

GLOBAL TOBACCO CONTROL PROGRAM:

Some Perspectives
from Across
the World

ACKNOWLEDGMENTS

This compilation of blogs and newspaper opinion articles were posted and appeared over the 2011-2018 period. It was put together by Patricio V. Marquez, Lead Public Health Specialist, HNP GP, and Coordinator of the World Bank Group Global Tobacco Control Program. In most cases, the blogs were posted at World Bank Group sites, at partner sites, and in newspapers in countries.

Washington, D.C. November 2018

For additional reports, videos and other materials, visit: World Bank Group Global Tobacco Control Program website: <http://www.worldbank.org/en/topic/tobacco>

CONTENTS

1. Op Ed

GLOBAL TOBACCO CONTROL: A DEVELOPMENT PRIORITY: FOR THE WORLD BANK GROUP:

http://www.who.int/tobacco/global_report/2015/timevansandworldbankforeword.pdf?ua=1

"Taxing Tobacco":

<https://www.project-syndicate.org/commentary/tobacco-tax-who-fctc-by-oleg-chestnov-and-tim-evans-2015-07?barrier=accessreg>

"What we learned about the Global Burden of Disease?":

<http://blogs.worldbank.org/health/node/811>

"Income inequality and differential mortality: An ominous combination":

<http://blogs.worldbank.org/voices/node/4158>

"Cigarettes or the Greek Islands? The deal my dad offered me":

<http://blogs.worldbank.org/developmenttalk/print/cigarettes-or-greek-islands-deal-my-dad-offered-me>

"Raise tobacco tax to save lives in China":

http://usa.chinadaily.com.cn/opinion/2015-12/25/content_22803178.htm

"Joint WB WHO tobacco tax op ed (in English and Vietnamese) (2018): "Vietnam tobacco tax will save lives, protect health":

<http://pubdocs.worldbank.org/en/852491539003586623/pdf/Joint-WB-WHO-tobacco-tax-op-ed-Vietnam-News.pdf>

<http://nhandan.com.vn/suckhoe/item/37735302-tang-thue-thuoc-la-se-cuu-song-nang-cao-suc-khoe-nguoi-dan-viet-nam.html>

"Saving lives by Taxing tobacco" in Izvestia on August 29, 2018

<https://iz.ru/newspaper>

How Colombia battled big tobacco and won:

<https://www.devex.com/news/how-colombia-battled-big-tobacco-and-won-93451#.W6S8QSHW3Lw.twitter>

2. Blogs

"How Russia can further improve its tobacco taxation efforts to boost health and life expectancy"

<https://blogs.worldbank.org/health/how-russia-can-further-improve-its-tobacco-taxation-efforts-boost-health-and-life-expectancy>

“What countries can learn from Moldova’s successful tobacco taxation efforts”

<http://blogs.worldbank.org/health/what-countries-can-learn-moldova-s-successful-tobacco-taxation-efforts>

“On World No-Tobacco Day, calling attention to the dangers of smoking for the heart”:

<https://blogs.worldbank.org/health/world-no-tobacco-day-calling-attention-dangers-smoking-heart>

“Global Tobacco Control: Inching Forward but no End Game Yet”:

<https://blogs.worldbank.org/health/global-tobacco-control-inching-forward-no-end-game-yet>

“Taxes for Better Health: Making the Case at the Joint Learning Network”:

<https://blogs.worldbank.org/health/taxes-better-health-making-case-joint-learning-network>

“Regulating and taxing e-cigarettes is the right thing to do”:

<http://blogs.worldbank.org/health/regulating-and-taxing-e-cigarettes-right-thing-do>

“Tobacco Tax Reform: At the Crossroads of Health and Development”:

<http://blogs.worldbank.org/health/tobacco-tax-reform-crossroads-health-and-development>

“Taxation: Most effective but still the least-used tobacco control measure”:

<http://blogs.worldbank.org/health/taxation-most-effective-still-least-used-tobacco-control-measure>

“World No Tobacco Day 2017: Why Does It Matter?”:

<http://blogs.worldbank.org/health/world-no-tobacco-day-2017-why-does-it-matter>

“The World’s Most Profitable Slow-Motion Disaster: Tobacco”:

<https://www.cgdev.org/blog/worlds-most-profitable-slow-motion-disaster-tobacco>

“Tobacco Taxes Need to Be a Much Bigger Part of the Fiscal Policy Discussion”:

<https://www.cgdev.org/blog/tobacco-taxes-need-be-much-bigger-part-fiscal-policy-discussion>

“Re-energizing tobacco control with evidence-based findings”:

<http://blogs.worldbank.org/health/re-energizing-tobacco-control-evidence-based-findings>

“Recent Gains on Global Tobacco Taxation”:

<http://blogs.worldbank.org/health/recent-gains-global-tobacco-taxation>

“Tobacco control: saving lives and driving development”:

<http://blogs.worldbank.org/health/tobacco-control-saving-lives-and-driving-development>

“Tripling tobacco taxes: Key for achieving the UN Sustainable Development Goals by 2030”:

<http://blogs.worldbank.org/health/role-excise-tax-meeting-sdg>

“Healthy women are the cornerstone of healthy societies”:

<http://blogs.worldbank.org/health/healthy-women-are-cornerstone-healthy-societies>

“Do the right thing: tax tobacco!”:

<http://blogs.worldbank.org/europeandcentralasia/do-right-thing-tax-tobacco>

“China’s 2015 tobacco tax adjustment: a step in the right direction”:

<http://blogs.worldbank.org/health/china-s-2015-tobacco-tax-adjustment-step-right-direction>

“Uruguay: A giant leap to prevent tobacco-assisted suicide”:

<http://blogs.worldbank.org/health/uruguay-giant-leap-prevent-tobacco-assisted-suicide>

“Healthy living for healthy societies and stronger economies”:

<http://blogs.worldbank.org/health/healthy-women-are-cornerstone-healthy-societies>

“Plain packaging & tobacco taxes: an antidote for manipulation and deception”:

<http://blogs.worldbank.org/health/plain-packaging-tobacco-taxes-antidote-manipulation-and-deception>

“Taxing tobacco and the new vision for financing development”:

<http://blogs.worldbank.org/voices/taxing-tobacco-and-new-vision-financing-development>

“Economic slowdown and financial shocks: Can tobacco tax increases help?”:

<http://blogs.worldbank.org/voices/economic-slowdown-and-financial-shocks-can-tobacco-tax-increases-help>

“Time to put “health” into universal health coverage”:

<http://blogs.worldbank.org/health/time-put-health-universal-health-coverage>

“Running away from “Tobacco Road”:

<http://blogs.worldbank.org/health/running-away-tobacco-road>

“Making the Public Health Case for Tobacco Taxation”:

<http://blogs.worldbank.org/health/making-public-health-case-tobacco-taxation>

“World No Tobacco Day 2015: On illicit trade and taxes”:

<http://blogs.worldbank.org/health/world-no-tobacco-day-2015-illicit-trade-and-taxes>

“The seven salvos of sin (taxes)”:

<http://blogs.worldbank.org/health/seven-salvos-sin-taxes>

"Good News from the Global War on Tobacco Use":

<http://blogs.worldbank.org/health/good-news-global-war-tobacco-use>

"The Tobacco Dilemma: Corporate Profits or Customers' Health?":

<http://blogs.worldbank.org/health/tobacco-dilemma-corporate-profits-or-customers-health>

"Back from the Cold: Russia Confronts Tobacco":

<http://blogs.worldbank.org/health/back-from-the-cold-russia-confronts-tobacco>

"Circumcision and smoking bans: Can policies nudge people toward healthy behaviors?"

<http://blogs.worldbank.org/health/node/556>

"Tobacco Kills: So what to do in Africa?":

<http://blogs.worldbank.org/nasiliza/tobacco-kills-so-what-to-do-in-africa>

"Intersectoral work for health: Mirage or oasis?"

<http://blogs.worldbank.org/health/node/561>

"The cat is out of the bag: UN summit on NCDs":

<http://blogs.worldbank.org/health/the-cat-is-out-of-the-bag-un-summit-on-ncds>

1.

