otherwise, the tax policy may not be effective. It is still not clear whether the results of the tax policy will directly benefit the public health or not, but it is collectively known that the government will definitely gain more income (Ekaphol Pongstaporn, personal communication, April 23, 2020).

Moreover, one possible way to promote a balanced diet and regular exercise of the Thai population is to collaborate with relevant sectors to promote a balanced diet education. Although the industry is not the main sector of education either inside or outside the school, the industry itself can contribute a part in driving balanced diet education programs, exemplified by the Federation of Thai Industries, which has supported the nutrition labeling education program through the cooperation of the Food and Drug Administration, the Thai Dietetic Association, and modern retail malls in order to educate consumers in the area of the retail mall on weekends all over the country. These budgets are also used to develop instruction manuals or reading nutrition labels, as well as the training "Train the Trainer" for those that are responsible for educating adolescents and the public regarding nutrition labeling (Wichai Kanlayanamete, personal communication, April 25, 2020).

#### **7.1.5 Cooperation to Deal with Conflicts**

The main obstacle to the excise tax collection policy process is partly caused by "misunderstanding." Nattakorn Utensut commented that in this bureaucratic system, people have their own perspectives. For example, officials from the Ministry of Public Health may think that the taxation is urgent with a high rate, but consumers cannot

change their habits due to such rapid change. People that are addicted to sweets will find other sweetened products outside the tax criteria, such as soft drinks or bubble tea in a street shop or a cart shop. This will then not sustainably solve the problem.

Measures that can change customers' perceptions must be possible with long term sustainability. The public health perspective mainly prioritizes the health of people while the Ministry of Finance prioritizes other environmental factors, such as socio-economic factors. Therefore, debate on the matter often takes place. In addition, this policy must be reviewed by a number of committees from many sectors. In the past, there was pressure from many parties concerning why the Excise Department had not yet implemented the taxation and why they did not do it at once? In order to succeed sustainably, it requires gradual study, not as an urgent law with unknown outcomes. Further, we cannot compare the tax on sweetened beverages to the tax on alcohol or cigarettes since sugar is still considered to be essential for the body. People must consume sugar at a body-required amount. Unlike sugar, alcohol and cigarettes are not necessary for the body at all; people can live without them (Nattakorn Utensut, personal communication, April 27, 2020).

From an industrial perspective, Wichai Kanlayanamatee commented that multilateral cooperation along with clear indicators of success can relieve conflicts. The beverage industry is just a group of stakeholders, and work undertaken by just a single sector cannot solve complex and multidimensional problems, such as obesity and NCDs. Cooperation should be formed by several sectors, especially the public health community and civil society in order to resolve such problems with constructive cooperation. However, concrete results are based on mutual respect. Indicators of success are needed not only in the industrial sector, but on the part of all parties. Such indicators require dedication to achieve the goal. Constant meetings and discussions are needed in order to assess the situation and to appropriately adjust the operational strategy (Wichai Kanlayanamatee, personal communication, April 25, 2020).

The executive of a beverage industry commented that right cooperation requires a win-win situation policy in order to solve problems. The government should give industrial operators at least two years to change product recipes to reduce the sugar content. An immediate announcement is unacceptable despite a low-rated tax. Due to a

change in the consumers' behavior toward the taste of beverages, it takes at least one to two years. Regarding an appropriate tax rate, it is believed that the current tax rate by the Ministry of Finance and Excise Department is too high. In other words, the rate is difficult for industrial operators to handle (Alias, "Industrial Operator C," personal communication, April 27, 2020).

#### **7.1.6 Adjustment of Product Recipes and New Alternative Product Development**

From a survey by the Department of Health on the sugar content in beverages sold in the market during the past three to four years by public health scholars, it was found that many beverages have sugar content higher than 6 grams per 100 milliliters. The operators do not have any incentives to add more sugar since sugar is a significant cost for all manufacturers. Therefore, reducing sugar means lowering costs, but each product development in the past was based on the taste and preferences of the consumers. As a result, high-sugar products have been successful in the market. It is confirmed that Thais love these products. The Thai Beverage Industry Association commented that industrial operators are going to invest in research and development to change their product recipes in order to reduce sugar and in order to promote a balanced diet, but the process will take time to prevent consumers from a sudden change in taste. Consumers might consume other brands of beverages or other sweetened beverages that are preferred. Therefore, product recipe adjustment will be wasted ("Sappe enhances new product line," 2018) (Wichai Kanlayanamete, personal communication, April 25, 2020).

In addition to product recipe adjustment by reducing sugar content according to the guidelines, industrial operators can also invent new products with less sugar content or sugar-free products to create alternatives for consumers, especially those that want to reduce their sugar consumption. In the past, several industrial operators have continued to produce these alternatives for the market for years. Such action requires more research and development investment in order to find solutions to the problem of excessive sugar consumption. However, the development of each product relies on research on consumers, laboratory product formulation, production plans, and distribution as well as sales promotions to promote the products for consumers to try

out. The process takes high investment and requires careful action since industrial operators cannot obtain any assistance or financial support from the government when encountering problems. This process also requires gradual action and cannot be accelerated ("The Ministry of Finance Will Adopt Tax," 2016; "Sugary Drink Tax Is Objected," 2016); (Wichai Kanlayanamete, personal communication, April 25, 2020).

#### **7.1.7 The Extension of Alternative Product Distribution**

The distribution of modified beverage products and new alternative products with low sugar or sugar-free products is still restricted in some areas. Such products can typically be bought only in urban areas since they are preferred by consumers on a regular basis, but are often difficult to find in the outskirts since there were not many consumers. As a result, suburban merchants with cash flows and limited customers sell only the main products. The quantity management of products is insufficient, especially for alternative products, which are slow moving. Entrepreneurs have to adjust themselves by using their own salespersons and distributors as well as trade marketing to incentivize merchants to stock such products more. If these stores are able to sell them steadily due to the increasing demand in the future, this will help stores stock more of these products. This will also provide opportunity for consumers in other market areas to have more choices to buy healthy beverages in the long term. Additionally, operators will have their own salespersons and distributors all over the country. Therefore, it is believed that these salespersons are considered to be an important means in driving and increasing the distribution of alternative products to consumers (Wichai Kanlayanamete, personal communication, April 25, 2020).

#### **7.1.8 Product Labeling Adjustment to Enhance Customers' Understanding**

Some industrial operators have commented that the implementation of the tax policy by the government to solve the problem before the non-tax policy results in the neglecting of non-tax policies. There are, however, only various policies in the form of public health that apply to industrial operators. These are obstacles and limitations in business operations. For example, the regulatory requirement of the Guideline Daily Amounts (GDA) labeling measure provides consumers with additional information on



the nutritional value that affects their health, displayed on the front of the packaging. In this way, consumers can easily comprehend the information. Industrial operators think that such a measure will not cause any changes in consumers' behavior. Non-tax measures that were previously agreed upon are not these kinds of compulsory measures, but measures for cooperation and voluntary efforts from industrial operators. These are considered to be more effective.

Moreover, product labels with clear information to allow consumers to choose a product that suits them is a measure that industrial operators can use. Further, the government may not need to enact laws. In the present, some industrial operators have already begun implementing these measures on a voluntary basis. The Thai Beverage Industry Association has persuaded all members to follow the product label in the same way or in the Guideline Daily Amounts that the FDA promotes. Consumers can then gain more benefits. These measures include such guidelines as well as consideration of the use of the "Healthier Logo" for products that meet the criteria of the FDA and the Institute of Nutrition, Mahidol University (Wichai Kanlayanametee, personal communication, April 25, 2020).

#### **7.1.9 Social Responsibility in Marketing**

Marketing activities are a key part of any competitive sector to offer consumers the highest quality products and services at the most reasonable prices. In the beverage industry, marketing activities allow consumers to obtain information about the products sold in the market as well as new products. Due to above activities, consumers can gain a lot of benefits. However, in the past, there were some beverage marketing activities. For instance, some brands of ready-to-drink tea drinks were involved with gambling with high prizes until such activities were considered to be gambling, which caused an artificial demand where consumers chose to buy a product only when they just wanted to win a high prize instead of buying the product ("The Food and Drug Administration Supports the Taxation," 2017; "National Reform Steering Assembly Agreed to Increase Tax," 2016).

In order solve such problems, industrial operators should take a stand to give support for responsible marketing for the society. A campaign within the beverage industry is required in order to get rid of artificial demand through high-value

sweepstakes activities. If the Ministry of Interior has the idea to modify the law to regulate these activities, the cooperation from industrial operators is needed to support measures that will be implemented as well as tax measures that have already been active. Moreover, industrial operators should be invited to join the working group in order to work on solving problems. Inclusive information from the industry is crucial as well.

#### **7.1.10 The Extension of Taxation to Cover All Types of Beverages**

As for the excise tax collection policy on sugar-containing beverages that has been driven into Excise Tax Act B.E. 2560, industrial operators commented that the tax policy is limited to specific group of beverages, but obesity is caused by excessive energy from all kinds of food and drinks. Therefore, the policy is unjust and cannot solve the problem completely since the industry has been affected by the policy, which is also a contributor to the policy. There are still many types of drinks with high sugar content, causing obesity and NCDs as well, but the Excise Department still does not tax them. In order to drive public policy to create appropriate consumption and to reduce the problem of consuming too much sugar, there must be justice and fairness in taxation. Therefore, the tax policy implemented should cover all types of products according to the criteria, such as beverages that are made for sale in restaurants and tea and coffee shops in order to ensure fairness to the beverage industry, and the implementation of the tax policy will be most effective as well. The policy is not just about encouraging the public to reduce the consumption of a particular product due to increasing prices from the tax burden, but instead the consumers consume other products without better nutritional value but that are only cheaper due to no tax burden. Therefore, the measures of price control of the Ministry of Commerce related to beverage products should be revised as well in both legal measures and measures for cooperation in order to provide the beverage industry with the freedom to set the prices of products and to pass on the tax burden collected to consumers through higher retail prices. This will be the policy implementation according to the objective of the tax policy ("Abolition of the Taxation," 2016; "The Ministry of Finance Is reluctant to Tax Sweetened Beverages," 2016).

### **7.1.11 Criteria of Sugar Content in Beverages**

Many industrial operators and beverage importers that have recently experienced the excise tax system do not have a basic understanding of sugar content measurements for tax calculation. This is new for those liable to taxation. When the exact amount of sugar in a drink is not known, the correct sugar content cannot be declared. This may result in a fine as the details are misleading. In addition, industrial operators and importers have asked the Excise Department to determine the error value of sugar checks for flexibility of the sugar content with a +/- or plus and minus.

From one of the interviews, an operator in the soft drink industry has provided a guideline indicating that the measurement of sugar content is still ineffective and needs greater improvement. For example, the error value needs to be set at +/- 10% since sugar content in a sealed container must change over time. When the staff comes to randomly check the products on the shelves, they may find that the sugar value does not match the value that once was measured. Therefore, the Excise Department should consider this matter as well.

According to the announcement of the Excise Department regarding the criteria, methods, and conditions for measuring sugar content in beverage products for calculating taxes, total sugar in the product will be measured, both natural sugar and added sugar in the production process. The measurement of the sugar content in beverage products cited from the measurement method according to A the OAC (Official Methods of Analysis of AOAC International) or equivalent methods certified by ISO/IEC 17025 in a total sugar test.

The measurement of sugar content in beverage products using the above methods can be conducted by sectors that the Excise Department has set up, namely Goods and Exhibits Analysis, the FDA, and government agencies or institutions certified by the FDA Food and Drug Administration for food analysis results in order to register food recipes or food label licensing. The analysis results of the sugar content in beverages obtained from these sectors can be used as criteria for the excise tax calculation.

However, Goods and Exhibits Analysis under the Excise Department has confirmed that the standardized mean was used in the measurement. If there is an error value, it may be a method of tax evasion for some industrial operators. Therefore, the

error value should not be promoted. Proposed by industrial operators and importers (information from a focus group of a seminar project for improvement, development and enhancement of excise tax collection and ease of doing business, about non-alcoholic beverage products on June 21, 2018 at Windsor Suites Hotel, Sukhumvit Road, Bangkok), further studies should be conducted on what the appropriate approach should be in order to achieve equilibrium opinions from the public and private sectors (Alias "Industrial Operator A", personal communication, April 21, 2020).

## **7.2 Strategies for Driving the Excise Tax Collection Policy on Sugar-Sweetened Beverages in Thailand**

From literature reviews, articles, news from various media, in-depth interviews with key informants, and a focus group to study the issue, the researcher would like to sum up seven strategies to successfully drive the excise tax collection policy on sugar-sweetened beverages as follows.

### **7.2.1 Dissemination of Correct Policy News for the Public to Understand by Using Various Media Effectively**

The government should employ strategies to promote policy news with effective media in order to obtain inclusive and up-to-date results than in the past in order to promote information on the excise tax collection policy on sugar-sweetened beverages. The people will be informed about the benefits from the implementation of the tax policy in addition to government revenues. At the same time, other information on the negative effects of this policy must be provided for transparency and truly all-round information. In the past, the government had very little channels with which to provide information about taxation policies to the people along with delays in providing information; thus, it was impossible to respond to information from the media that spread false news. Moreover, government delays in public relations through various media make it disadvantageous to public relations competition. As a result, the industrial sector, which is equipped with capital, resources, and efficiency in public relations of information that is faster and more modern could take over the media areas

to influence the public for spreading only one aspect of the negative information about the policy.

