



Death, taxes, and tobacco

By Ian Anderson
28 April 2015

In an [accompanying blog post](#) to this one, I highlight the latest evidence on the development challenge that Non-Communicable Diseases (NCDs) pose for low- and middle-income countries. In this post, I'll discuss the latest findings with respect to tobacco use: a key driver of the rise of NCDs in these countries.

Tobacco, NCDs and development

The World Health Organization (WHO) states that tobacco caused 100 million deaths in the 20th Century, and that nearly 80% of the more than one billion smokers worldwide [live in low- and middle-income countries](#). The [latest WHO report on NCDs](#) [pdf] finds that Indonesia and Samoa had the highest rates of tobacco use among low- and middle-income countries, with an age-standardized prevalence of more than one in three people aged 15 years and over currently smoking tobacco. A [recent report from the Council on Foreign Relations](#) notes that the rise in cigarette smoking has already made lung cancer the most common cancer and cause of death from cancer in low- and middle-income countries.

In the March 2015 [tobacco-free world issue of *The Lancet*](#) - arguably the most influential professional journal dealing with global health - [researchers find](#) that while the prevalence of tobacco smoking in men has fallen in 125 countries, and in women in 156 countries, there will still be an estimated 1.1 billion current tobacco smokers by 2025. Only 21% of 178 countries globally are projected to be on track to meet the globally agreed target of reducing adult smoking prevalence by 30% between 2010 and 2025 among men. Just under one half (49%) of all countries are projected to reach that target among women. [The analysis finds](#) that "countries where the smoking epidemic has not gained a foothold or is in its early stages are mostly in low-income or middle-income countries where tobacco control might not be a top priority because of scarce resources to address pressing health concerns."

“Best buys” for tobacco control

Tobacco control is essential. Tobacco causes or accelerates the incidence of all major NCDs, has no health benefits and imposes large - but largely preventable - costs on health systems and households. The WHO report on NCDs identifies four interventions as “best buys”: defined as “interventions that are very cost-effective that are also high-impact and feasible for implementation even in resource-constrained settings.” These four interventions are: reduce the affordability of tobacco products by increasing tobacco excise taxes; create by law completely smoke-free environments in all indoor workplaces, public places and public transport; warn people of the dangers of tobacco and tobacco smoke through effective health warnings and mass media campaigns; ban all forms of tobacco advertising, promotion and sponsorship.

Death and taxes

Significantly raising - and then maintaining in real terms - the price of tobacco through excise duties is a particularly powerful means of reducing tobacco consumption, especially among the poor, who can least afford the adverse health impacts of tobacco. The Council on Foreign Relations report notes that in 2008, Turkey raised cigarette taxes to 81% and banned tobacco advertising and smoking in public. The following year, hospital emergency room admissions in Turkey for smoking-related disease declined by nearly a quarter and smoking rates dropped 16% over three years.

In the *The Lancet*'s issue on tobacco, [Prabhat Jha](#) notes that “global annual cigarette sales rose from 5 trillion sticks in 1990 to about 6 trillion today”. He makes several interesting points about tobacco and taxes, arguing that:

... tripling of the excise tax on tobacco in most lower middle income countries would raise cigarette prices by about 100% and reduce tobacco consumption by about 40%... The industry strategy is to keep any tax hikes below the rate of income growth so that cigarettes remain affordable, and to vary the tax on different cigarettes to enable smokers to switch down to cheaper brands or lengths. Thus, cigarette prices vary by more than ten-fold in China compared with only two-fold in the UK. Global tobacco industry profits of about \$50 billion or about \$10,000 per death enable industry access to governments, and pricing research and allow interference against tobacco control.

He [also notes that](#) “smoking hazards accumulate slowly but cessation is effective quickly: quit by age 40 years and get back nearly the full decade of life lost from continued smoking; quit by age 50 years, get back 6 years; quit by age 60 years, get back 4 years.”

The future

Despite the challenges, there are grounds for optimism. Economic and Health Ministers of the Pacific Islands Forum have recently [agreed to make tobacco control one of four key strategies](#) [pdf] to reduce and manage NCDs in the Pacific. In [another article](#) in *The Lancet*, researchers advocate for “a tobacco-free world by 2040 where tobacco is out of sight, out of mind, and out of fashion—yet not prohibited” as a major contribution to reducing NCDs. The article argues that an accelerated target of a tobacco-free world by 2040, especially through increased taxes on tobacco, “meets all the criteria for success for a sustainable development target because the goal is action-oriented, time-bound, concise, relevant, measurable, evidence-based, and easy to communicate.” Low- and middle-income countries have much to gain in health, economic and financial terms by substantially reducing tobacco consumption.

Ian Anderson is a Research Associate at the Development Policy Centre. He has over 20 years international development experience with AusAID, the World Bank and the Asian Development Bank.

About the author/s

Ian Anderson

Ian Anderson is an Associate at the Development Policy Centre. He has a PhD from the Crawford School of Public Policy, Australian National University, and over 25 years of experience at AusAID.

Link: <https://devpolicy.org/death-taxes-and-tobacco-20150428/>

Date downloaded: 19 August 2022



Australian
National
University

The Devpolicy Blog is based at the Development Policy Centre, Crawford School of Public Policy, College of Asia and the Pacific, Australian National University.