Op Ed

Raising tobacco taxes to make these deadly products unaffordable is the most cost-effective measure to reduce tobacco use or to prevent its initiation among youth.

The World Bank is committed to support the implementation of the global tobacco control effort outlined in this report, particularly tobacco taxation.

Dr Tim Evans, Senior Director, and Patricio Marquez, Lead Health Specialist
Health, Nutrition and Population Global Practice, World Bank Group

GLOBAL TOBACCO CONTROL: A DEVELOPMENT PRIORITY FOR THE WORLD BANK GROUP

Tobacco use is a significant hurdle to development gains worldwide. It is the leading cause of preventable death. Smoking-related illness costs billions of dollars each year, imposing a heavy economic toll on countries, both in terms of direct medical care for adults and lost productivity.

Over the past 10 years, since entry into force of the WHO FCTC, efforts to control tobacco have intensified globally. MPOWER is being implemented across the world. WHO estimates that 2.8 billion people in 103 countries are now covered by at least one MPOWER measure at the highest level, up from 1 billion people in 42 countries in 2007.

In spite of these achievements, much more needs to be done to control this health scourge. Raising tobacco taxes to make these deadly products unaffordable is the most cost-effective measure to reduce tobacco use or to prevent its initiation among youth. The benefits of higher tobacco taxes and prices are obvious, as there are good health outcomes both for individuals and entire communities that result from reduced consumption of tobacco products. This fiscal measure also helps expand a country's tax base to mobilize additional revenue to fund vital health programmes and other essential public services.

Looking ahead, increased tobacco taxation (along with other taxes on potentially harmful products) could represent an important revenue stream for helping finance the UN's Sustainable Development Goals (SDGs) across the world.

Tobacco control is fully aligned with the World Bank Group's twin goals of ending extreme poverty by 2030, and boosting shared prosperity by increasing the income of the bottom 40% of the world's population. It makes solid economic sense, given the high costs of tobacco-related ill health and premature death and disability of adults in their most productive years.

Tobacco use also disproportionately affects the poorest people. More than 80% of the world's smokers live in low- and middle-income countries, harming health, incomes,

earning potential, labour productivity, and undermining human capital accumulation – a critical factor for sustainable economic growth and social development.

The World Bank Group has long been committed to tobacco control, and has had an unambiguous global policy on tobacco since 1999. This policy means the World Bank does not lend directly to, provide grants for investment in, or guarantee investments or loans or credits for tobacco production, processing, or marketing. Unmanufactured and manufactured tobacco, tobacco processing machinery and equipment, and related services are included in the negative list of imports in projects funded by the World Bank. Moreover, World Bank technical assistance programmes support efforts to increase taxes and prices on tobacco products.

Over the past two decades, the World Bank has carried out a substantial amount of work to increase knowledge of issues related to tobacco control. A 1999 World Bank report, *Curbing the epidemic: governments and the economics of tobacco control*, contributed to the successful negotiations of the WHO FCTC. The World Bank's Economics of Tobacco Toolkit helps researchers analyse the economics of tobacco policies in their countries, while other reports on the challenge posed by noncommunicable diseases in numerous regions and countries highlight the importance of tobacco control as a priority public policy intervention. World Bank teams, working with in-country, regional and global partners, have provided technical assistance to design and implement tobacco taxation reforms intended to reduce tobacco use by raising prices for these products.

In partnership with the Bill & Melinda Gates Foundation and Bloomberg Philanthropies, and in coordination with the WHO FCTC Secretariat and the World Health Organization, the World Bank is now launching a new global effort to promote, build national capacity for, and support priority middle- and low-income countries in the design, enactment, implementation, and monitoring of tax policy reforms to make tobacco products unaffordable,

reduce consumption and improve health conditions. Technical assistance will also be provided to strengthen the institutional capacity of countries to curtail illicit trade of tobacco. Support will be provided to develop knowledge-sharing platforms to facilitate peer-to-peer exchanges among policy-makers and other country officials on the economics of tobacco control.

To this end, the World Bank's health, macroeconomic and fiscal management, and governance practices are starting to work together, leveraging their access to ministries of finance, health and other related government agencies to take tobacco taxation efforts to scale, expand the use of policy advice, technical assistance, and funding instruments for supporting country efforts, and institutionalize tobacco taxation as part of the World Bank's country assistance strategies globally. The World Bank's multisectoral engagement will complement in a coordinated manner WHO's global and country work on tobacco control.

The World Bank is committed to support the implementation of the global tobacco control effort outlined in this report, particularly tobacco taxation. Effective tobacco tax regimens that make tobacco products unaffordable represent a 21st century intervention to tackle the growing burden of noncommunicable diseases. We are convinced that, working together with WHO and other partners in support of countries, we will be able to prevent the human tragedy of tobacco-related illness and death, and save countless lives each year. By doing so, not only we will be able to honour the memory of loved ones who suffered and were lost to tobacco-related diseases, but also contribute to sustainable economic and social development across the world.



Dr Tim Evans



Patricio Marquez

Taxing Tobacco

Jul 7, 2015 | **OLEG CHESTNOV , TIM EVANS**

GENEVA – Over the last ten years, impressive gains have been made in the battle against the tobacco epidemic. Spurred by the World Health Organization Framework Convention on Tobacco Control, which entered into force in 2005, most countries have launched comprehensive tobacco-control programs. But much more remains to be done. If the tobacco epidemic is left unaddressed, the WHO estimates that it will kill one billion people over the course of this century.

Tobacco use has the potential to undermine economic and social development worldwide. In order to offset this, the WHO has identified six policies – encapsulated in the acronym MPOWER – that can stamp out the tobacco epidemic: Monitor tobacco use and prevention policies; protect people from tobacco smoke; offer help to quit tobacco use; warn people about the dangers of tobacco; enforce bans on tobacco advertising, promotion, and sponsorship; and raise taxes on tobacco.

Each letter of the acronym is important and necessary in the fight against the tobacco epidemic. But the last one – raising taxes on tobacco products – is deserving of careful attention. According to the latest *WHO Report on the Global Tobacco Epidemic*, levying taxes on tobacco is one of the cheapest and most effective measures to prevent death and suffering. Unfortunately, it is a tool that few countries are using.

The evidence of progress detailed in the WHO's report is impressive. The report makes a strong case for the implementation of MPOWER, showing how effective robust interventions can be. Decisive action in many countries has ensured that almost half the world population is covered by at least one MPOWER measure applied at the highest level. Since 2007, the number of countries implementing some form of the recommendations has more than doubled – and millions of lives have been saved.

The report also details the efforts countries are making to meet tobacco-control targets and makes recommendations for improvement. In many cases, it suggests raising taxes on tobacco. Despite the strategy's proven effectiveness, it is the least implemented MPOWER measure. According to a WHO report, only 33 countries levy sufficiently high taxes on tobacco, amounting to at least 75% of the retail price of cigarettes. This means that only one in ten people worldwide benefits from this measure.

Taxes on tobacco cost little to implement and lead to a windfall of benefits. They make tobacco products less affordable, helping addicts quit and preventing non-users – especially young people, women, and the poor – from ever starting. Raising taxes lowers the burden of non-communicable diseases, improves public health, and reduces expenditures on tobacco-related illnesses. The levies also provide countries with additional revenue that can be used to fund vital health programs and other essential public services. Indeed, tobacco taxation is an untapped source of domestic financing that will be important for the successful implementation of the post-2015 Sustainable Development Goals.

The tobacco industry and other vested interests argue that tax increases on tobacco products fuel illicit trade. Accumulated international experience, however, exposes the flaws in this argument. In high-income countries, where taxes have increased tobacco prices, illicit trade is less widespread than in low-income countries with few taxes on tobacco. Indeed, many countries – including Chile, Brazil, Hungary, Spain, and the United Kingdom – have increased tobacco taxes while curbing illicit trade.

Every country has an obligation – and the ability – to protect its people’s wellbeing. Governments have made tremendous progress in the fight against the tobacco epidemic through the implementation of multiple MPOWER measures, but many could be doing much more if they were willing to raise taxes on tobacco.