### **7.2.2 Support from Powerful Leaders and Decision-makers**

The prevention and solution of obesity and various NCDs must be cultivated in order to raise awareness among Thai people nationwide, as well as to build cooperation with international organizations. This is because the mentioned health problems arise as a common crisis for the entire population of the world. However, it will be difficult to prevent and resolve problems without the support of leaders and decision-makers at different levels, including national leaders, leaders at the central government level, regional leaders, and other key local leaders to support and collaborate with. Further, such cooperation is one of the key factors for successful implementation of policies since the policies related to the administration of excise tax collection would have an impact on the economy of the beverage industrial operators, both domestic producers and importers, who came together in the form of associations with high bargaining power. This is the reason why the policy of the excise tax on sugar-sweetened beverages in Thailand has taken more than a decade to implement. Powerful leaders and decision-makers can exercise legal authority to support the continual and effective movement of the policy. This is because they normally have the ability to motivate other stakeholders, both at the individual and corporate level, in order to recognize the importance of the policy and to be ready to cooperate and support driving the policy into action in order to achieve success.

### **7.2.3 Integrated Administration and Coordination**

When the excise tax collection policy on sugar-sweetened beverages in Thailand is supported by various leaders and organizational authorities, there should be policy administration and coordination in order to integrate the policy. The working groups consisting of relevant representatives from all sectors are considered to be members of the mechanism of organizational structure, administration, and coordination. This is to keep policies related to the collection of excise taxes from being driven solely by a central agency or at a certain level. The integrated administration and coordination at the central, regional, and local levels by the Excise Department have

taxation agencies located across all regions and areas of the country as the host to drive the policy. This will create flexibility in coordination with policies in the same direction at all levels and also will allow the flow of information to be streamlined, being able to push up operational barriers to policy levels. This allows policy actors to adapt their plans to the situation of the problem in a timely manner. Moreover, if the Excise Department works together with health sectors, educational sectors, and local government organizations at all levels, not only will tax measures for sugar-sweetened beverages be successful, but non-tax measures will also be driven to all levels of Thailand in order to inclusively prevent and resolve obesity and NCDs as a form of proactive measures.

#### **7.2.4 Meetings, Training, or Seminars on Ongoing Problems**

Working groups with the goal to drive this tax policy along with the health sector, the fiscal sector, the industrial sector, and other policy communities directly and indirectly related to policies should hold meetings, trainings, or seminars on problems regularly and continuously. These methods are useful in motivating personnel and agencies to drive and take responsibility for the policy to realize the status of the progress of the policy and to underscore the importance of the policy that must be jointly driven to achieve success. Trainings, meetings, or seminars by those involved in the implementation of the policy will integrate knowledge, ideas, and exchange perspective on the policy. This is considered to be an opportunity for important authorities at various levels related to the excise tax collection policy on sugar-sweetened beverages to share knowledge and to learn from each other. The consultation meetings between the practitioners and those that are responsible for the policy will build understanding and seek solutions to solve problems, including successful policy implementation.

#### **7.2.5 All-round Preparation of Relevant Operational Procedures**

From the literature reviews as well as the data collection from the focus group, and in-depth interviews with key informants related to the policy, it was found that since Excise Tax Act B.E. 2560 (2017) came into effect on September 16, 2017 until now, the Excise Department has not yet produced a clear written operating manual for

the administration of taxation of beverages in the form of a clear written operating manual. A good manual should be applicable to all policy stakeholders - executives, operators, and industry operators/importers - outlining the taxation procedures for those involved in these 3 groups of policies.

It was found that there were only laws of various permutations that were implemented continuously but were scattered and difficult to find. Additionally, the rules, practices, and procedures are issued in legal form, which is difficult to understand, especially for beverage industrial operators or importers as well as general people that are not working at operating levels. This is an obstacle to the work of both the authorities themselves to have to explain further for understanding and to impede industrial operators or importers who are unable to obtain appropriate references from the government sector. Therefore, the operating manual for SSB taxation administration should be developed and published in easily accessible channels; in particular, it can be downloaded from the main website of the Excise Department ([www.excise.go.th](http://www.excise.go.th)). Moreover, a good practice manual must be concise, clear, easy to understand, useful for performance, suitable for all user groups, and interesting, follow-up, and up-to-date.

#### **7.2.6 Tax Policy to Cover Other Types of Products**

Due to the highly competitive business of beverages and food since the past along with the innovation in beverage production and more modern food, there are new forms of beverage production and imports to be sold in the market with a variety of choices, while policies, legislation, and regulations related to the administration of the taxation on sugar-sweetened beverages, including various types of food from government agencies, may not keep pace with the industry. Therefore, it is undeniable that the taxation of beverages or even other different types of sugary foods, these days, has not been comprehensive. This is one of the most important reasons why today's taxed industrial operators and importers are concerned that the taxation is unfair. While they were taxed and contributed efforts to changing drink recipes along with research and the development of new products with serious marketing in order to survive, many beverage and food operators in various markets today have done nothing since they were excluded from the tax system. Examples of the types of beverages and food products with high sugar content where the researcher found that the MOF and the

Excise Department have not yet implemented the tax policy (information retrieved in April 2020) are as follows.

#### 1) Beverages

(1) Beverages that are brewed with added sugar, such as coffee, milk curd, soybean milk, various types of tea, including bubble milk tea both brewed and sold in shops, street vendors, flea markets, food trucks, etc.

(2) Dairy products, including cow's milk, drinking yogurt, and yogurt with added sugar

(3) Fruit juices, vegetable juices, herbal juices in sealed containers that are not produced from industrial factories sold on the roadside and at flea markets

#### 2) Food products

(1) Sweets and candies produced from factories such as chocolate, snacks, cookies, and jelly

(2) Different types of ice cream

(3) Syrup with artificial color and flavor used for cooking

Moreover, it must be considered that the potential effects of the tax on sugar-sweetened beverages might create disadvantages between taxed and non-taxed products. As a result, people might consume other products that are similar in taste and have the same negative effects. Therefore, the tax base should be expanded to cover all types of products with similar qualifications. In addition, the expansion of the tax base for sugary drinks and foods may need to amend the law by the MOF, the Excise Department, some departments under the MOPH, and the MOC in order to open the way and to reduce the limitations that are specified in many laws in order to be able to tax both beverages and sugary foods more inclusively.

Further, due to limitations, especially regarding frozen food, street food, packaged food, or desserts that do not have a clear standard of sugar content with a low rate of consumption compared to beverages produced from industrial factories, in the initial stages, different types of food should be modified by using non-tax measures to alter production and consumption behavior rather than using tax measures. In other words, tax measures implemented must be in line with the context of Thailand, and Thai consumers' values and culture. This also depends on the feasibility according to



the principle of cost-effectiveness and the principle of taxation ease. Therefore, it would be impossible to fully implement the theory of foreign countries as it would have to consider the various contexts mentioned above as well.

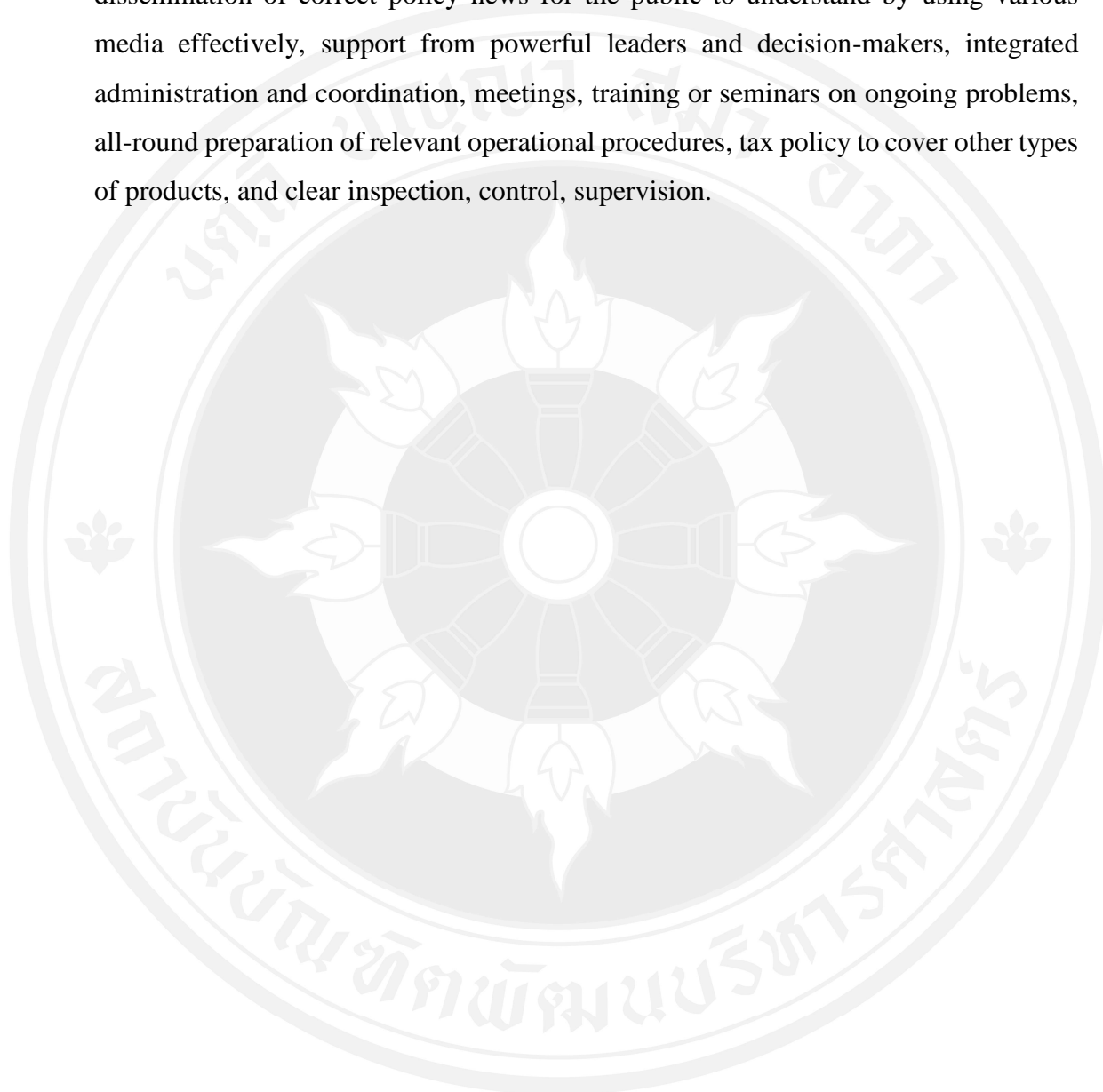
### **7.2.7 Clear Inspection, Control, Supervision, and Evaluation of the Policy**

Driving the excise tax collection policy on sugar-sweetened beverages requires an inspection to see whether the relevant departments of the policy have complied according to the objectives with a clear procedure from the beginning of the action. There must be three phases reported according to the taxation period and the filing and tax hike. The first phase was from September 16, 2017 to September 30, 2019.

The second phase was from October 1, 2019 to September 30, 2021, and the third phase was from October 1, 2021 to September 30, 2023. Policy outcomes will be reported to inform the public, such as the changes in the retail prices of beverages, the trend of consumption of sugary drinks, the proportion of sugar used in the beverage industry, the number of healthy drinks without sugar or no more than 6 grams of sugar per 100 milliliters, the number of beverage products where the sugar content exceeds the health standard or more than 6 grams per 100 milliliters, the number of patients and deaths from obesity and NCDs, the revenue from the excise tax collection on beverage products, etc. After that, the results of each periodic assessment should be used to improve the guidelines by organizational mechanisms at each level of responsibility to be in line with the working problems of each agency.

To sum up, from the study on the problems, obstacles, and solutions to the impacts of the excise tax collection policy on sugar-sweetened beverages in Thailand, it was found that, according to the attitudes of those involved in this policy, even if the problems of the public policy were clearly identified. Moreover, there are solutions to various problems that have been well studied and analyzed along with a flavor of political supports so that the tax measure could be practicable and expected to be successful in the context of Thailand. Nonetheless, there are still some problems and obstacles showing that some of the policy outcomes might not be successful as expected according to the objectives of the policy agenda. This could possibly affect the consideration of a policy change, whether the policy will continue to be implemented or not. Policy stakeholders have proposed solutions to the major impacts, and the

decision-makers or working groups involved in the policy can be used for policy reviews and response to the impacts in terms of principles, process, organization, and functional mechanisms. In terms of suitable strategies, there are seven key strategies to drive a successful policy that has been synthesized for the implementation: dissemination of correct policy news for the public to understand by using various media effectively, support from powerful leaders and decision-makers, integrated administration and coordination, meetings, training or seminars on ongoing problems, all-round preparation of relevant operational procedures, tax policy to cover other types of products, and clear inspection, control, supervision.



## **CHAPTER 8**

### **SUMMARY, DISCUSSION AND SUGGESTION**

The purpose of this research was to study and analyze the process of entering the policy agenda and the roles of stakeholders in policy-making and the process of formulating the excise tax collection policy on sugar-sweetened beverages in Thailand. Moreover, it aimed to investigate the problems and obstacles, as well as applicable solutions to the impacts of the collection of excise tax on sugar-sweetened beverages, and then, to offer several strategies to drive the excise tax collection policy on sugar-sweetened beverages in Thailand.

The summary and discussion of this research were based on the information, theories, and other related research findings, as well as the objectives of the study. The results of this research regarding the essence of the policy, contexts, and the development of policy advocacy, the process of entering the policy agenda, policy entrepreneurs, policy formulation, the attitudes of the anti-tax community and the pro-tax community, political contexts, problems and obstacles and related solutions, as well as policy-driven strategies will be compiled and explained, linked to the discussion in the next section. Furthermore, the suggestions for the use of the research results and suggestions for further research will be revealed at the end of this chapter.

