



Paying for our sins

Your article questioning the efficiency of sin taxes, on products such as tobacco and sugary drinks, deviated from your previous strong support for the policy ([“The taxes of sin”](#), July 28th). It is almost unbelievable that *The Economist* aired the idea of saving money by letting smokers die ten years early. You failed to consider the evidence about the effect of tobacco taxes on society at large, and the poor in particular. The health benefits of tobacco taxes far exceed the increase in tax liability and they accrue disproportionately to lower-income households.

As shown by country-specific research from the World Bank Group, the poor tend to smoke more and are more price responsive on average than richer individuals, so they get a far greater share of health benefits from higher tobacco taxes than they pay. When they quit their families benefit from the reduction in passive smoking and the lower likelihood that they will fall into extreme poverty from catastrophic medical expenses and lost earnings because of tobacco-related premature ill health, disability or death. Countries can increase the progressivity of tobacco taxes by spending them on programmes to reduce poverty, as in fact most of them generally do. In the Philippines, for example, the additional tax revenue generated by the sin tax reform in 2012 has helped expand health insurance coverage for 15m low-income families.

You also underestimated the health and economic effects of the obesity epidemic, particularly the ominous global trends in child obesity caused by a poor-quality food environment of inexpensive sugary drinks, junk food and other highly processed foods replacing traditional diets. Since sugary drinks are in most cases the single largest contributor of added sugar to the diet it is right that soda taxes are part of anti-obesity strategies that reach the whole population at minimal cost.

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