Our organizations, the WHO and The World Bank Group, believe that it is a moral and economic imperative to support every possible measure of tobacco control. Taxes on tobacco – the least expensive, least implemented, and most effective tool in the fight to reduce the use of this deadly product – should not be left unimplemented. By raising the cost of tobacco, we have the potential to reverse the epidemic, prevent widespread illness and suffering, and save millions of lives every year.



OLEG CHESTNOV

Writing for PS since 2014

2 Commentaries

Oleg Chestnov is Assistant Director-General of the World Health Organization Noncommunicable Diseases and Mental Health program.



TIM EVANS

Writing for PS since 2015

1 Commentary

Tim Evans is Senior Director of Health, Nutrition, and Population Global Practice at the World Bank Group.

What we learned about the Global Burden of Disease?

SUBMITTED BY [PATRICIO V. MARQUEZ](#) ON WED, 10/12/2016

CO-AUTHORS: [MELANIE WALKER](#)



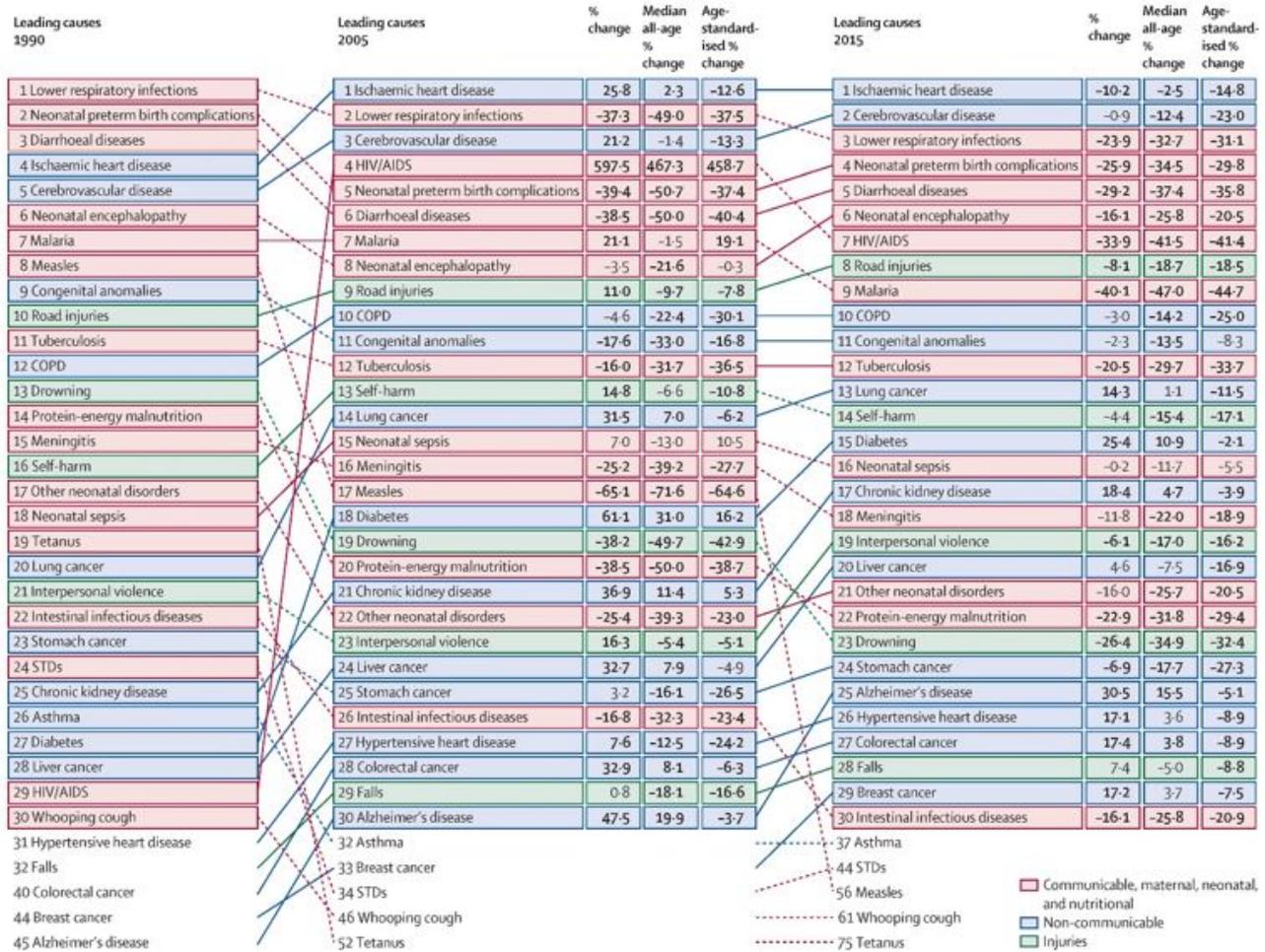
Kofi Annan, the former Secretary-General of the United Nations, observed that knowledge is power and information is liberating. Indeed, the collection, analysis and dissemination of data and information should not be seen only as an instrument of scientific inquiry but more importantly, as a critical tool for guiding the formulation and implementation of policies to address complex problems in society.

Last week at George Washington University in Washington, D.C., we had the opportunity to participate in the presentation of the findings of the [Institute of Health Metrics and Evaluation's \(IHME\) Global Burden of Diseases, Injuries, and Risk Factors Study 2015](#) (GBD). Published as part of a dedicated issue of *The Lancet*, the GBD provides a picture of population health dynamics across the world over the last 25 years. The evidence generated by the GBD on the basis of comparable health estimates by year, age, and sex for 249 causes from 195 countries and territories, represents an important “global public good” as it informs current and future health policy discussions around the world.

What are some of the key findings of the GBD 2015?

- Globally, **life expectancy at birth** has increased significantly from 61.7 years in 1980 to 71.8 years in 2015. It is particularly noteworthy that several countries in sub-Saharan Africa had large gains in life expectancy after years of high loss of life due to HIV/AIDS. These gains largely reflect increased access to diagnosis and treatment. Violence and conflict, however, contributed to rising mortality and stagnation and decline in life expectancy in some regions, such as the Middle East. This phenomenon was clearly observed in Syria, where male life expectancy dropped by 11.3 years to 62.5 years over the 2005-2015 period.
- Over the 1990-2015 period, **the world as a whole has been undergoing a health transition** (Fig. 1 below). Whereas total deaths and age-standardized death rates due to communicable (e.g., HIV/AIDS, malaria), maternal, neonatal, and nutritional conditions significantly declined, marked increases were recorded in total deaths and age-standardized death rates from non-communicable diseases (NCD). Vascular disease, cancers, and chronic respiratory diseases are the leading causes of NCD deaths; the relative importance of Alzheimer's disease and other dementias as a cause of death increased as well, reflecting the aging of the population. Age-standardized death rates from injuries declined, although interpersonal violence and armed conflicts claimed a higher number of lives in 2015.

Figure 1: Leading Causes of Global YLLs for both sexes, 1990, 2005, 2015



Source: The Lancet (2016, Volume 388, Number 10053).

- **Non-fatal outcomes of disease and injury detract from the ability of the world's population to live in full health.** As populations grow and increase in average age, the total burden of disability is rising quickly. As a result, the number of people living with sequelae of diseases and injuries is increasing. Between 2005-2015, NCDs account for 18 of the leading 20 causes of age-standardized years lived with disability (YLDs). GBD also confirms the large contribution of mental and substance use disorders to global disability, which raises the importance of achieving mental health parity in the provision of health and social services.
- **In terms of environmental, behavioral, occupational, and metabolic risk factors and their attributable burden of disease,** the GBD illustrates a health risk transition across the world. Attributable disability-adjusted life years declined for environmental risks such as unsafe water, sanitation, and hygiene, as well as household air pollution, micronutrient deficiencies, childhood undernutrition. These trends, which experienced a significant decline as countries develop, are driving the notable reduction in the relative importance of infectious diseases as leading causes of ill health and death. By contrast, some health risk factors are growing worse as countries develop contributing to the rising burden of NCDs. Globally, the leading risk factors are high systolic blood pressure, smoking, high blood sugar level, and high body-mass index. In some regions, alcohol and drug use as well as exposure to occupational risks and air pollution are also important risks.