#### **8.1 Summary**

After the review of the concepts, theories, literature, and related research, it has been found that no research has yet been conducted to study the Thai public policy process on the issue of excise tax levy on sugar-sweetened beverages through the application of different theoretical concepts. In addition, the concept of public policy formulation, the use of public policy models, namely the elite model and the group equilibrium model, and the advocacy coalition framework were adopted for study and analysis. There are also other ideas that the researcher has applied in order to answer the research questions and to conduct research in accordance with the objectives of this

research including public policy and the political regime, the roles of interest groups in the policy process, policy-driven strategies pushing for the taxation of sugar-sweetened beverages in different countries, and related research. Then various theories were applied to synthesize the theoretical conceptual framework used in this research in order to answer the research questions. The summary of this research is as follows.

### **8.1.1 The Essence of the Policy, Contexts, and the Development of Policy Advocacy**

8.1.1.1 The essence of excise tax collection policy on sugar-sweetened beverages

1) The excise tax collection policy for sugar-sweetened beverages has four key attributes that resulted in the need for policy advocacy. First, it is a public policy that is legitimate and can be implemented for the benefit of many people; if not intervened, it will have negative effects on public health, and then continuously damage the Thai economy and society. Secondly, this policy is a public policy that promotes sustainable public health financing in accordance with the national reform guidelines of the NCPO era. Thirdly, in order to make this policy come to pass, it required the participation of stakeholders from different sectors. This is because the concrete taxation concept or principle to be transformed into a beverage taxation policy, part of the participation had to be encouraged. Fourthly, it is a public policy that resulted from reasonable decisions with the aim of the best interests of society. The government therefore decided on this policy with the expected outcome of the benefit to society, the good health of the people, and government revenue that would be utilized in developing the country in the future.

2) The excise tax collection policy for sugary drinks is an intervention that had to be undertaken under various social contexts, which varied from time to time due to being both directly and indirectly influenced by the environment at that time consisting of the following: 1) the social context, which was made up of a variety of factors, which was dynamic or constantly changing, resulting in the need for government policy formulation to be consistent with the characteristics of that society; 2) economic contexts, that affected public policy with both direct and indirect impacts;

3) political and governmental contexts concerning the organizations that exercise power and rules and regulations in the exercise of executive power; and 4) the cultural context in relation to the trends in healthy consumption, which is a culture of food consumption in the present day.

#### 8.1.1.2 Policy Developments

Policy developments are divided into four main eras as follows.

1) The First Era: the development of policy formation (2002-2010)

The problems with the situation of being overweight, obese, and having NCDs were caused by the consumption of sugar more than the health standards indicate have occurred in Thailand for many decades with an increase of the prevalence of such diseases continuing to increase because of the habit of consuming excessive amounts of sugar for a long time, causing harm to physical health, including obesity, leading to other related diseases as well. Part of the cause of excessive sugar consumption comes from industrial food products, especially sugar-containing beverages. The crisis has raised international awareness to find preventive and corrective measures to mitigate the consequences. As a result, the WHO has recommended that member states formulate a policy to reduce sugar consumption, according to the guideline that no more than 6 teaspoons of sugar should be consumed per day in order to decrease the burden of disease and the economic loss from NCDs.

Enhancing the importance of the issue was initiated by partnerships in health networks, which played an important role in raising the awareness of Thai society regarding the crisis of overweight, obesity, and NCDs. The development of this era of policy is a movement through national and international campaigning and brainstorming to stimulate Thai and international society regarding the importance of the problem to gain and build cooperation with other agencies to find solutions to problems together. The measure that could be used to solve the problem in the early stage of policy development was only to propose a passive measure to change the consumer's behavior to reduce consumption of sweets. On the other hand, proactive measures such as tax and price measures to reduce the consumption of unhealthy food, as well as laws to restrict proper production and consumption, have yet to be pushed into place. The major obstacles to policy development were due to the fact that it was

beyond the powers of the host, which was the MOPH, and there was strong multi-party opposition and movement at that time.

The second National Health Assembly resolution in 2009 raised the bar on managing overweight and obesity to a national agenda. This created cooperation in advancing these policies among stakeholders from many sectors in Thai society. It was the development of the concept for solving health problems of the Thai population that has been well received. The concept has been raised from the past where most problem-solving measures were only passive and proactive ones. This was an era where the tax measures were among the measures that have been studied, analyzed, and ensured that they are a measure that can be effectively implemented with satisfactory results. However, the taxation policy was not driven as seriously by the government at the time. Thus, tax measures were just a concept that had to be changed to law in order to apply them. In addition, worse than that, the current against the idea has become stronger day after day.

2) The Second Era: the development after the coup by the National Council for Peace and Order (2014-2017)

After the National Council for Peace and Order seized the power to run the country from a democratically elected government on 22 May, 2014, the Thai political and governmental regime shifted into an era of military dictatorship, also known as “*ammatayathipatai*” or the bureaucratic polity. The NCSO (2014-2015) and NCSO (2015-2017) were established during this era serving as the Government's Advisory Council (2015-2017), and with the urgency of all-round reforms, the NCPO has made tax reforms one of the most urgent areas.

The revision of excise tax laws is one of the key tools implemented alongside the repulsion for excise taxation policies for sugar-sweetened beverages to the agenda in decision-making from the authorities. Moreover, the issue of public health reform in the area of health financing reform is also a key factor in driving tax measures. In this regard, the results of the study of the Public Health Reform Commission found that one of the most important reform plans was to propose a strategy for building fiscal sustainability. They had some guidelines to promote a tax rate increase on health-threatening products or food and beverages, along with the reform of the excise tax law that had not been revised since 1984. It was expected to

reduce the consumption of sugar-sweetened beverages in order to solve public health problems in the long term.

### 3) The Third Era: policy preparation and policy draft proposal (2016)

The third era of policy development began with the drafting of policies by the working group that drives necessary measures against health risks in the National Reform Steering Committee on Public Health and Environment Reform. The policy's essence was concerned with the prevention and control of food and nutritional health risk factors in the area of taxation of beverages containing sugar content exceeding the health standard. The committee then proposed a report to the NRSA, which had initial decision-making power by considering the essence of the policy, which was to propose the collection of excise taxes on beverages that exceed the specified sugar content. In this case, it was proposed to carry out taxation according to the concentration of the sugar content with more than 6 to 10 grams of sugar per 100 milliliters of beverage with a rate that increases the price of not less than 20% of the retail price.

The twentieth meeting of the NRSA on 20 April 26, 2016 approved the report of the Commission when the Office of the NRSA unanimously agreed to drive the reforms on this matter. Therefore, the report was submitted to the cabinet for consideration and assigned the responsible agency to proceed with the relevant areas. Nevertheless, this third era policy process was being driven by actors and policy entrepreneurs gathered as a working group, mainly represented by government agencies such as the Excise Department, the FPO, the FDA and public health academics as well as educators from various organizations that shared the same interests and objectives; thus, they desired to push the same public issue into the policy agenda. It had not yet appeared that representatives from the private sector or from the industry had formally participated in the coalition. Consequently, this issue later became a conflict between the policy community supporting the tax administration and the policy community against tax measures.

### 4) The Fourth Era: the three-sector policy network (2016-2017)

This is the era of policy development with cooperation in policy formulation by three policy-related sectors: the health sector, the financial sector, and

the industrial sector. The TBA, which represents the industry, called for fairness and negotiated with decision-makers, both regular government officials and politicians, to give industry opportunities to participate. As a result of the pretension, the tripartite whip (NCPO, NRSA, and NLA) ordered to postpone the taxation of sugar drinks indefinitely. This incident was a major motivator for a unification of the policy community; consequently, there was an integration of the three sectors into a single policy network. In addition, this shift in the form of a policy movement from a clear separation of interests to a coalition has helped mitigate the conflicts that have arisen between those opposing the policy and those that supported it.

After collaborating into policy networks, they have finally worked together in formal working groups of advocacy coalitions and pushed the policy in a constructive way under equilibrium adaptation until the Excise Tax Act 2017 came into effect on September 16, 2017, which is the first day that Thailand had adopted tax measures to effectively manage, prevent, and resolve public health problems.

The sugar-sweetened beverage tax was being implemented to prevent and to resolve public health problems in a concrete way after the tax measure had been driven into force by law for at least 15 years (2002-2017).

In the process of advancing the excise tax collection policy on sugar-sweetened beverages in Thailand, the development of the policy can be summarized in Table 8.1 as follows.

Table 8.1 Development of the Excise Tax Collection Policy on Sugar-Sweetened Beverages in Thailand between 2002 and 2017

<b>Development of Excise Tax Collection Policy on Sugar-Sweetened Beverages</b>	
<b>Timeline</b>	
<b>2002</b>	There was integration to initiate a policy under the name “Sweet Enough Network” (SEN), which was a joint concept in the form of several networks, organizations, and individuals joining forces to campaign for Thai children to reduce their consumption of sweetness to fit their needs.



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<b>Timeline</b>	<b>Development of Excise Tax Collection Policy on Sugar-Sweetened Beverages</b>
<b>2004</b>	The SEN launched a policy to remove sugar from milk powder successfully so that babies can eat sugar-free supplements up to 18 months of age with the message, no added sugar in milk powder for babies.
<b>2005</b>	The SEN found data from the Office of the Cane and Sugar Board, and the data were then used for management and analysis to look at various aspects and issues. It was revealed that the main problems of consuming sweetness came from beverages.
<b>2006</b>	An NGO "Network of Fatless Belly Thais" was established to set up guidelines and measures as well as various activities to promote and support the control of obesity and metabolic syndrome.
<b>2008</b>	The SEN began a campaign for schools without carbonated soft drinks, which is a policy-driven process through the Ministry of Education. The campaign began with the network that conducted a study and found that if the soft drinks were removed from schools, it would actually make children reduce their consumption.
<b>2009</b>	The Second National Health Assembly resolution elevated the management of overweight and obesity to a national agenda.
<b>2010</b>	A subcommittee was appointed to drive the National Health Assembly resolution on the drafting of an action plan on the problem of overweight and obesity, as well as appointed a working group for drafting an action plan.

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<b>Timeline</b>	<b>Development of Excise Tax Collection Policy on Sugar-Sweetened Beverages</b>
<b>2011</b>	There was a public hearing forum on "Pushing for Tax Measures on Food" with the main objective of opening a forum for opinions among stakeholders from various sectors, including the government sector, the private sector, and the general public. Several parties had jointly studied the feasibility of pushing food tax measures to help tackle overweight and obesity.
<b>2012</b>	<ul style="list-style-type: none"><li>- The WHO recommended governments around the world to adopt food tax measures to control NCDs. It was suggested that tax increases on beverages that have a negative impact on health is a measure that is effective and cost-effective (best-buy intervention). The SEN proposed to adjust the tax system to be correct because Thai people were found to consume three times more sugar than the WHO's recommendation, and the main food sources that provide sugar were beverages.</li><li>- On July 3, 2012, the TBA issued a formal objection by issuing a letter explaining the news from the WHO on soft drink taxation.</li></ul>
<b>2014</b>	<ul style="list-style-type: none"><li>- Another important discussion was mobilized: the "Tax Increase for Sugar-sweetened Beverages" at the Health Learning Center Thailand Health Promotion Foundation on February 11, 2014.</li><li>- There was a military coup seizing power by the National Council for Peace and Order (NCPO) on 22 May, 2014.</li><li>- On August 1, 2014, the MOF proposed a whole tax structure reform plan, which was a plan to collect multiple taxes for the NCPO to consider. One of those plans was the tax restructuring in section 2, creating fairness, promoting health, and developing the environment, where the reforms in this category were proposed by the MOF—a tax on beverages that are unhealthy.</li></ul>

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<b>Timeline</b>	<b>Development of Excise Tax Collection Policy on Sugar-Sweetened Beverages</b>
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**2015** Public Health Reform Commission, the National Reform Council studied the reform guidelines according to the reform agenda 24, which was the reform of the health management and financial systems, and prepared a report on the proposed taxation on sugar-sweetened beverages, which contains a summary of the report to the NRC.

**2016** - The MOF went on to design a taxation policy to prepare a tax on sugary and health-damaging beverages. The Excise Department was assigned to prepare a plan to increase income over the next five years by planning with the FPO to present to the Minister of Finance for consideration.

- The National Reform Steering Committee on Public Health and Environment Reform prepared a report on "Prevention and Control of Health Risk Factors in Food and Nutrition in the Issue of Taxation of Beverages Containing Sugar Content above the Health Standard". The report was presented to the NRSA, where the meeting approved the report and agreed to the relevant authorities to adopt tax measures.

- After the resolution of the NRSA, the TBA met with the Minister of Finance to clarify that the information that the NRSA received was negative. There are other ways to make Thais consume less sugar.

- The tripartite whip (NCPO, NRSA, and NLA) ordered to postpone the taxation on sugary drinks indefinitely. Then, they suggested the relevant departments return to all-around and comprehensive studies.

**2017** - The Excise Act, B.E. 2560 was announced in the royal gazette on 20 March, 2017 after the act of the law within 180 days began on 16 September, 2017.