Overall, the findings of GBD 2015 convey some good news, but they also point to emerging challenges as well as opportunities for action. In moving the global health agenda forward, an important message from the GBD that we should keep in mind is that development drives, but does not determine, the health status of the population. As observed worldwide, more developed countries tend to be healthier than less developed ones, but countries are much healthier than expected given their level of development, such as Ethiopia, China, Cuba, and Spain.

For those engaged in policy dialogue, program design and implementation at the global, regional and country levels, the above message implies that the effective use of the wealth of data and information from GBD demands that we assess and try to understand the particular drivers of the observed trends in specific contexts. In doing so, we must keep in mind that a close relationship exists in cause, course, and outcome between communicable diseases, maternal, perinatal, and nutritional conditions, and NCDs--they are part of the same biological continuum. This reflects common underlying social conditions, such as poverty and unhealthy environments, and commonalities across disease groups in causation, co-morbidity, and care needs. Frequently, both communicable diseases and NCDs, or a combination of risk factors, co-exist in the same individual, and one can increase the risk or impact of the other, as happens for example with diabetes and tuberculosis. Similarly, factors like maternal health, the intra-uterine environment, and low birthweight can have long-term consequences for developing NCDs.

This inescapable reality reinforces the need for integrated approaches at the country level that address functions (prevention, treatment, and care) rather than disease categories. And given the multisectoral nature of health conditions, actions that reach beyond the health system, such as fiscal and regulatory policies, have to be essential components of an effective arsenal of interventions to improve health conditions globally.

Published on *Voices* (<http://blogs.worldbank.org/voices>)

[Home](#) > Income inequality and differential mortality: An ominous combination

Income inequality and differential mortality: An ominous combination



Submitted by Patricio V. Marquez On Wed, 05/04/2016



It is safe to argue that the issue of income and wealth inequality is nowadays at the center of political debate across the world. Leading intellectuals such as Thomas Piketty in his seminal work, “Capital in the Twenty-First Century,” and Joseph Stiglitz in “The Price of Inequality” have rigorously analyzed the evolution of this social phenomenon and argued that increased inequality and lack of opportunity are creating divided societies that are endangering the future of nations.

Those working in public [health](#) ^[1] have for years documented and discussed how low and decreasing incomes, decline in standards of living, and lack of or limited access health care and other essential services contribute to inequalities in health, manifested in a widening gap in life expectancy between the rich and the poor.

While the relationship between income and life expectancy is now well established, recent studies on the United States population yield new evidence that helps enhance our understanding of the characteristics of this phenomenon and provide insights for policy action.

A Brookings Institution report, "[Later Retirement, Inequality in Old Age, and the Growing Gap in Longevity between Rich and Poor](#) [2]," has documented how increased earnings inequality over the last three decades, especially among men, has resulted in a concentration of longevity gains among the well-educated and those at the top of the income distribution.

The findings call into question policy proposals that advocate increasing the retirement age in line with increases in average life expectancy, as they may have large unintended distributional consequences (i.e. those in the top income brackets can expect to claim and enjoy for a longer period of time the benefits from Social Security and Medicare programs than those men and women in the bottom of the income distribution that tend to delay their retirement and have more physically demanding occupations or die prematurely).

A study in the Journal of the American Medical Association, "[The Association between Income and Life Expectancy in the United States 2001-2014](#) [3]," also demonstrated that in the United States between 2001 and 2014, higher income was associated with greater longevity. Data from the study provided evidence of relationships between life expectancy and socioeconomic factors such as differences in access to medical care, environmental differences, adverse effects of inequality, and labor market conditions.

A key finding in the study is that most of the variation in life expectancy across geographical areas was observed to be related to differences in health behaviors, including smoking, obesity, and physical activity, and local area characteristics, such as existence of public policies that promote health — smoking bans and higher taxation rates for cigarettes, or greater funding for public services.

It should not surprise us that the above studies demonstrate anew that the way people live is directly related to their consequent risk of illness and premature death. The question for all of us is, what can be done to address the socioeconomic disparities in health and alter the pattern of increasing differential mortality?

For one, effective government policies are needed at the macro level since they affect wealth dynamics in a society. In particular, the enactment of progressive tax reform to mobilize domestic revenues for public investment and other public needs should be a priority policy goal, alongside efficient allocation and utilization of those resources. And, if we accept the fact that besides job loss, economic trauma among individuals and families is caused by ill health, premature mortality, and disability, the mobilization of additional domestic resources should be linked to supporting the progressive realization of [universal health coverage](#) [4] (UHC).

Achieving UHC involves implementation of population-based strategies and interventions to deal with health risk factors at the societal level, such as [tobacco taxation and bans on smoking](#) [5] in public places; measure to control alcohol and substance abuse; and road safety measures. It also means facilitating access to timely medical care and protecting the population from the impoverishing impact of high out-of-pocket expenditures in case of illness.

Additionally, improvements are needed in the design of public [pension](#) [6] plans to prevent inequality among the aged due to changes in retirement patterns and differential rates of mortality, and ensure redistribution of wealth across population groups. The growing concentration of longevity and better health status among those at the top of the wealth and income pyramid in a society should not be our destiny.

Rather, let's accept, as Stiglitz advises us, that our vision should be of a "society where the gap between

the have and the have-nots has been narrowed, where there is a sense of shared destiny, a common commitment to opportunity and fairness ... where we take seriously the Universal Declaration of Human Rights [7], which emphasizes the importance of not only civil rights but of economic rights.”

And, I would add, the vision needs to include health rights for all as well.

Published on *Let's Talk Development* (<http://blogs.worldbank.org/developmenttalk>)

[Home](#) > Cigarettes or the Greek Islands? The deal my dad offered me

Cigarettes or the Greek Islands? The deal my dad offered me



Submitted by Damien de Walque On Tue, 05/22/2018

When I was a teenager in Belgium, my parents wanted to make sure that I wouldn't become a smoker. At the age of 15, I had tried a few [cigarettes](#) ^[1] with friends and they were worried I would pick up the habit. They could have organized a complicated system of surveillance and sanctions to monitor and prevent my smoking behavior. Instead, my dad offered me a very simple deal: "if you are not smoking by the time you graduate from high school, I will pay your trip to a destination of your choice in Europe during the summer before you start college". My dad's deal worked well: I took a great trip to [Greece](#) ^[2] – my first flight – with a few friends and I have never smoked after those first cigarettes at 15.



Let's think more carefully about the deal my dad made with me. First, why did he do it? Sure, they are loving parents and they knew that smoking is addictive and would be harmful to my health and to my wallet. But at age 15, I knew that as well: that smoking was endangering health was clearly written on cigarettes packs and we had attended smoking prevention sessions in high school. Still smoking was very common among my friends and any place we would go out to in the evening, in bars and at parties, was smoke-filled. We expect rational and reasonable individuals to use the information about the risks of tobacco and decide not to smoke. But most teenagers are not always reasonable, especially when facing peer-pressure, and smoking is addictive: once you have started, it's really hard to quit. In behavioral economics terms, we would say that teen rationality is bounded. So, my parents thought that my decision process needed some guidance and they used an incentive to nudge me in the right direction. This can be seen as paternalistic, but isn't that what parenting is about?

I am sure my parents focused first on my own health, but they might have also thought about the well-being of others when they incentivized me to not smoke. I am the first of three brothers, so my behavior would likely be an example, good or bad, for my siblings. They might have anticipated that one day I would start a family and tried to prevent second-hand smoke for their grandchildren. They reasoned that by influencing my behavior, it would indirectly benefit others. In economic parlance, we would say that they realized that smoking was creating a negative externality, and they used a financial incentive to help me internalize the cost I would have imposed on others by smoking.

Finally, like with many other risky behaviors such as drugs, alcohol, unsafe sex or unhealthy diet, the issue with smoking is that there is a time disconnect: the enjoyment of the cigarette is immediate while the negative consequences reach far in the future. Indeed, most smokers do not experience severe health consequences before they are in their 50s or 60s. By offering me a trip conditional on not smoking towards the end of my teenage years, my father brought the benefit of smoking abstinence much closer to the present. His calculation was quite clever: he knew that most teenagers start smoking before age 18 and that if I had made it smoke-free

by then, the chances that I would start later would be small.

In a recent working paper, I review [the use of financial incentives to prevent undesirable behaviors](#).^[3] I go beyond smoking to cover other risky behaviors such as unsafe sex and HIV prevention, obesity, alcohol and drug use and even early marriage. I discuss how financial incentives can influence undesirable behaviors through three mechanisms which are linked to the three reasons explaining their prevalence: externalities, bounded rationality and resource constraints.

By linking his offer to pay for my summer trip to the fact that I was not smoking, my father made it more expensive for me to smoke. If I had been smoking by the time I was graduating from high school, I would have lost that reward and either stayed home or worked more to travel. This price effect allowed the negative externality caused by my smoking behavior to be internalized. The incentive also helped to overcome my “bounded rationality” as a teenager: impulsive decisions, vulnerable to peer pressure and to addiction, discounting the health consequences of tobacco far into the future.

The income effect from the incentive might relax the resource constraints that prevent people to engage in less risky behaviors. This income effect is not obvious for those behaviors which are costly to the individuals such as smoking, alcohol or drug consumption. In those cases, people would save by quitting the behavior. But a cash transfer could, for example, help households buy healthier food or pay for gym membership. In the case of unsafe sex, the direction of the income effect might vary with gender. For some lower income women, the transfer could indeed ameliorate immediate economic pressures to engage in transactional sex.

In the rest of the paper, I review the evidence from several examples of incentives which have been used and evaluated to prevent undesirable behaviors. I also address one very legitimate question about these financial incentives: how sustainable are they in the long-term? In other words, will the beneficiaries need to be incentivized life-long or for a long period to choose the safe behavior? I will focus on this question in the second part of this blog.

CHINADAILY USA

Home China US World Business Sports Travel Life Culture Entertainment Photo Opinion Video Forum Mobile

Opinion / Op-Ed Contributors

Raise tobacco tax to save lives in China

Updated: 2015-12-25 08:31

By Bernhard Schwartlander and Bert Hofman(China Daily)

Print Mail Large Medium Small

Share 0



LI MIN/CHINA DAILY

From June 1 it has begun to feel like public health might be starting to win out in the battle against tobacco in Beijing. The Beijing smoke-free law now makes it illegal to light up in workplaces, restaurants, hotels and other public spaces across the city. But the battle against tobacco is far from over. Tobacco products still kill thousands of Chinese people every day.

There is a way to combat this, though: tobacco tax. Quite simply, a big enough tax increase could save millions of lives in the next decade.

Tobacco use significantly contributes to a fast growing epidemic in China: non-communicable diseases such as heart attacks, strokes, cancer and chronic pulmonary diseases. These conditions are now the leading causes of premature death, ill health and disability in China, accounting for more than 80 percent of total annual deaths. If tobacco use is not significantly reduced, it will aggravate the economic and social impact of an aging population, increasing the odds of a future economic slowdown, which in turn will pose a significant social challenge.

Experience from many other countries shows that not only is tobacco tax an effective means to reduce tobacco consumption and associated healthcare costs, it can also provide significant

revenue which can be reinvested into other priorities.

The Philippines is a great example of how tobacco taxes are "win-win". The 2012 Philippines "Sin Tax" Law has raised and simplified tobacco and alcohol excises, increased government revenues and reduced smoking. Retail prices of cigarettes increased significantly, with early data suggesting a decline in smoking prevalence.

Despite the decline in volume, revenue still increased - nearly doubling the Philippines' Department of Health's budget. This enabled fully subsidized health insurance to be provided to the poorest 40 percent of the population - 14 million families, or approximately 45 million people.

In May 2015, China's Ministry of Finance announced an increase in tobacco taxation, of 0.005 renminbi per individual cigarette, alongside an increase in the wholesale tax rate. Importantly, this tax increase is flowing onto retail prices - making cigarettes a little more expensive across China as a result.

This tax increase adopted by the government of China, in line with its commitment to the World Health Organization's Framework Convention on Tobacco Control, is an important step in the right direction. However, it is only one step. As the recently released 2015 WHO Report on the Global Tobacco Epidemic points out, tobacco taxes must be increased regularly in order to reduce tobacco use. Otherwise, if incomes rise more quickly than inflation, the relative cost of tobacco products can actually decrease over time.

This has been the case in China over the last decade as the economy has grown, incomes have increased, and tobacco products have become more affordable. Compared with the progress made in other BRICS (Brazil, Russia, India, China and South Africa) countries, China is lagging behind in raising tobacco taxes.

Higher tobacco taxes not only help smokers quit, but crucially they also prevent the next generation from taking up smoking in the first place. The vast majority of smokers start smoking when they are young. Higher tobacco taxes make cigarettes much less affordable for teenagers, helping to protect the coming generations from tobacco disease and death.

If tobacco control measures are not strengthened with steeper tobacco tax increases, China's non-communicable disease epidemic will continue to explode over the next 20 years. This really has the potential to undermine the Chinese government's agenda for harmonious and human-centred development, particularly by aggravating health inequities.

The WHO and the World Bank Group stand ready to support the government of China in advancing the tobacco taxation agenda. A healthy future for China depends on it.

Bernhard Schwartlander is WHO China representative, and Bert Hofman is World Bank's country director for China, Mongolia and South Korea.

Cigarettes in Việt Nam are among the cheapest in the world, fueling a public health crisis that accounts for up to 28% of early deaths among men over 35. A tax increase of just VNĐ5,000 per pack would make a big difference

VN tobacco tax will save lives, protect health

Ousmane Dione and Kidong Park*

On 27 September 2018, the United Nations General Assembly is holding the third global high-level meeting on the prevention and control of non-communicable diseases (NCDs). At this meeting, country delegations will undertake a comprehensive review of global and national progress in putting in place measures that protect people from dying too young from heart and lung diseases, cancers, and diabetes.

The accumulated scientific evidence over the past decades clearly shows that tobacco use is causally linked to diseases of nearly all organs of the body and is a leading NCD risk factor and underlying cause of ill health, preventable death, and disability.

Tobacco use not only increases an individual's risk of death from stroke and heart attacks two- to three-fold, but is responsible for 10-30 per cent of all cardiovascular disease deaths worldwide.

There is also evidence of a causal relationship between smoking and all types of cancer, including lung, liver, colorectal, and prostate cancers. Smoking is the dominant cause of chronic obstructive pulmonary

disease (COPD), including emphysema and chronic bronchitis. Smoking also increases the risk of tuberculosis. Research continues to identify diseases caused or exacerbated by smoking, including such common diseases as diabetes.

Besides the high human toll, smoking-related illnesses cost billions of dollars each year, imposing a heavy economic cost on countries, both in terms of direct medical care costs and lost productivity among affected workers. Such losses inevitably lead to increased poverty and social inequality among those with least access to affordable health care.

While Việt Nam has made significant strides over the past two decades in reducing the burden of infectious diseases, tobacco use is a major contributor to a fast-growing epidemic of NCDs.

Almost one half of Vietnamese men smoke, and the rate is even higher among young men aged 25 to 45 and among poorer groups. While fewer than 2 per cent of women smoke, women and children are exposed to high levels of second-hand smoke at home, which also harms and kills.

The low cost of cigarettes, which are among the cheapest in the world,

continues to fuel the growth of this ominous public health risk, which already accounts for 24-28 per cent of premature deaths among Vietnamese males over 35 years-old. Unless action is taken, tobacco's death toll will continue to grow every year in Việt Nam.

The Resolution of the sixth plenary session of the 12th Party Central Committee on the protection, care, and improvement of people's health reorients the health system toward prevention built on a solid foundation of grassroots care and offers a guiding framework to take decisive action to protect the Vietnamese people from ill health, premature mortality, and disability caused by tobacco use.