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<b>Timeline</b>	<b>Development of Excise Tax Collection Policy on Sugar-Sweetened Beverages</b>
	<p>- On September 16, 2017, Excise Tax Act B.E. 2560 came into force for the first day with the announcement of the excise tax rate was levied on sugar-sweetened beverages.</p>

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### **8.1.2 The Policy Agenda Setting**

As stated earlier, the factors leading to pushing the problem of health issues caused by consuming too many sugar-sweetened beverages into the policy agenda consist of three major streams: the problem stream, the policy stream, and the political stream, as follows.

#### **8.1.2.1 Problem stream**

The conditions in which the situation of overweight, obesity, and NCDs, as well as their socio-economic consequences were recognized by decision-makers as critical issues, need to be changed. There are three mechanisms for determining decision-makers' attention, including indicators, focusing events, and feedback. The problem stream of the entry into the agenda for the excise tax collection policy on sugar-sweetened beverages in Thailand can be shown in Figure 8.1.

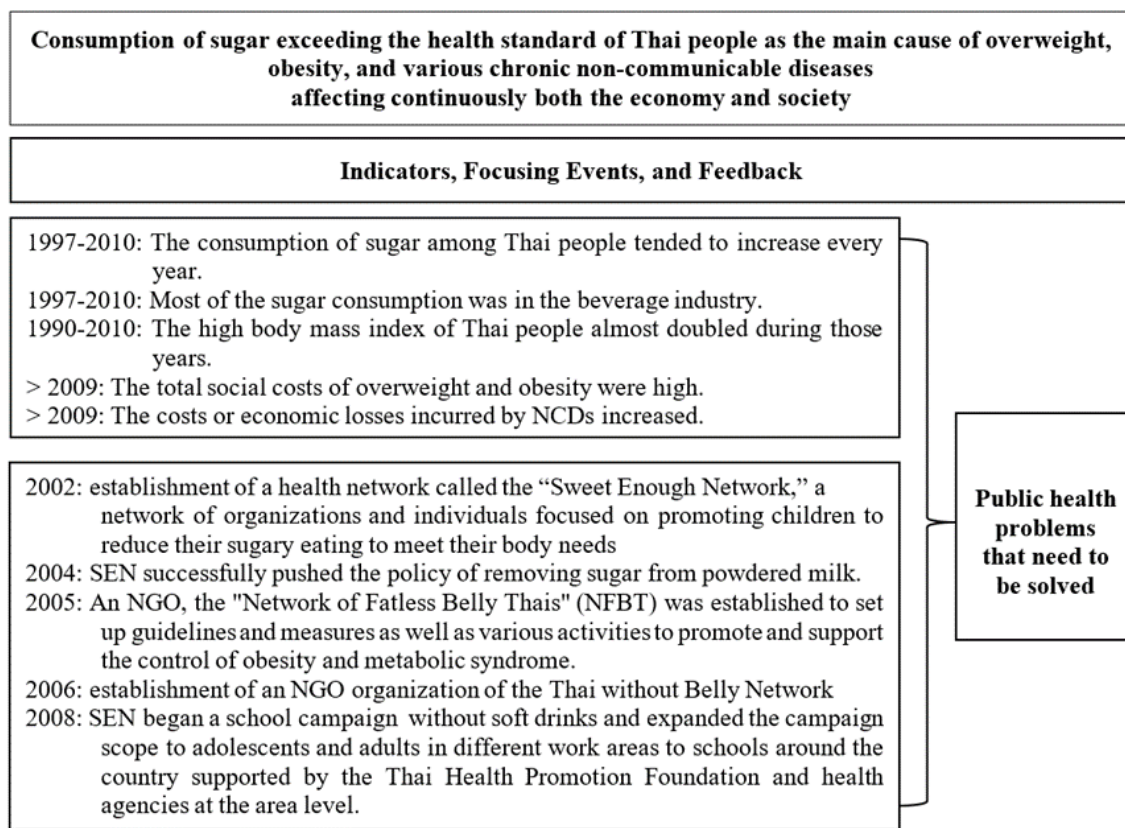


Figure 8.1 Problem Stream of the Excise Tax Collection Policy on SSBs in Thailand

#### 8.1.2.2 Policy stream

The policy stream is the need to solve the problem of overweight, obesity, and NCDs. Policy solutions whirled around in a policy primeval soup (Kingdon, 2003, p. 116), which, at some point, the ideas of how to address such health problems of Thai people settled in the bottom of the pot waiting for help melting the soup. The solutions for the prevention of NCDs resulting from excessive consumption of sugar-sweetened beverages were proposed by a few policy actors, then reconsidered and modified by a large number of participants. The helper to accelerate the reaction was a broad range of ideas, suggestions, or policies among policy community experts that shared a common interest in the same policy. The experts were actors from various agencies involved with policy that participated in helping to tackle the problem of reducing consumption of sugar-sweetened beverages by adopting tax measures. The policy idea that had been raised in the process of agenda setting for the excise tax

collection policy for sugar-sweetened beverages depended on four key elements: value acceptability, technical feasibility, network integration, and policy community.

The policy stream of the excise tax collection policy for sugar-sweetened beverages in Thailand is shown in Figure 8.2.

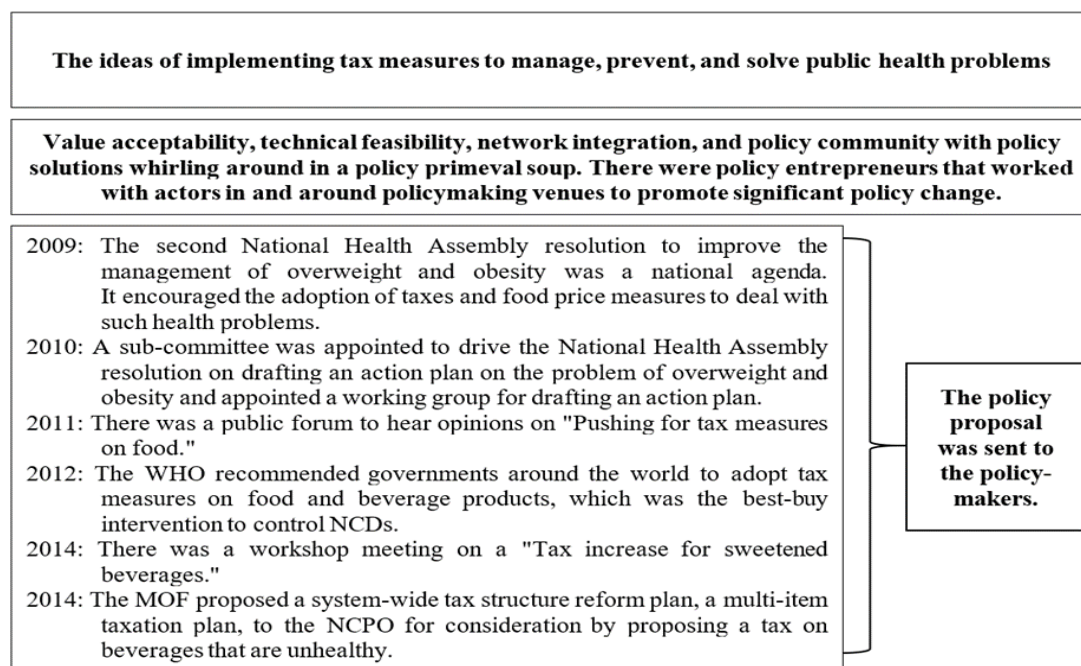


Figure 8.2 Policy Stream of the Excise Tax Collection Policy on SSBs in Thailand

### 8.1.2.3 Political stream

In the process to push the policy agenda, the political stream was the stream directed by the government or politics, with issues that should be solved: prevention and control of food and nutritional health risk factors in the issue of taxation on beverages containing sugar exceeding the health standard. Policy problems were established as a result of the interaction of important forces in society, including the national mood and political and governmental transitions. In addition, it was the stream of the situation that created the momentum necessary to place an issue on the public policy agenda, to transfer it from the "government agenda" to the "decision agenda," and to lead the government finally to change public policy.

The political stream of the excise tax collection policy for sugar-sweetened beverages in Thailand is shown in Figure 8.3.

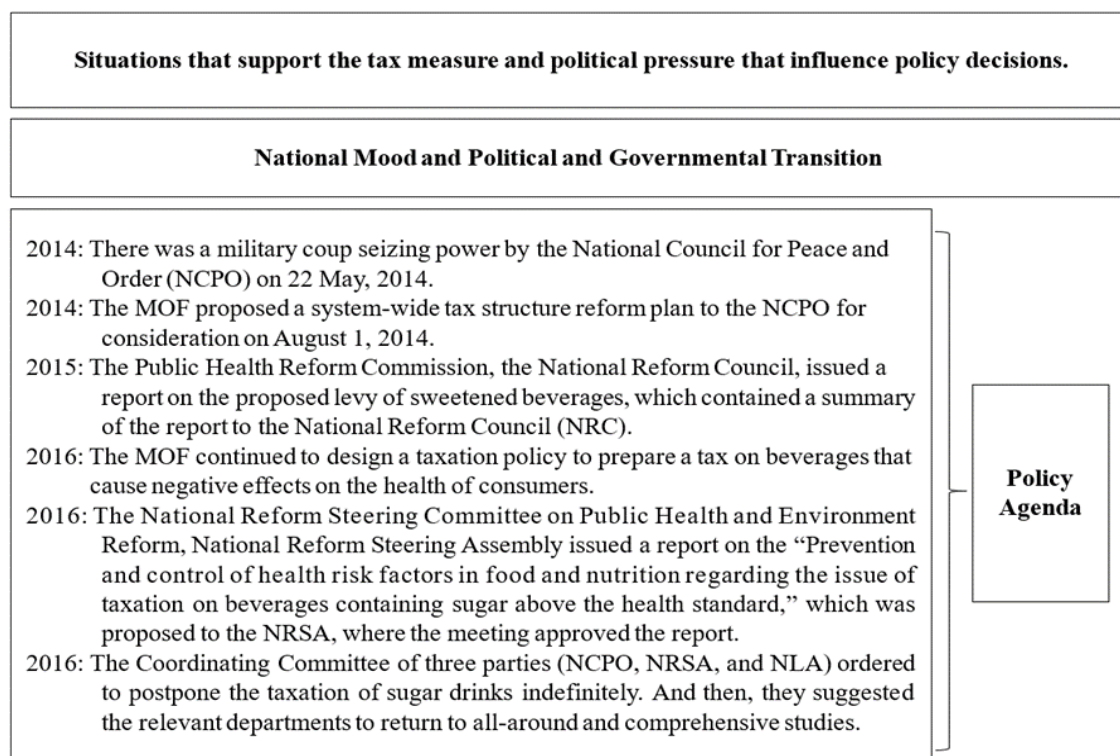


Figure 8.3 Political Stream of the Excise Tax Collection Policy on SSBs in Thailand

### 8.1.3 The Policy Entrepreneurs

In pushing the policy of collecting excise taxes on sugary drinks as a policy agenda, ideas, theories, experiences or recommendations from policy stakeholders, both in the policy communities and at the public level that have a broader scope (larger publics), inevitably had diversity. Each party wanted its ideas to be accepted and rejected too much change. This can be compared with the soup bottom of a pot (primeval soup) waiting for policy entrepreneurs from different sectors involved in the policy agenda setting to help soften up the soup to be ready to eat. Those policy entrepreneurs were the advocates of decision-making or policy change. Therefore, when the policy window opened, policymakers from each sector immediately took that opportunity to coordinate the problem stream, the policy stream, and the political stream and ultimately drove the policy decisions. In this policy process, the political stream was the political and governmental transition in 2014, which served as a major stream that supported the problem stream related to the morbidity and mortality of the Thai population from the consumption of sugar exceeding the standard, as well as the

connected impact on the society and economy of the country. Meanwhile, the policy stream was the preparation of tax measures to solve the problem, where an alternative solution to the problem had already been studied and was ready to be adopted.

Political and governing changes in the political stream were therefore an important opportunity for the further pushing of sugar-sweetened beverage tax policy. In this regard, if the opportunity was passed, it would have to wait a long time until the components were obtained with all appropriate conditions were met again. In the context of Thailand, it required policy entrepreneurs that were the key players from the fiscal sector, the health sector, as well as the NRSA in the implementation of the concept of taxation continuously and were ready to act as coordinators among other groups of policy entrepreneurs to bring issues and policy solutions into the policy agenda of the government.

#### **8.1.4 Policy Formulation**

##### **8.1.4.1 Actors involved in policy formulation**

The various agencies that played the role of actors involved in the formulation of the excise tax collection policy for sugar-sweetened beverages of Thailand consist of government agencies under three of the foremost ministries: the MOPH, MOF, and MOC, for a total of nine organizations. There were also actors from five organizations in the industrial sector as well as academics and government officials from related agencies that were formally involved in leading the policy into practice. For a list of the agencies that jointly formulated the policy, they consisted of the following agencies.

##### **1) Agencies under the Ministry of Public Health**

(1) Bureau of Dental Health and Bureau of Nutrition  
under the Department of Health

(2) Food and Nutrition Policy Office, International  
Health Policy Program

(3) Food Division, Food and Drug Administration

##### **2) Agencies under the Ministry of Finance**

(1) Bureau of Tax Policy, Fiscal Policy Office

(2) Bureau of Tax Planning, Excise Department



(3) Bureau of Legal Affairs, Excise Department

(4) Bureau of Tax Collection Standards and Development 1, Excise Department

3) Agencies under the Ministry of Commerce included Price and Quantity Administration Bureau, Department of Internal Trade

4) Agencies from industrial sectors

(1) Thai Beverage Industry Association

(2) Three Sugar Factory Association

(3) Thai Dairy Industries Association

(4) Dairy and Foods Industry Association

(5) Sugarcane Farmer Organization

#### 8.1.4.2 Hidden Participants

The supporting actors in the background consisted of full-time government officials from various departments as follows:

1) Excise Tax Policy Division, Bureau of Tax Policy, Fiscal Policy Office

2) Tax Structure Development Division, Bureau of Tax Planning, Excise Department

3) Tax Collection Standards and Development 3 Division Bureau of Tax Collection Standards and Development 1, Excise Department

4) Law and Regulation Division, Bureau of Legal Affairs, Excise Department

5) Analysis 3 Division (Beverage Products), Goods and Exhibits Analysis Group, Excise Department

### **8.1.5 Attitudes Related to Policy Formulation and Taxation in the Context of Thailand**

In the process of policy formulation regarding Thailand's excise tax on sugary beverages, there were some controversial attitudes between two parties, including the party that supported the taxation policy (pro-tax community) and the party that opposed it (anti-tax community). A summary of the controversial issues regarding policy formulation is described in greater detail in Table 8.2.

Table 8.2 Summary of the Controversial Issues Regarding Policy Formulation

<b>Controversial Issues</b>	<b>Anti-Tax Community</b>	<b>Pro-Tax Community</b>
<b>1. Taxing sweetened beverages based on sugar content will reject the principle of fairness in taxation.</b>	Taxation by choosing to collect tax only on beverages is discriminatory and causes injustice. There is a question of why the Excise Department has not yet levied a tax on many types of beverages (non-industrial beverages) and other types of food, which contain high amounts of sugar, including savory foods, sweet foods, and some types of brewed beverages that can have as much sugar.	Excise tax is a tax used for the collection of certain special products. It is not a common commodity which is subject to the possibility of taxation. Moreover, most importantly, there must be a law that is applicable to collect the tax from each type of goods.
<b>2. The SSB tax will impede competition in business, and violate the consumer's right to choose.</b>	There are concerns that the SSB tax will affect business competition and violate the right to choose to buy products for the satisfaction of consumers. There are many other ways to tackle public health problems; thus, there is no need for tax measures.	It is imperative to implement tax measures to prevent manufacturers from taking advantage of consumers and to protect them from becoming a victim of marketing so that they do not have to be at risk of subsequent health problems.

<b>Controversial Issues</b>	<b>Anti-Tax Community</b>	<b>Pro-Tax Community</b>
<b>3. The SSB tax will affect the economy in many ways.</b>	The taxation policy will have a negative impact on the overall economy of the country by affecting employment in the beverage and related industries, losses of small and medium-sized enterprises, and hinder entering the business of new industrial operators. In addition, the tax burden will result in the relocation of production bases to other non-taxable countries.	It is not yet clear that the experience from countries adopting tax measures will have a negative impact on their overall economy. On the other hand, there is strong evidence that if sugary drinks are not taxed, the morbidity and mortality from obesity and NCDs will continue to rise. It will finally affect the increase in the economic and social costs that are spent on solving those problem
<b>4. The exact purpose of implementing the tax measure remains questionable.</b>	The adoption of tax measures is an imprecise solution, and the government may actually have the reason to want more income rather than the reason for the well-being of the people. Moreover, the government does not allow the private sector to participate in policy-making. Solving the problem by making a policy like this is an act of unrighteous power.	Necessarily, the government must formulate and implement a SSB tax for the good health of the people, to prevent the increase of morbidity and mortality, and to address the problems resulting from the consumption of sugar exceeding the health standard. When people are healthy, the country will not incur as many public health

<b>Controversial Issues</b>	<b>Anti-Tax Community</b>	<b>Pro-Tax Community</b>
		expenditures as was done before. Therefore, the benefits derived from the increased income will be utilized for the development of related parts of the country in the future.

#### **8.1.6 Political Context Affecting the Process of Policy Formulation**

The policy formulation of the excise tax collection policy for sugary drinks in Thailand in the early years, or since after the coup took political power and control of the country's administration by the NCPO in 2014 until the NRSA passed a resolution approving the relevant agencies to adopt tax measures in 2016, can be described by the elite model. The policy of the collection of excise tax on sugar-sweetened beverages was determined by the elite, who were a minority in Thai society. During the process of setting up the policy, the Thai political system at that time was under the power of the junta, led by the NCPO, in the form of a bureaucratic polity political regime, which was a limited political pluralism. In other words, in the policy-making process, most policymakers were drawn from a policy community that only requires specialized expertise and did not allow the private sector to be formally involved.

Nonetheless, later in 2016, it was found that cooperation equilibrium was another key factor that influenced the policy formulation process in the second era or since the NRSA approved the relevant authorities to adopt tax measures to collect the tax from sugar-sweetened beverage products on April 26, 2016. A model of public policy that could be used to describe the policy-making process at that time is the group equilibrium model, as discussed earlier, which describes the concept of a competitive struggle between groups in society in order to be able to influence and participate in policy formulation. Managing conflicts between groups could be achieved through compromising and balancing interests. In the policy-making process, interest groups

can be divided into two main groups, namely the policy networks that desired tax measures to be implemented and the interest groups that disagreed with the tax measures, which were primarily from the industry sector, which meanwhile was represented by the TBA.

Although the policy-making in this era provided more opportunities for industry participation and was able to reduce conflicts of ideas and practices between the two coalitions, there were still some issues that industrial operators could not justify or use various academic principles to negotiate or convince the public sector to follow all of their expected approaches. As a result, there were some important points of discussion that the industrial sector struggled to require for the government to make decisions in the direction of their respective groups. Nonetheless, in the end, the explicit policy decisions were made in different ways than they expected and were not the result of collective bargaining in society.

#### **8.1.7 Policy Change According to the Alliance Network Concept**

The phenomenon of the policy change for the collection of excise tax on sugary beverages, one of the main causes of the detrimental effects on the health of the Thai population, was due to the participation in the advocacy and negotiation process of the policy partners via some policy brokers and changes or interventions by external factors. The policy subsystem consists of policy participants from five advocacy coalitions: a network under the MOPH, a network under the MOF, a network under the MOC, a network from relevant industrial, and a network of hidden participants. These advocacy coalitions had been involved in mobilizing ideas for advocacy in the form of working groups with two policy brokers from the FPO, which acted as the coordinating central agency to achieve synergies between coalitions and to prevent or mitigate conflicts. The advocacy coalition that influenced the policy change for sugar-sweetened beverage taxation policy was divided into of two main working groups: the working group to study approaches to reducing the consumption of sweetened beverages and the sub-working group to study the formulation of the excise tax collection policy on sweetened beverages.

There were two relatively stable external factors that may have had little influence on policy change but that can be used as a framework for policy-making:

a consistent understanding of the advocacy coalition on the basis of the problem arising and the appropriate solution to it; and the foundations of social and cultural values and social structure related to lifestyle and the culture of the daily consumption of sugar among the Thai population. In addition, there were some external dynamic factors from external system events affecting policy changes. These factors can be changed over time and cause more obvious policy and behavioral modifications. The key external factors that influenced excise tax collection policy on sugar-sweetened beverages included changes in socioeconomic conditions and changes in public opinion.

From the advocacy coalition being involved in the policy-making process, the policy actors from different sectors could express their opinions, share their group's attitude and beliefs, as well as coordinate among themselves in a functional way in order to advocate specific issues to the government and to influence the decision-making process. According to the policy core belief, there was both a coalition that supported taxation policies and a coalition that opposed such policies. Nevertheless, collaborating in the form of policy partnerships in the subsystem with the policy broker as co-ordinates contributed to the sharing of beliefs and customs that each group as good at and reducing conflicts among the working groups. Collaborating to drive policy by the actors from relevant sectors, therefore, created synergies with the same interpretation of the issue on policy-related critical subjects. Policy partners cooperated and coordinated with each other to investigate alternatives and solutions to the group's common problems and ultimately leading to policy changes under a common belief system and goals. A consensus, which was a general agreement within the working group, was sought in order to obtain feedback from both the pro-tax and anti-tax groups. In the process of the interaction in the advocacy coalition, although the consensus was not unanimous, there were only a few explicit points of objection from the coalition that opposed the tax measure. Thus, a resolution could finally be reached to make a policy change.

When analyzing the policy change by applying a combination of the multiple stream framework and the advocacy coalition framework, it can be explained that the administrative turnover from the NCPO coup on May 22, 2014 and later obtaining a provisional government with General Prayut Chan-o-cha as prime minister was a good opportunity for the policy alliance network, which was supporting the tax measure

(Coalition A). This is because they had expected that the new government would have a different view and direction from the previous government on the problem stream concerning the prevention and control of food and nutritional health risk factors or the policy stream concerning the taxation on sugary beverages that exceed the health standard. The policy agenda, ideas, and alternatives for solving problems therefore became a matter that had to be reconsidered by the decision-makers performing under the NCPO's administration because the policy window had already been opened after the political and governmental change. This created an appropriate occasion for the policy partner network to push forward the excise tax collection policy on sugar-sweetened beverages, along with the emerging excise tax reform. Thus, the NRSA passed a resolution to approve related agencies to jointly implement the prevention and control of food and nutritional health risk factors on the issue of the taxation of beverages containing sugar exceeding the health standard. The study of tax measures was then proposed to the cabinet for further consideration.

However, after the approval of the NRSA regarding the fiscal measure on sugar-sweetened beverages, there were policy impacts in the process of advocating the policy and drafting a new excise tax bill when the industrial sector, a major interest group that did not agree with the taxation policy (Coalition B) had announced that it was against the adoption of tax measures and demanded that the government allow industrial operators and related members of the private sector to participate in policy-making as well. Consequently, the government had to set up a working group to create a network for collaboration between representatives of the network from the government, industry, and related persons from various agencies in order to monitor and solve common problems together. Such a policy network was in the form of an advocacy coalition with working group members from virtually all sectors, both Coalition A and Coalition B, with two representatives from the FPO as the main policy brokers.

#### **8.1.8 Obstacles and Solutions to the Impacts from the Excise Tax Collection Policy on Sugar-Sweetened Beverages**

The problems, obstacles, and solutions to the impacts of the collection of excise tax on sugar-sweetened beverages in the attitude of the policy stakeholders are as follows.

1) More non-tax measures should be promoted to be a key approach in preventing and solving public health problems. The tax measure should be a minor measure as a more proactive measure.

2) There should be more channels for public relations, and the promotion of healthy products that have been formulated and lowered in sugar. This would be done by categorizing the product distribution to make it easier for consumers to access and purchase these types of products.

3) The use of artificial sweeteners should be controlled at an appropriate amount. Moreover, the government should reduce restrictions on the taxation of natural sugary beverages and fruits and vegetables.

4) The government should encourage consumer monitoring of nutrient balances and organize time for regular physical activity rather than intentionally taxing the sugar content of beverages alone.

5) A well-organized collaboration should be promoted in order to reduce conflicts of ideas and practices between advocacy coalitions and sectors in the policy network.

6) The issue of adjustment timing for industrial operators should be considered using tax flexibility principles. This good taxation principle has to be applied to easily reflect changes in the country's economic conditions or changes to the economic condition of taxpayers themselves.

7) A wider distribution of low-sugar or sugar-free alternatives should be expanded so that all groups of healthy drink products can be distributed widely in the city and outside the city nationwide.

8) In implementing non-tax measures to support solutions, it should be a form of incentives for cooperation rather than compulsion. This approach is likely to be more efficient and result in easier behavioral adjustments in production than the forced and controlled approach.

9) There should be insignificant socially responsible marketing and campaigning within the beverage industry to not support the creation of artificial demand through high-value prize sweepstakes.



10) Taxation should cover virtually all beverages, and not be limited to specific product groups. This is to create fairness in business operations and to be able to solve problems in a precise and comprehensive manner.

11) Relevant government agencies should accelerate the understanding of the standards used to measure the amount of sugar in taxed sugar-sweetened beverages that are not yet clear. This is to allow industrial operators and importers that have recently entered the excise tax system to understand and apply them properly.

### **8.1.9 Strategies for Driving the Excise Tax Collection Policy on Sugar-Sweetened Beverages in Thailand**

Appropriate strategies for driving the excise tax collection policy for sugar-sweetened beverages in Thailand were analyzed and synthesized by researching documents on issues related to strategies for driving public policy as well as in-depth interviews with key informants and by holding a focus group discussion. The results of this part of the present study showed that in order to drive a successful excise tax collection policy for sugar-sweetened beverages, it requires seven strategies, which are summarized as follows:

1) Strategies for disseminating accurate information about the policy for the public to understand by using various media effectively

2) Strategies to seek support from strong leaders and decision-makers to enable continuous and effective policy driven under applicable laws in all departments

3) Integrated management and coordination strategies for organizing, administering, and coordinating taxation policy to participate in cascading from national to local levels. Such operational management should be carried out by a working group consisting of relevant representatives from all sectors to serve as committee members of the mechanisms of the organizational structure, management, and coordination at each level.

4) Strategies for meetings, training, or seminars on ongoing issues by various working groups working together to advance this taxation policy. This is to incentivize personnel and departments to drive and take responsibility for the policy to recognize the status of the progress of the policy and to underscore the importance of the policy that must be jointly driven in order to achieve success.

5) Strategic use of manual documentation by establishing an operational manual related to the administration of the taxation on sugary beverages in the form of a clear, comprehensively written operating manual for the policy stakeholders such as executives, practitioners, industrial operators, and importers. Moreover, effective information should cover administrative procedures and taxation for those involved in the policy.

6) A strategy to expand the tax base to new manufacturers and importers of a wider range of products in the market by enacting laws and regulations related to the administration of the taxation of beverages and various foods that contain sugar. This is to achieve fairness in the business operations of the private sector and to enable a source of income for the government sector to be used for further development of the country.