Việt Nam's National Tobacco Control Strategy aims to reduce the male prevalence of smoking from 45.3 per cent in 2015 to 39 per cent by 2020. As will be highlighted during the UN meeting, more than a decade after the adoption of the World Health Organisation Framework Convention on Tobacco Control, there is compelling evidence from across the world, that raising tobacco prices substantially through taxation is the single most effective way to reduce tobacco use, save lives, and make people

healthier.

Simply put, reforming the tobacco excise tax structure by introducing a significant specific excise tax component on top of ad valorem taxes and adopting a big enough tobacco tax increase could save millions of lives and reduce the tobacco-attributable disease burden in Việt Nam in the next decade.

In turn, having a healthier population will help reduce demand and utilization of costly health services associated with preventable tobacco-attributable diseases, helping to ensure the financial sustainability of the health system.

As experienced in other countries, cigarette consumption will decline after taxes are raised, yet tax revenue will also continue to increase, helping to expand fiscal space.

So, tobacco tax policy changes should be seen as a win-win-win proposition for achieving public health, domestic resource mobilization, and equity goals.

Higher tobacco taxes not only help smokers reduce smoking and even quit, but crucially, they also prevent the next generation from taking up smoking in the first place. The clear majority of smokers start

smoking when they are young. Higher tobacco taxes make cigarettes much less affordable for teenagers, helping to protect the coming generations from tobacco-attributable diseases and premature death.

In Việt Nam, this is an important consideration, since half the population is younger than 30 years of age. It is estimated that a tax increase of VNĐ5,000 (US\$0.21) per pack in Việt Nam would reduce the number of smokers by 1.8 million and would save almost one million Vietnamese from premature death.

Introducing a specific tax component in the tobacco tax structure and increasing tobacco taxes regularly to 70 per cent of the retail price would contribute significantly to stemming the non-communicable disease epidemic in Việt Nam. In so doing, it would help to attain the Government's goals of reducing health inequalities, closing the human capital gap to enhance productivity and competitiveness, and achieving a prosperous and inclusive society.

**Ousmane Dione is the World Bank Country Director for Việt Nam, and Kidong Park is the World Health Organization Representative in Việt Nam.*

Saving Lives by Taxing Tobacco

Interview with Patricio V Marquez, Lead Public Health Specialist, World Bank Group

Izvestia Newspaper, Moscow, August 29, 2019

One of the goals set forth in the new presidential decree enacted by President Vladimir Putin in May 2018 is to increase the life expectancy of the population to 80 years by 2030.

Over the past decade, Russia has achieved great progress in increasing the life expectancy of its people. For example, in 2005, the average life expectancy of men in Russia was 58 years while now it stands at 67.5 years. I believe that a big factor behind this change was the effective measures that were adopted over the past decade to control the consumption of tobacco and alcohol. Nevertheless, there is still a long way to go to achieve this new ambitious demographic goal. In particular, additional effort is required to reduce the high rates of smoking in the country, both among men and women.

Smoking is one of the main causes of noncommunicable chronic diseases in Russia, contributing to cancer, cardiovascular, chronic respiratory diseases, and diabetes. Most types of cancer are caused by smoking. Tuberculosis is also aggravated by smoking.

Russia is among the countries with the highest prevalence of tobacco smoking. In Russia, the share of adult male smokers is 50%. This number is quite high, far above the average of 30% of the adult male population that smokes in the world. For women, the situation is not better, since 14.5% of adult women in Russia smoke--twice as high as the world average.

We must be clear from a policy point of view that it is one thing to increase the life expectancy to 80 years while people remain sick--it is completely different if people are older but healthy.

For example, one of Japan's national security goals is to increase not just the life expectancy of the population, but healthy lifespan. Older people are viewed as a valuable resource in Japanese society, given their knowledge and experience. And considering that the population and the labor force in Japan are shrinking, this is an important factor for the country's socio-economic development.

The same situation is true in China. The policy of one child per family, aimed at control of population growth, has also led to the problems related to an aging population. Recently, President Xi Jinping said that it is impossible to follow only the path of treatment of diseases: it is now necessary to concentrate efforts on prevention. And one of the measures to prevent diseases is an increase in the taxation of "harmful" goods such as tobacco.

The United States, too, has come to understand that it is too expensive to only deal with the treatment of an aging population. Therefore, insurance companies are now telling their customers: if you quit smoking, we will reduce your health insurance premiums. This way, people are offered incentives to move to a healthier lifestyle. This proves once again that many countries are facing these problems and are trying to solve them.

In Russia, public health spending is 3.5% of GDP. This is much less than what countries with a comparable level of income spend. Therefore, if the taxation of tobacco products will grow at a rapid pace, two important benefits can be reaped.

First, with increased taxes on tobacco products, the State will have more funds to spend on health care and disease prevention.

Second, the increase in prices for cigarettes will lead to a significant reduction in their consumption, as observed in other countries. Ultimately, mortality and morbidity will decline, and even the aging population will be healthier.

Despite the progress that has been made in Russia over the past ten years, it must be recognized that the level of excise taxes on tobacco products is relatively low. Now excise taxes makes up to 40% of the average price of a pack of cigarettes. While the World Health Organization says that for a more meaningful reduction of tobacco consumption, the level of excise taxes should not be less than 70% of the average price of a pack of 20-cigarettes.

We believe that Russia has now an ambitious demographic goal that merits further increases in the level of excise taxes on tobacco products. This can be done either gradually, raising excises from 30 to 40%, then to 50%, and so on. Or, to achieve a meaningful effect, instead of gradual and incremental changes, a more ambitious increase in excise taxes in the next three to four years can be recommended. If Russia wants to have a healthy society, there is a need to increase the taxation of tobacco products, because tobacco use makes people ill and kills prematurely.

МНЕНИЕ Отнять у табака



Патрисия Марис
Ветеран социологии на рынке табачной продукции в Великобритании

Одной из целей, поставленных в начале мая новым главой правительства Дональдом Тусом, является повышение производительности в ключевых секторах экономики до 80% к 2020 году. В 2008-м году средняя производительность в Великобритании была на уровне 38 лет, сейчас — 62,5 года. И полагаю, что большую роль в этом сыграют не только финансы, но и табачная индустрия, которая не только сама работает на экспорт, но и является источником сырья для других стран.

Тем не менее, как показывает история, бороться с табачной индустрией, чтобы достичь поставленных целей, будет непросто. Это потребует от правительства Великобритании не только принятия жестких мер по сокращению потребления табака, но и стимулирования инвестиций в другие сектора экономики.

В России доля курящих мужчин составляет 38%. И в два раза больше, чем в Великобритании. Средний возраст курильщика в России — 37 лет, в Великобритании — 45 лет. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

Однако, если в Великобритании производство табака сократилось на 80 лет назад, то в России оно продолжает расти. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

Таким образом, в Великобритании курение распространено в гораздо меньшей степени, чем в России. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

нашу табачную индустрию, чтобы достичь поставленных целей, будет непросто. Это потребует от правительства Великобритании не только принятия жестких мер по сокращению потребления табака, но и стимулирования инвестиций в другие сектора экономики.

В России доля курящих мужчин составляет 38%. И в два раза больше, чем в Великобритании. Средний возраст курильщика в России — 37 лет, в Великобритании — 45 лет. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

Однако, если в Великобритании производство табака сократилось на 80 лет назад, то в России оно продолжает расти. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

Таким образом, в Великобритании курение распространено в гораздо меньшей степени, чем в России. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

В России доля курящих мужчин составляет 38%. И в два раза больше, чем в Великобритании. Средний возраст курильщика в России — 37 лет, в Великобритании — 45 лет. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

Таким образом, в Великобритании курение распространено в гораздо меньшей степени, чем в России. Это говорит о том, что в России курение распространено в гораздо большей степени, чем в Великобритании.

Путевка на работу

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий

4-01 Ижевск. В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).



Туризм в России: перспективы развития до 2025 года

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

Компании сэкономили на офисах



Источники: компания ИВГ. Респонденты могли выбрать несколько вариантов ответа

Введение формата удаленной работы помогает привлечь лучших специалистов. Такое мнение высказали 80% руководителей, принявших участие в опросе транснациональной компании ИВГ, с результатами которого ознакомилась «Известия».