7) Clear strategies for monitoring, controlling, supervising, and evaluating policies should also be considered. In driving a good policy, there is a need to examine whether the agencies involved in the policy are performing properly according to their objectives. Good policy drives should be systematically established from the start of the action, implementation of the policy, and the results of the policy should be reported as the public needs to know. Then, the results of each periodic assessment can be used to improve the guidelines by organizational mechanisms at each level of responsibility to be in line with the problems in the work of each agency.

## **8.2 Discussion of Research Findings**

After summarizing all of the above findings, this section is a discussion of the findings, which are detailed below.

The findings from the study of the problem stream show that the process of entering the policy agenda was begun from the problem stream to the other streams, which means beginning with the problem to the search for solutions to problems. In line with the MSF concept, the public health problems arising as a result of the consumption of sugary drinks above the health standard were a public and governmental concern. It is expected that appropriate measures will be adopted, eventually enforced by law. The problem, therefore, is critical enough and it must be

urgently solved (Kingdon, 2003). The problems that led to the entry into the policy agenda were the reason that Thai people's sweet consumption behavior caused a habit of consuming sugar exceeding the daily health standard, particularly the consumption of sugar-containing beverages produced from industrial plants at an amount of more than six grams per 100 milliliters; and most importantly, this problem is one of the main causes of the obesity crisis and NCDs, leading to enormous economic and social costs. This is in line with research by Waranyoo Senasu (2016) and Watunyu Jaiborisudhi (2019), which found that the problem stream that has pushed Thailand's major public policies is due to awareness of critical-level issues that need to be reformed. In this regard, advocating for a policy requires the participation of the people in both the dimensions of submission a petition for introducing the law and forming a group of coalition.

In addition, the wide-impact nationally critical issues normally have indicators of impacts, focusing events and feedback that make them be considered in the policy agenda. This is consistent with the findings of Pornchai Pan-On (2016), where it is indicated that laws are also an important factor in determining public policy. If Thailand has not yet had a law that can be applied to solve various problems for its people, it is difficult for the crisis to be eliminated in society as advocacy always encounters obstacles. Further, the departments responsible for solving the problem themselves are unable to perform their duties fully due to their limited jurisdiction. For example, in this research, it was found that the performance of public health agencies could not go beyond their jurisdiction by enacting a taxation law on sugary drinks because that mission belongs to the Excise Department. Moreover, the Excise Department itself was unable to cover taxes on food and dairy products with added sugar because at that time, excise law did not provide for tax collection in that manner. Nevertheless, if the actual tax is aimed to be collected, it is necessary to amend the law on the definition of those beverages first, as it belongs to the law legislated by the MOPH, and therefore, the MOPH must be the main host for the amendment.

For the problem stream related to the Mexican sugar taxation policy, from the study of Lutzenkirchen (2018), the results of the study were found to be in line with those of Thailand. There was also a number of contexts that facilitate the development of Mexico's tax measures, such as the aims of the new government to obtain additional

sources of income for the government, an increasing awareness on the part of the public and the government concerning the dangers of sugar-containing beverages, as well as the deadly NCDs among the Mexican population at that time. This is also the same as the findings of Buckton et al. (2018), who studied the policy of such taxation in the United Kingdom. The sugar-sweetened beverage tax was seen as a favorable policy to solve the fiscal problem in order to control the consumption of sugar and the consumption of sugar-containing beverages. This is because the consumption of sugar and sugary drinks posed a risk to public health, while the industry disagreed and viewed that it was actually caused mainly by the country's public health problems. This problem had become a crisis that garnered the attention of the public and the government was called on to urgently perform action and to find solutions. One of the most important tools that was selected was the implementation of tax measures.

For advocating this policy, which is a public policy that is considered in the best interests of society, the actors involved in the policy issue had formed a strong and closely coordinated network of health policy for a long time. Originally, the partnership in the health network was formed by the union of people in policy communities that shared civic consciousness together in a civil society form, working under a management system that created the concept "learn together" in order to help prevent and tackle the problem of consuming sugar drinks that exceed the health standard among the Thai population. In order to confront the obstacles and resistance, since they agreed that it was time for Thailand to take "strong medicine" or "proactive measures" to tackle the problem, there had continuously been a coalition of policy cooperation with government agencies and academic institutes to move forward and support the excise tax collection policy for sugar-sweetened beverages in Thailand.

The findings of this research are consistent with Waranyoo Senasu's (2016) findings on the problem stream that have made Thailand's health reform be driven by awareness of the health problems of Thai people as a national problem. The phenomenon had an impact on many areas that deserved massive reforms.

In addition, the Constitution of the Kingdom of Thailand B.E. 2540 (1997) had increased the role of public participation in both the dimensions of the proposed legislation and the establishment of a group, resulting in the promotion of health projects that received the most attention at the time by creating National Health

Coverage, known as “ thirty baht treats all diseases”. Additionally, the study of Watunyū Jaiborisudhi (2019) similarly found that the One Tambon, One Product (OTOP) policy was driven by the economic crisis of 1997, a nationwide problem that had a wide variety of effects. The problem stream of the mentioned policy movement had some indicators or indexes of impacts and feedbacks that made them be considered as part of the policy agenda. In this matter, Pornchai Pan-On (2016) found that the laws related to the measures taken to address the problems can be considered a key factor in determining public policy. The fact is that if the country does not have a law that can be applied to solve various problems for the people, it would be difficult for the society to eliminate those problems. This is because advocacy will encounter obstacles, while the problem-solving department itself is unable to perform its best operations due to its limited jurisdiction.

In regards to the policy stream, it was found that in the process of entering the policy agenda, alternatives for implementing tax measures to tackle public health problems were created by policy communities. The policy communities involved in the sugar-sweetened beverages taxation policy in Thailand were the networks formed by the union of individuals or organizations linked with the same interests in policies in terms of the management of the health issues of people. Numerous ideas regarding the suitable measures were formulated and confronted by groups of governmental and non-governmental experts. Information was exchanged through discussions and deliberations as well as organizing public forums, which were subsequently approved by the Second National Health Assembly resolution and assigned to the relevant agencies to proceed. In addition, the effect of the political stream that has strengthened government agencies at the ministry level has begun to be of serious concern.

In the early stages of the policy process, policymakers did not publicize as much information, dissemination of ideas, or knowledge distribution to the public as they should have. Even the beverage industrial operators, the main stakeholders of the policy that could be directly affected by the tax measure, had not received much publicity. The process of policy-making was seen solely from the point of view of the policy advocates themselves, who were all networked within the same policy community but ignored considering the opinions from other sectors, resulting in policymaking not being able to continue further. The process of the policy stream was therefore very time

consuming, as it required repeated studies of the feasibility of policy-making, leading to revised draft proposals that responded to the participants in the problem until the final proposal was reached. Consequently, the policy formulation had to be feasible and appropriate and avoid conflicts with the values and beliefs of those involved in the policy. The finding of this research is in line with the results of the study by Waranyoo Senasu (2016), which found that the path to enacting the law was the key policy stream concerning network integration: to listen to various opinions, exchange ideas, find collective conclusions, and draft the law for presenting to the government.

Once policy communities had studied, analyzed, and identified possible solutions to the problems, advocating the policy agendas allowed them to organize a decision agenda or detailing options for making decisions before issuing tax measures to address public health problems. However, the study of how to implement tax measures had to be followed along with the issuance of laws to support such measures under Excise Tax Act, B.E. 2560 (2017) and various sub-legislation levels for solving the problem and creating a tendency of public acceptance toward selected solutions to the problems. This is consistent with the idea of Kingdon (2003), who has compared the policy stream to a pot-bottom soup. At a certain point, various ideas swirling in the pot settled at the bottom of the pot and waited for some participants to “dissolve” the soup. The actors or experts who participated in the catalysis of this process were the policy stakeholders from many sectors, including community policy groups, government agencies, academics, medical personnel, industrial operators, etc.

Several ideas concerning appropriate measures at the beginning were initiated and proposed by actors from the health sector, then were reconsidered and modified by a large number of participants from other relevant sectors that had to be “softened up” to new ideas (Kingdon, 2003). Although it is a policy where many policy entrepreneurs and participants as well as their ideas whirled around in the “pot of the soup,” it took at least a decade for the soup to be ready to eat. What the participants of the policy agendas had been waiting for was the opportunity for the powerful political actors to realize the importance of the problems related to sugar-sweetened beverage consumption as being critical and there was a great need and urgency for those problems to be solved. However, this was unlikely in the context of Thailand in the era of democratic politics with interest groups that often influence the formulation of the country's public policies.

In other words, this type of political structure could possibly cause the policy agenda to be dropped.

According to the findings regarding the political stream, they revealed that the policy process in this stream, when analyzed from various indicators, indicated the existence of the problem. This created a national mood that drove the movement of various types of interest group. This conforms with the results of the study by Chainani (2019) that discussed a key element in the political stream, initiating a campaign for Thais to consume less sweet and sugar by civil society groups and the partnerships in the health network as well as academics from various organizations that jointly pushed forward a policy stream that would create tax measures to reduce the consumption of sugar exceeding health standards, leading to overweight, obesity, and NCDs.

Beginning in 2005 from working together in the form of partnerships from various sectors, in the early phase of the policy formation, the action to address the problem of overweight and obesity was primarily driven by agencies affiliated with the MOPH. The network had encountered obstacles that prevented them from continuing to operate, although there had been strong evidence that if tax measures were implemented, there was a possibility that they would be successful.

According to the results from the analysis by experts in policy communities, the tax measure was cost-effective and a usable tool, but they had to face strong opposition (Chainani, 2019) from both society and industry. This is because taxation may have an effect on lifestyle changes or may affect the income of certain groups or individuals. Moreover, legislation concerning the tax measure was beyond the authority and responsibility of the MOPH, and the policy network at that time was therefore unable to fully push the policy. The political events that led to policy agendas that pushed the tax measure to be implemented included, first, a national mood that wanted to raise the issue on overweight and obesity to a national agenda. Various missions had been handed over to relevant agencies to continue their operations according to the second National Health Assembly resolution set out in 2009. Nevertheless, the policy network at that time was unable to push the policy towards enforcing legislation because it did not have any provisions that required the agencies that had been assigned the mission to strictly comply with the law. Second, the change in the country's political and governmental regime was another important phenomenon in the political stream when

the NCPO launched a coup d'état and seized power on May 22, 2014 from the acting government at that time. After the NCPO took over the country, they focused on a comprehensive reform of the country; moreover, they realized that public health problems and the reform of the entire tax system urgently needed to be resolved.

Thus, many necessary and urgent laws were enacted and enforced in the NCPO government. Meanwhile, they had General Paiboon Khumchaya, the Assistant Commander of the Army, as the NCPO deputy chairman for legal and judicial affairs and responsible for considering various laws in line with the NCPO's 11 reform guidelines. Further, public health problems and the implementation of tax measures to solve them were considered, supported, and approved by other organizations involved in national reform and by decision-making authorities in the policy, such as the NRC, the NRSA, the NLA, etc.

In the process of advocating that tax measures be included in the policy agenda, there were parties that were opposed to the policy, especially the beverage and related industries, which also were the direct stakeholders and interest groups that would get most affected by policy. The TBA played an important role in policy-making as a representative of the beverage industrial operators and related businesses. The association was established by a group of leading businesses, many of whom were private-sector organizations with high bargaining power. They had solicited and negotiated for the interests of the group in the event that the government considered tax measures to be adopted. As a result, the policy network was disrupted by the key decision-makers, the tripartite whip (consisting of the cabinet, the NLA, and the NRSA for approval before it went to the cabinet for endorsement), passed a resolution at a meeting on June 8, 2016 to delay the collection indefinitely. This was to allow relevant departments to study more thoroughly first; otherwise, it could possibly have a broader impact on the industry in the future. For that reason, in order to design tax measures that were more appropriate and to generate more comprehensive brainstorming and information provision, the MOF and the MOPH appointed industry representatives to also participate in the advocacy coalitions of this policy.

It is noteworthy that prior to the duty of the tripartite whip meeting on June 8, 2016 to delay the implementation of tax measures indefinitely, a group of industrial operators had an occasion to meet and discuss with the Minister of Finance. They



clarified that the information previously received by decision-makers was one-sided and was negative. This is because the government and the networks that supported the tax measures did not allow the industrial sector to express its ideas and appointed them to participate in the policy-making process so that the results of this measure would be derived from all-around ideas, not on the side of the pro-tax community alone. Meetings and discussion with the decision-makers were one method to stop policy decisions so that policymakers had to revise their study and find more appropriate alternatives to resolve the issue and also allow the industry to participate in expressing its opinions from its own perspective.

After the 2009 coup, the political and governmental regime of Thailand changed from an elected democracy to a military dictatorship. The administration of the country and the policymaking of the government at that time were dominated by the military and civilian bureaucracy in what is known as "ammatayathipatai" or "bureaucratic polity." During that time, public policies and urgent passing of laws were subjected to power and were dictated by the entire elite with the atmosphere of limited political pluralism. In other words, in the era of the NCPO government, "limited political pluralism" was a condition where the public policy-formulating of Thailand, most policymakers, came from a field or a policy community that required only specialized expertise. With that condition, policymakers often did not allow the private sector to get involved; thus, formulating public policies at such times was often based on the needs and values of the groups of elites or leaders. From the findings of this research, however, it can be said that during the Thai political and governmental system during the NCPO era, usually policy-making was performed by the elite group, while the government might be able to exercise its full power without having to hear shared opinions from any interest groups. However, in reality, the findings discovered that there were still areas where people or business groups could negotiate and participate in the policy-making process to some extent.

With the fact that the NCPO government had accepted the opinions and the requests of the private sector on taxation policy, it can be said that the process of formulating a public policy in Thailand with an ammatayathipatai regime does not always have to be fully consistent with the theory of the elite model. This can be seen from the process of setting up the excise tax collection policy for sugar-sweetened

beverages in the context of Thailand. After the tax measure had been approved by the NRSA in 2016, it was changed to the public policy that can be explained by the group equilibrium model. This model can be used to explain the concept of competition among groups in society in order to influence their participation in formulating excise tax collection policy on sugar-sweetened beverages. As for the formulation of this taxation policy, conflicts between the groups were managed by compromising and balancing interests, where in the process of setting up the policy, interest groups were clearly divided into two main groups. First were the institutional interest groups, which consisted of government officials from the MOPH, MOF, and MOC and a number of government officials (hidden participants) that would implement the policy. All of them supported the tax measures. Second were the interest groups opposing the tax measures, primarily the industrial sector represented by the TBA. The participants in this group policy were formal interest groups (associational interest groups). Both interest groups subsequently joined in the formulation of taxation policies in the same working group, the working group to study approaches to reducing the consumption of sweetened beverages.

The appointment of this group helped to improve the climate of conflict between the supporters of the tax measure and those that opposed the measure toward a better direction. Moreover, the environment of policy formulation became collaboration for the same goal based on the equilibrium of ideas. Then at the end of the process, bargaining and persuading for the benefit of the industry remained only the concern about the clarity of policy alternatives to be introduced under the Excise Tax Act, B.E. 2560 (2017), issues about requesting to prolong the adjustment period of industrial operators for preparing to comply with the policy, and expediting public relations to create the understanding of the public. This is in accordance with the findings of research from Chanakan Phundeamvong (2016), which found that the advocacy of public policy was due to the integration of policy-based negotiation groups, especially the cooperation of the communities of the policy network to open policy negotiations with the political organization or other relevant departments to achieve solutions.

In order to drive a good joint policy, a working group must be established to cooperatively work among network representatives from the government and other stakeholders to monitor and drive solutions to the problem and when comparing the

political stream with advocacy in the era of electoral democracy in Thailand, the research of Watunyu Jaiborisudhi (2019) found that the political stream was the most important factor among multiple streams for pushing the policy because it affected election votes. Additionally, the political parties that have a majority always have more power to control the policy process. In this case, if the political parties agree on such particular issues, public policy formulation will be completed smoothly.

In addition, according to the results of this research, it was found that the political stream in advocating for the taxation of sugary beverages in some countries was very similar to the context of Thailand. For example, a study by Bonilla-Chacin, Iglesias, Suaya, Trezza, and Macias (2016) found that decisions on taxation policies in Mexico were the result of a long support processes with stakeholders from various sectors that participated and provided various important empirical forms of information on the status of disease prevalence and options for combating public health problems. Advocacy in many countries, nonetheless, has been strongly opposed by some interest groups, as in Thailand. For example, research by Schaller and Mons (2018) on the policy of the taxation of sugary beverages in Germany found that the movement for the adoption of tax measures faced strong opposition from the industry as it did not agree with any measures that would lead to lower consumption and sales of its products. Therefore, it tried to resist legislation from being enforced by using direct interventions, such as lobbying, influencing research and media, as well as hiding in the form of marketing strategies that demonstrate corporate social and environmental responsibility. These strategies were used to create a coalition against tax measures by making their ideas acceptable to politicians and the people so that tax measures would not be possible, and to recommend non-tax measures instead.

One of the key findings concerning the policy formulation illustrates that the process of policy-making at that time depended on the powerful individual or group of people and the political and governmental system during that period. As conceptualized by the elite model, if the power of decision-making at that moment belonged to the group of elites, they would be able to make policies in order to implement what they expected. However, due to the complexity of Thai society, and the diversity of interest groups that interacted with each other for the benefit of their respective groups, these interest groups were therefore increasingly involved in policy-making in the form of a

combination between cooperation and competition. Consequently, the excise tax collection policy on sugar-sweetened beverages in Thailand was designed and established based on the coordination of the benefits among different interest groups in society, according to the concept of the group equilibrium model.

Entering the policy agenda requires various factors in the problem stream, the policy stream, and the political stream that converge together at the right time, by having policy entrepreneurs as the coordinators to bring issues into the policy agenda. All of these three streams can arise independently of each other or have separate developments; therefore, policy agendas arise not solely by one factor, but by influences on each other. Further, when the time is right, they will meet each other and bring the issue to the policy agenda (Kingdon, 2003, p. 188). In this regard, when applying the concepts of multiple streams framework to the excise tax collection policy on sugar-sweetened beverages in the context of Thailand, it was found to be consistent with Kingdon's ideas. This can be seen from the development of the problem stream and the policy stream, which took many years to wait for the arrival of the political stream. The successful entry of the excise tax collection policy agenda for sugar-sweetened beverages depended on the factors in the political stream that opened up great opportunities and influence, along with cooperation from the policy entrepreneurs that had influenced the entry of the policy agenda as well.

In the case of the policy to collect excise tax on sugar-sweetened beverages in Thailand, it was found that the policy entrepreneurs that advocate policies have changed from time to time. In the early stages, the importance of the problem began with the impact on the health of the Thai people caused by the consumption of beverages containing high sugar content. A health network partner from the MOPH, led by the Sweet Enough Network, has initiated studies, research collaborations, data collection, and ongoing campaigning actions to address the issue. It took a decade-long process to attract decision-makers for finding a solution to the problem, one of which is the tax and price measures. As suggested by the WHO, these measures are practically and technically feasible, cost-effective, and can be used effectively to reduce the consumption of beverages and food that adversely affect the health of people in many countries. Later, there was a political and governmental transition when the systems changed into the NCPO era, and policy entrepreneurs from the fiscal sector, who

specialized in tax measures, had come to perform a more formal role in the policy process. This is because there was an opportunity to introduce such tax measures in a time without opposition by political parties. A well-screened excise law bill was therefore quickly passed to the decision-makers. Moreover, the rationale for public health, the fiscal goals of the government, and the reform of the entire tax structure at that moment were in line with the NCPO's national reform guidelines, making it easier to advocate for policies.

The policy entrepreneur from the National Reform Steering Committee on Public Health and Environment Reform, NRSA, had also played a role in the policy process by combining unsystematically scattered ideas for further study and analysis. In the policy stream, the policy entrepreneur from this committee worked on agenda setting ideas by collaboration with other policy actors and policy entrepreneurs from various sectors that had studied this subject from the past until the reforms were managed by the NRC and later by the NRSA. Thus, the results of studies and reports, which had been developed but without being actively utilized, were revised again.

A working group to drive the measures necessary to address health risks was later established, jointly advocated, and prepared a report to be submitted to the NRSA for consideration, and then obtained approval in April 2016. The outcome of these policy processes a year later was the collection of excise taxes on sugary beverages for the health of consumers under the new Excise Tax Act, which came into effect on September 16, 2017.

From the analysis of the phenomenon of policy change by applying the advocacy coalition framework in this research, it was discovered that the policy process is a subsystem. The policy process from the formation to the formulation or even the implementation relied on a combination of advocacy, with actors from various sectors, and such advocacy coalitions believed in common policy. The policy subsystem contained all of the actors that had a role in the policy, which were: government officers, industrial operators, academics, researchers, and other relevant actors, both in the foreground and background, and contributing to policy change. In other words, the roles did not belong to only policymakers or policy decision-makers, but also policymakers at the operating level. Policy change is a process for dealing with problems or conflicts in society, both objective conflicts and technical or methodological conflicts, which

were relevant to many sectors of society, on the issue of the application of tax measures for reducing the consumption of sugary beverages that exceed the health standard as well as generating income for the government's fiscal system. It can be said that the realistic explanation of the policy process might not be solely based on academic cause and effect or rational concepts but also to understand the nature at the individual level or policy-makers from the different organizations that form the society, which are generally made up of a wide variety of ideas and beliefs. This finding is consistent with the concept of Sabatier (2007) and the results of a study by Tharawit Uppapong (2018, p. 29), indicating that “nature” at the individual level that is assimilated into that society is a matter of different types of “ideas” and “beliefs” that can be viewed as a whole in the form of the "belief system" of that society. Therefore, pushing for a policy change, especially the policy on the collection of excise taxes on sugary drinks, cannot be brought on by one person alone, but had to depend on a variety of coalitions, beliefs, norms, and resources.

Regarding more details about the factors influencing the policy change mentioned above, each actor involved in the policy relied on a network to serve as a channel of expressing his/her thoughts and beliefs to the public in order to advance the policy. The advocacy coalitions in this policy were formed by a combination of policy stakeholders, each of whom has a specific objective in the area of the analysis for implementation of appropriate tax measures. Nonetheless, the integration of a policy partner network was not related to the official structure of the participating agencies or organizations, but instead relied on a working group relationship that worked closely together to help connect the clusters of the policy network (Sabatier, 2007). Consequently, within an advocacy coalition of this policy, duties, responsibilities, or chain of command, like any other type of formal association, were not identified, which had the advantage of reducing and eliminating conflicting issues so that the coalitions could advocate or drive activities to be accomplished quickly.

The results of this research show that the advocacy route from the initiative of the SEN in 2002 until the policy outcome was adopted as a tax measure that has been implemented since 16 September, 2017 under Excise Tax Act, B.E. 2560 (2017) is in line with the ACF conceptual framework, which stated that policy changes are expected to take at least a decade or more. This is because policy changes can only happen when

policy core beliefs are changed, which is, in fact, is very difficult. In addition, policy learning is a time-consuming process (Sabatier, 2007); therefore, in this case, it was not possible to make immediate policy changes as many agencies expected. The research results on this issue are consistent with previous studies concerning public policy advocacy processes at the national level in the context of Thailand, such as the public policy advocacy process in the case of the Community Forest Draft 2007 by Nuthawut Jinarat (2011) and a study of the policy process leading to the promulgation of the 2007 National Health Act by Waranyoo Senasu (2016). The outcome regarding the policy changes is also in accordance with the studies in foreign contexts, such as the study of policy changes in the case of Belgian industrial policy shifts by Ste´phane Moyson (Moyson, 2018) and EU Pharmaceutical Policy by Eleanor Brooks (Brooks, 2018).

However, some research has found that policy learning and the interconnection of networks between organizations in subsystems arising from the coordination, communication, and coordination of ongoing learning processes are probably a mechanism by which policy reviews and policy changes can occur in a shorter term than with the ACF concept. An example of research finding that policy networks can be adapted to their own policies or operations in response to rapidly changing situations, is a study conducted by Nattaya Thaennin (2012) on the study of the participatory public policy process in agricultural and food safety management in Songkhla Province. Such a public policy process has spatial scope, a population scope, and the scope of content in the context of the provincial level; thus, it is easier to change the level of work strategy because it is a secondary belief that is more flexible and can be easily changed according to the situation and information.

When comparing the application of the ACF to the MSF, it can be explained that the analysis of public policy processes cannot be used for only one theory or concept to analyze for decision-making. Likewise, for the study and analysis of the excise tax collection policy for sugary drinks, a policy with a wide variety of conditions and factors, both conceptual frameworks need to be applied together. Numerous policy-related actors formed advocacy coalitions with mutual policy beliefs and were interrelated and connected to drive the adoption of appropriate tax measures. Those advocacy coalitions were involved in the policy process that will cause a decision or

change in policy. Moreover, the formation and success of a policy depended on resources, knowledge, skills, expertise as well as strategies to drive agenda or policy issues, with actors from different sectors playing a role at every stage; and in order for the implementation of their policies to be successful, the advocacy coalitions tried to push forward the three streams— the problem stream, the policy stream, and the political stream—to converge according to the principle of the MSF. When these three streams converged, then a policy decision or policy change finally occurred. Actually, this phenomenon can be compared with the opening of the policy windows.

When the policy windows were opened in society, there was a greater opportunity to generate more decisions or policy changes. In the case of the policy of collecting excise tax on sugar-sweetened beverages in the context of Thailand, the political stream can be considered as the main stream of this policy. Moreover, it was a policy force that stood out from all other streams, since most of the past decision agendas had been shaped by opened political situations and conditions. Therefore, a policy window or an opportunity for advocacy coalitions to drive policy decision-makers and the public to be aware of the health problems of the Thai population arising from the consumption of high-sugar beverages would be greater. Since that policy issue had already been pushed to the policy agenda with a policy proposition by the network, coupled with a state of sufficient political support to make decisions in the direction that the network expected, it could create an opening of a policy window at a suitable time.

It can be said that one of the most important supporting factors for this policy was the event of the political and governmental transition in Thailand after the coup d'état and the NCPO had taken over the country and controlled the administrative power from the democratic government. In terms of consistency in the application of various theoretical concepts to explain the political regime, it was noticed that the MSF and the elite model theories are flexibility in explaining the Thai political regime from a pragmatic perspective of bureaucratic polity or an ammatayathipatai or authoritarian system in the context of Thailand. However, the other view can be explained by the ACF and the group equilibrium model, where both of theories are based on democratic politics. Remarkably, in the Thai context, policy shifts occurred at a time when the political regime was characterized by a limited political pluralism that allowed



coalitions with similar beliefs to play a similar competitive role in the policy subsystem, and without blocking any actor's ideas or opinions. These are the reasons why a policy change could later occur in the era of bureaucratic polity.