В 2018 году на удаленную работу пригласили сотрудников 64% российских предприятий, сообщили в HeadHunter. Такой формат положительно сказывается на мотивации работников и позволяет компаниям оптимизировать затраты, отмечают эксперты. Однако большая часть специалистов, по их мнению, все же требует присутствия сотрудника на рабочем месте.

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

В течение семи лет в туристической индустрии будет создано почти 30 тысяч вакансий. Это следует из прогноза, опубликованного в отчете «Туризм в России: перспективы развития до 2025 года», подготовленном Ассоциацией туроператоров России (АТОР).

Посторонним вход разрешен

Мария Кочеткова

30 августа по 1 сентября москвичи и гости столицы вновь смогут бесплатно посетить целый ряд промышленных предприятий и технопарков. Все экскурсии и акции объединены общей темой: «Москва — центр притяжения новых технологий».

Это уже третья акция, которая проводится в Москве в нынешнем году, и этот раз — «День без турникетов» — объединил более 50 предприятий и технопарков.

Акция «День без турникетов» ставится доброй традицией. При этом традиция названа так потому, что посетителям технопарков и предприятий не нужно платить за вход.

— Мы первыми в этом году из IT-компаний решили, что должны участвовать в акции, потому что IT — один из наиболее трендовых сегментов. Многие представляют, как примерно выглядел бы офис со сборкой автомобилей, но чем занимается IT-компания — нет, это очень за-



В этом году в акции «День без турникетов» примет участие более 50 предприятий и технопарков | Наталья Гарцева

мифологизированная сфера. К тому же все знают, что IT-компания это обычно классические условия труда, красивые офисы и загадочные

люди — «разработчики». Вот мы и хотим доказать, что это не мифы — все так и есть, — рассказала «Известиям» руководитель отдела по работе с СМИ SuperJob Юлия Шарваева.

Мы будем рады показать не только свой офис, а также и сервис по поиску работы. И самое главное — показать, что мы делаем в сфере разработки, что мы делаем в сфере разработки, что мы делаем в сфере разработки.

На промышленных площадках в Москве и Московской области пройдут увлекательные экскурсии, мастер-классы и мероприятия в самых интересных местах для тех, кто интересуется технологиями. Так, на фабрике мороженого «Чистая линия» в программе проследить виртуальное шоу, пронаблюдать за процессом производства мороженого.

«Микро» покажут процесс выпуска RFID-меток и чипов, которыми ежедневно пользуются миллионы москвичей. Разработчик предприятия использует в картах «Тройка» билеты на «Аэроэкспресс», платежную карту «Мир» и в биометрической заграничной карте.

Наше участие в акции обусловлено несколькими причинами. Так как наша производственная площадка в городе Москве, то мы искренне хотим принимать активное участие в жизни и развитии города. Считаю, что это интересный проект и мы хотим

будет интересно посетить российское производство чипов. Мы предлагаем, что после посещения производства у людей возникнет чувство гордости за российских производителей.

На экскурсиях мы покажем основные этапы работы чиповых производств, от сырья до готовой продукции, — рассказала заместитель генерального директора по информационным технологиям часового завода НИКА Денис Макаров.

Одних участников акции ждут мастер-классы по работе с чипами и другим современным технологиям в пяти десятках технопарков: «ИТЭЛ-МА», «Мосгормаш», «Технопарк», «Ижевск», «Ижевск-Технопарк» и «Ижевск-Технопарк». Первая акция «День без турникетов» прошла в Москве в 2012 году. Тогда на восемь предприятий пришли около 600 человек. С тех пор участниками акции стали уже более 25 тысяч человек и более 100 промышленных предприятий столицы. Проводившая акция прошла в июле, в этот раз акция пройдет в августе и 10 тысяч человек. Ижевская акция стала первой, участие в которой принимают предприятия Московской области. Участники акции посетят акцию в городе Москве, то мы искренне хотим принимать активное участие в жизни и развитии города. Считаю, что это интересный проект и мы хотим

Inside Development | Produced in Partnership: Taking the Pulse

How Colombia battled big tobacco and won

By [Malia Politzer](#) // 20 September 2018

GRANADA, Spain — Taxes on unhealthy products — tobacco, alcohol, and sugar — are among the most effective “best buys” advocated by the [World Health Organization](#) to reduce risk factors leading to noncommunicable diseases. With regard to tobacco, not only do taxes typically discourage smoking, leading to greater health benefits, but they can increase revenues diverted to health services. Successfully implementing such taxes, however, can be a major challenge — particularly for low- and middle-income countries.

Prior to 2008, Colombia had [one of the lowest taxes on tobacco products in the region](#), and the rate of tobacco use — particularly among children between 13-15 years old — [was one of the highest in the region](#). Fast forward to 2018, and tobacco use has dropped by 15 percent after the first year of the reform.

The Colombian implementation of tobacco tax is being [held up as a success story](#). Yet the process of convincing and bringing together different sectors of government and the public to support higher tobacco taxes was an uphill battle involving multistakeholder cooperation — and a lot of trial and error. Colombia’s story is an excellent case study for stakeholders in other LMICs hoping to push through similar taxes.

“Increasing tobacco taxes is a process that requires a lot of patience — it’s not something that happens in one month,” said Andrea Lara Sánchez, a political consultant who worked with the Colombian department of health to raise tobacco taxes. “It’s important to recognize that you’ll be successful sometimes, and you’ll fail sometimes, so it’s important to have realistic objectives and a long-term plan.”

Colombia’s challenges

More on tobacco from Devex’s [Taking the Pulse](#) series:

- ▶ [In Cambodia, a tobacco control campaign helped. But now what?](#)
- ▶ [What the WTO decision on plain packaging means for developing countries](#)
- ▶ [Opinion: How tobacco control can boost sustainable development](#)

Colombia's battle against big tobacco began in 2008, when the country became a signatory to the [World Health Organization Framework Convention on Tobacco Control](#). This entailed banning smoking in public places; banning tobacco advertising, promotion, and sponsorship; and mandating warning labels on tobacco packages.

While these measures were a good start, they did not significantly reduce the use of tobacco products. [According to WHO](#), increasing taxes on tobacco products is one of the most effective ways of cutting down consumption: In LMICs, increasing the price of a pack of cigarettes by 10 percent can lead to a 5 percent reduction in demand. It also has the added bonus of raising revenue for other public health programs.

“Increasing tobacco taxes is a process that requires a lot of patience — it’s not something that happens in one month. It’s important to recognize that you’ll be successful sometimes, and you’ll fail sometimes, so it’s important to have realistic objectives and a long-term plan.”

— Andrea Lara Sánchez, political consultant

But while the benefits of tobacco taxes are well established, so are the implementation challenges. According to Lara, one of the biggest and most immediate difficulties stakeholders faced was finding ways to overcome industry blowback.

“It was clear pretty quickly [the tobacco] industry wasn’t going to let tobacco tax pass quietly,” said Lara. “They fought every step of the way, starting with the claim that raising taxes on tobacco products would increase illicit trade.”

Since 2011, the tobacco industry has released the results of an annual smoking survey that is supposed to measure the size of illicit cigarette trade in Colombia. It claims that consumers will turn to illicit cigarettes in response to tax increases, so taxing cigarettes is an ineffective way of controlling consumption. The industry also hired some of the most well-respected Colombian economists to publish studies undermining tobacco taxes. According to Blanca Llorente, technical adviser to Anaas, an NGO that promotes sound public health policy, these surveys and studies initially exerted a lot of influence on policymakers.

“There was a lot of fear about illicit trade and this idea that tobacco smuggling would become unmanageable, and therefore tobacco taxes should be very gradual,” said Llorente.

“Part of the problem was the studies funded by the industries were the only ones — we

knew their argument was probably not true, but we didn't have any data to back us up at that time.”

Strategies that work

It became clear to Llorente that data were needed. Anaas immediately began the process of **putting together a study** to quantify the true volume of illicit cigarette trade in Colombia — the first of its kind not to be sponsored by tobacco companies. The study found that the share of the market occupied by illicit trade was only 3.5 percent for the five cities surveyed — much less substantial than the 14 percent claimed by tobacco companies.