The above results of this research are consistent with the research of Sakaraporn Thirasirikul (2006) and Waranyoo Senasu (2016), which found that if considering the issue of flexibility in explaining a political regime, it would be found that the MSF is more flexible than the ACF. The comparison is in the sense that the analysis framework relies on broad factors, including the problem stream, the policy stream, and the political stream with the roles of policy entrepreneurs as a group or organization that tried to bring about a convergence of these multiple streams and facilitated, pushed, negotiated, and searched for appropriate channels for the policy window to open. Hence, these frameworks are broad enough to be applied in both democracies and bureaucratic polity or Ammatayathipatai. However, if it is an analysis of policy changes in an era of authoritarian politics and government, the integration of activism and policy campaigns might be limited to the public sphere. Moreover, in the past, the political and governmental contexts of Thailand lacked a continuity of democracy; therefore, there might be some limitations for the analysis of the ACF alone.

The findings of this research confirm that applying just one theory to explain the excise tax collection policy on sugar-sweetened beverages may not be able to answer the research questions comprehensively. In this regard, special consideration should be given to the study and analysis of public policy in the context of Thailand, a country with diverse and complex factors at almost every stage of the policy cycle. Therefore, the study and analysis of the process of entering the policy agenda, the roles of stakeholders in policy-making, policy change, the study of problems, obstacles, and solutions to policy impacts, as well as presenting suitable strategies to drive a policy, relevant and diverse theories need to be applied together in order to make this research more rational.

In brief, according to the results of this research, it confirms that the introduction of just one theory to explain the process of excise tax collection on sugary beverages may not be able to answer this research questions comprehensively. Therefore, the study and analysis of the process of entering the policy agenda, the roles of stakeholders in policy-making, policy change, the study of the problems, obstacles, and solutions to

policy impacts as well as presenting suitable strategies to drive a policy, relevant and diverse theories need to be applied together to make this research more rational.

### **8.3 Suggestions for Research**

#### **8.3.1 Suggestions from the Research Results**

1) For fairness of the taxation system, in the future, the tax base should be expanded to include taxes on other beverages with added sugar to cover more than the present products, such as drinks sold directly to customers, pearl milk tea drinks, as well as various types of food and desserts that contain high amounts of sugar.

In addition, dairy products, which are not currently subject to high sugar levels, are not taxed either, especially yogurt drinks, which are very high in sugar, and their main consumers are children and adolescent consumers, but the Excise Department still excludes implementing a taxation on these products. In this regard, there must be a joint study to find appropriate solutions and possible agreements between associated authorities from the fiscal sector and health sector. Therefore, for the health of the Thai population, excise taxes on dairy products, especially those without added sugar, should be excluded. However, there are still legal issues related to the law of the MOPH, and therefore cooperation from all sectors is required to amend this section of the law first so that policy drives can be performed continuously.

2) In terms of food products produced from industrial plants that have adverse health effects, such as high sugar, sodium, and fat content, the relevant agencies should set clear and appropriate standards for action. For example, a limit on the portion of food to prevent adverse health effects if it is consumed in excess, and advertising and sugar-sweetened beverage product sales should be controlled, especially in schools. In doing this, the authorities have to establish a rule forbidding the use of food/beverages to be marketed in schools as well. Further, adequate information should be available to enable people to understand and make appropriate choices on their own, and to make the environment, city, and community more physically active by spending less time at rest, which will indirectly facilitate less consumption and reduce obesity and other NCDs. Today, these nutritional regulators are driven by non-tax-conducting measures, many of which are passive policies that require voluntary cooperation and

the incentives of industrial operators to produce products that meet the standard and that are certified by the public health agency. However, for those that are unable to comply with these measures, tax measures must be implemented for proactive supervision.

3) The flexibility of taxation based on sugar content should be applied to beverages, fruit juices, and 100% vegetable juices, as such beverages contain the natural sugar content of the fruits and vegetables already used to make the beverages. Although natural sugars may be as high in energy as added sugar, according to the experience of many countries, there is a 100% exemption from fruit juice drinks by providing only tax on the sugar added during the production process. In Thailand, it is necessary to study and analyze the possibility of exempting or reducing the taxation on these beverages as they are beneficial to the body.

4) It was found that many industrial operators have widely been using sweeteners or "artificial sugar" instead of sugar. This is because they have been trying to reduce the tax burden while at the same time wanting to maintain the sweetness of the drink as close as possible to the original. They agree that in the end, Thai consumers still have sweet behaviors. This kind of adjustment may not meet the objectives that policymakers have expected. Even though taxation can reduce the consumption of sugar, it cannot change the eating behavior of sweetened food or the drinking behavior of Thai people. Consequently, the agencies involved in the supervision of standards for the use of artificial sugars in beverages and food products, including the Ministry of Public Health and the Ministry of Industry, as well as relevant advocacy coalitions, must further jointly study whether the long-term use of artificial sugars from industrial synthesis will have negative effects on the health of consumers. Furthermore, the fiscal sector should continue to study guidelines for implementing tax measures if taxation is to be imposed on artificial sugars in beverages and food.

5) In preparing for the next step-up tax increase, creating an understanding between the government and the private sector is one of the most important elements in the effective implementation of a policy. Many industrial operators and beverage importers still have a negative attitude toward taxation policies by believing that the government's main target is to generate income; thus,

communicating with positive information to shape the understanding of all industry groups is very important.

6) There has been noticed by industrial operators and importers that it should be transparent to the public that the income from excise tax on sugar content is utilized in the country's public health and education, or even other developments. However, the tax rate on the sugar content that will be adjusted in the future should be in accordance with the principle of "earmarked tax," where income from taxation is to be spent for a specific purpose. This is to make the implementation of the government's policies more transparent so that the tax income cannot be used for other purposes. A good example of this type of tax in Thailand is the "sin tax" on liquor and tobacco products, where the income from the tax collection is utilized by allocating it to funds, such as the Thai Public Broadcasting Service (TPBS), the Thai Health Promotion Foundation (ThaiHealth), the National Sports Development Fund (NSDF), the Elderly Fund, etc. As expected, the specific use of tax incomes using such methods may be able to mitigate pressures and opinions that conflict with the industrial sector, which is the key actor that has to collaborate with government agencies and civil society. This approach will create an effective advocacy coalition in order to help drive policies to achieve success and to meet objectives.

### **8.3.2 Suggestions for Further Research**

1) It would be interesting to study and analyze the process of entering the policy agenda and the policy-making process for public policies that are similar to the case study of this research. The future research may prove that in the era when Thailand underwent a political shift back to democracy with an elected government, studies of public policy process will whether yield similar results to this research.

2) Further research should study the evaluation of the policy under Excise Tax Act, B.E. 2560 (2017) in terms of the excise tax collection policy on sugar-sweetened beverages. Such studies should cover the process of implementing a policy to determine the degree of success or failure of the policy implementation as well as suggestions for refining guidelines to be used in solving some problems that may be discovered in the future. Moreover, there should be a study comparing the three policy phases according to the progressive taxation, which is the first phase from the 16<sup>th</sup> of

September, 2017 to the 30<sup>th</sup> of September, 2019, the second phase from the 1<sup>st</sup> of October, 2019 to the 30<sup>th</sup> of September, 2021, and the third phase, from the 1<sup>st</sup> of October, 2021 to the 30<sup>th</sup> of September, 2023. This approach will transparently contribute to spreading the results of the policy.

3) There should be studies on the factors affecting the consumption behavior of beverages using artificial sweetener instead of sugar in order to determine the demand of Thai people to buy sweetened beverages in the case of sugar substitutes. In the future, the results of the studies can be used in the formulation of taxation policies for the aforementioned beverages for the benefit of changing the consumption behavior of highly sweet-tasting foods and beverages of people in different countries around the world.

4) There should be studies on taxation guidelines for a wide range of industrial foods that may affect the health of consumers, in addition to sugary foods, such as those with high levels of fat and sodium above health standards. This is to encourage changing the food production and consumption behaviors of people around the world, particularly, in the case that non-tax measures cannot address the unbalanced nutrition problem. Nevertheless, theoretically, the study and analysis of such advocacy can lead to the multiple stream framework, the advocacy coalition framework, and relevant public policy models to explain the phenomena that occurred in the policy-making process.

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**APPENDICES**

## APPENDIX A

### Guiding Questions for Interview

Please give the in-depth review about the excise tax collection policy for sugar-sweetened beverages in Thailand as follow:

1. What are your thoughts on the excise tax collection policy for sugar-sweetened beverages drinks?
  - 1.1 Problem stream - What are the issues that need to be addressed urgently and have resulted in this policy being developed?
  - 1.2 Policy problem - Is the taxation policy a suitable method for selecting problems and solving them?
  - 1.3 Political stream - Who are the actors within politics that have the power to move an issue forward?
2. In implementing the tax measure, how will the collection of excise tax on sugar-sweetened beverages will bring advantages and disadvantages?
  - 2.1 Advantages
  - 2.2 Disadvantages
3. In driving the taxation policy, were you or your agency involved and how?
4. What should be the roles of stakeholders to obtain successful policy formulation and formulating and result in a policy change?
5. In your opinion, is there any other measure / policy / method that is not taxing but can be used to effectively resolve the NCDs?
6. What are the problems, obstacles, and solutions regarding the impacts of excise tax collection on sugar-sweetened beverages in Thailand?
7. What should be the strategies for advancing policy on the collection of excise tax on sugar-sweetened beverages for Thailand?

## APPENDIX B

### Specific Excise Tax Rate Levied on Sugar-Sweetened Beverage Products in Thailand

Thailand has applied the new excise tax on sugar-sweetened beverages, since September 16, 2017. The beverages containing more sugar will carry a larger tax burden than less sweetened beverages. The tax rates increase on a gradual basis over four phases, under the Excise Tax Act B.E. 2560 (2017): September 16, 2017 to September 30, 2019; October 1, 2019 to September 30, 2021; October 1, 2021 to September 30, 2023; and from October 1, 2023 as follow:

<b>Sugar Content Levels of Ready-to-drink beverages Produced from Domestic Industrial Plants and Beverages Imported from Abroad</b>	<b>Unit</b>	<b>Specific Tax Rate (Baht / Unit)</b>
<b><u>September 16, 2017 to September 30, 2019</u></b>		
(a) No sugar or contain sugar less than 6 grams per 100 ml of beverage whether contain sweetener or not	Liter	0
(b) Contain sugar over 6 grams but less than 8 grams per 100 ml of beverage whether contain sweetener or not	Liter	0.10
(c) Contain sugar over 8 grams but less than 10 grams per 100 ml of beverage	Liter	0.30
(d) Contain sugar over 10 grams but less than 14 grams per 100 ml of beverage	Liter	0.50
(e) Contain sugar over 14 grams but less than 18 grams per 100 ml of beverage	Liter	1
(f) Contain sugar over 18 grams per 100 ml of beverage	Liter	1
<b><u>October 1, 2019 to September 30, 2021</u></b>		
(a) No sugar or contain sugar less than 6 grams per 100 ml of beverage whether contain sweetener or not	Liter	0
(b) Contain sugar over 6 grams but less than 8 grams per 100 ml of beverage whether contain sweetener or not	Liter	0.10

<b>Sugar Content Levels of Ready-to-drink beverages Produced from Domestic Industrial Plants and Beverages Imported from Abroad</b>	<b>Unit</b>	<b>Specific Tax Rate (Baht / Unit)</b>
(c) Contain sugar over 8 grams but less than 10 grams per 100 ml of beverage	Liter	0.30
(d) Contain sugar over 10 grams but less than 14 grams per 100 ml of beverage	Liter	1
(e) Contain sugar over 14 grams but less than 18 grams per 100 ml of beverage	Liter	3
(f) Contain sugar over 18 grams per 100 ml of beverage	Liter	5
<b><u>October 1, 2021 to September 30, 2023</u></b>		
(a) No sugar or contain sugar less than 6 grams per 100 ml of beverage whether contain sweetener or not	Liter	0
(b) Contain sugar over 6 grams but less than 8 grams per 100 ml of beverage whether contain sweetener or not	Liter	0.30
(c) Contain sugar over 8 grams but less than 10 grams per 100 ml of beverage	Liter	1
(d) Contain sugar over 10 grams but less than 14 grams per 100 ml of beverage	Liter	3
(e) Contain sugar over 14 grams but less than 18 grams per 100 ml of beverage	Liter	5
<b><u>From October 1, 2023 onwards</u></b>		
(a) No sugar or contain sugar less than 6 grams per 100 ml of beverage whether contain sweetener or not	Liter	0
(b) Contain sugar over 6 grams but less than 8 grams per 100 ml of beverage whether contain sweetener or not	Liter	1
(c) Contain sugar over 8 grams but less than 10 grams per 100 ml of beverage	Liter	3
(d) Contain sugar over 10 grams per 100 ml of beverage	Liter	5

## BIOGRAPHY

**NAME** Mr. Tossaporn Nilsin

**ACADEMIC BACKGROUND** 2014-2020 The National Institute of Development, Bangkok, Thailand. Doctor of Public Administration (D.P.A.), Major in Public Policy

1999-2002 Srinakharinwirot University, Bangkok, Thailand. Master of Economics (M.Econ.), Major in Economics of Education

1998-2000 Christian University Nakhonphatom, Thailand. Master of Management (M.M.), Major in General Management

1994-1998 Bangkok University Bangkok, Thailand. Bachelor of Economics (B.Econ.), Major in Development Economics

**EXPERIENCES** Excise Technical Officer, Professional Level, Excise Department, Ministry of Finance