In addition to this initial study, Anaas began collecting statistics on how much other countries taxed tobacco products, to demonstrate that Colombia was lagging behind.

“One of the first things I'd advise anyone hoping to pass tobacco taxes is to get your numbers right,” said Llorente. “You need to know your market, to do your homework so you can put together a convincing proposal to give to authorities, who are more than likely misinformed.”

Another key strategy is to assemble the right team. Tobacco taxes can be hard to pass because they involve so many different government sectors with competing interests and goals. Ensuring persuasiveness means understanding those goals and interests, and requires the expertise of many different types of people.

“We found that a comprehensive and really good team was essential,” said Pamela Gongora Salazar, who worked as an adviser to the Colombian minister of health and social protection during the campaign to raise tobacco taxes. “For instance, at the ministry of health, our team didn't just include epidemiologists and doctors, but also economists, academics, and local civil society groups.”

It was also critical to get the ministry of finance on their side — which meant providing convincing evidence that tobacco tax had an economic benefit as well as a health benefit, according to Llorente.

“For tobacco tax to be passed, you absolutely need to partner with the ministry of finance. If they are not on your side, you will never in a million years get a tax increase,” she said. “No one is going to fight for you in Congress unless they see clear signs that the government wants this very badly.”

“One of the first things I’d advise anyone hoping to pass tobacco taxes is to get your numbers right.”

— Blanca Llorente, technical adviser to Anaas

According to Lara, the fact that Colombia’s former Minister of Health Alejandro Gaviria Uribe was an economist rather than a doctor or medical professional helped a great deal in getting the ministry of finance on the same page. The technical strength of the ministry to mobilize other government departments to support tobacco taxes was key to its eventual success, she said.

“He had this open mind — he understood the importance of the economy as well as health, and was able to start a dialogue with the economists and policymakers in the ministry of finance,” said Lara. “Having this interdisciplinary perspective was really crucial.”

In addition to creating a strong local team, stakeholders also enlisted the support of major international organizations including the World Bank and WHO to boost their arguments for why tobacco taxes were a good idea.

“The [World Bank] really helped us get the message across to other stakeholders, by helping us to make the case that tobacco tax was not just important for health, but also for public finance. It gave us a lot of credibility,” Lara explained.

Enlisting public support

Merely convincing policymakers that tobacco taxes are a good idea is not enough: In order for taxes to be effective, the public needs to both be educated about the reasons behind the taxes, and supportive of them.

To do this effectively, stakeholders enlisted civil society organizations to help educate the public from the start. They introduced public forums, where civil society groups could debate with representatives from the tobacco industry publically.

“We found that pitting our experts against members of the tobacco industry was pretty effective, because our experts had all of this evidence, and the tobacco industry just had the illicit trade argument without any data or evidence,” said Lara.

Finally, they implemented a large-scale media campaign to educate the public about why tobacco taxes were important. Civil society members and representatives of the ministry of health wrote opinion pieces and appeared in radio interviews and television slots.

By harnessing the power of domestic media, Colombia successfully managed to pass fiscal reforms that tripled tobacco prices between 2017-2018, with annual adjustments for inflation. Still, Llorente says there is a long way to go.

“Increasing taxes by three-times sounds good. Before, we were the second-lowest price of tobacco in the region ... but today we are closer to average in the region — but still much lower than Panama, Ecuador, and Brazil. We can still do better,” said Llorente.

“The good news is we know what works now. We know that it takes a village to raise a child — but I say it takes a village to raise a tax.”

For more coverage of NCDs, visit the [Taking the Pulse series here](#).

2.

Blogs

Published on *Investing in Health* (<https://blogs.worldbank.org/health>)

[Home](#) > How Russia can further improve its tobacco taxation efforts to boost health and life expectancy

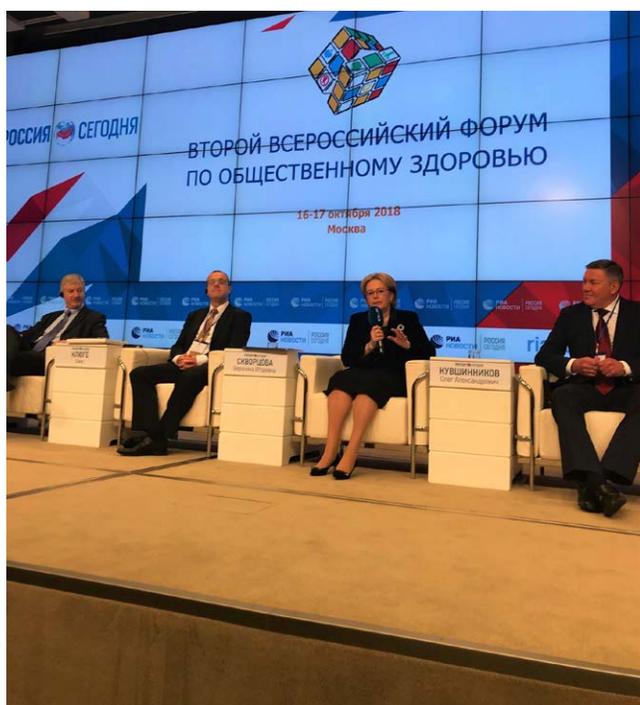
How Russia can further improve its tobacco taxation efforts to boost health and life expectancy



Submitted by Patricio V. Marquez On Fri, 11/16/2018
co-authors: Sevil Salakhutdinova

Over the past 10 years Russia has made great progress in increasing the life expectancy of its people. Back in the mid-2000s, we documented the dramatic decrease in life expectancy in the post-Soviet period in the report “[Dying Too Young.](#)” [1] due especially to high mortality among working-age men. Behavioral risk factors, such high rates of cigarette smoking and alcohol abuse, economic and social dislocation, a shift in the predominant diseases and the deterioration of the health care system, including access to it, all contributed to premature death and a dramatic shrinking of the Russian population that hadn’t been seen since World War II.

At the time, cigarette smoking was singled out as one of the most preventable causes of disease and death in Russia, as it’s associated with higher rates of cardiovascular diseases, many cancers and chronic lung diseases. Survey data in the report showed that smoking prevalence among men stood at 61 percent in 2004, and 15 percent among women.



The good news is this has changed dramatically over the past decade. At the Second All-Russian Forum on Public Health, held in Moscow on October 17 to 18, 2018, we presented findings of recent assessments from the World Bank Group (WBG) showing that [life expectancy in the country](#) [2] for men increased to 65.4 years in 2016, up from 58 years in 2003. Among women it reached 76.2 years in 2016, up from 72 years in 2003. A [big factor](#) [3] for this change has been the effective measures adopted to control the consumption of tobacco and alcohol over this period.

While this is cause for celebration, the Russian government recently set ambitious demographic goals to increase the life expectancy of the population to 80 years by 2030. To achieve this, further efforts will be needed to reduce the

persistently high rates of smoking in the country. Russia is the third largest cigarette-consuming

nation (after China and Indonesia) and has the highest per capita cigarette consumption rate in the world. Currently 50 percent of adult men are smokers [4], far above the global average of 30 percent for men. For women, the situation is not much better: 14.5 percent of adult women in Russia smoke--twice as high as the world average.

As we stressed during the Forum last month, global evidence shows that raising tobacco taxes and prices are the single most effective measure for reducing tobacco use and therefore should be a key component of any Russian strategy to achieve the 2030 demographic target. Russia has been working on this. The government adopted a law on tobacco control in 2013 [5] and has raised tobacco excise taxes regularly since 2010, annually increasing the average excise tax burden by at least 30 percent since then. Because of tax and price increases, along with other tobacco control interventions, tobacco sales fell by almost 30 percent over this decade. Not surprisingly, the number of smokers also decreased, by 21 percent between 2009 and 2016.

However, findings of the first WBG assessment [6] we presented at the Forum clearly indicate that tobacco taxes will only continue to reduce tobacco consumption if they increase the price of and reduce the affordability of cigarettes, which can be done by adjusting tax increases for inflation and any rise in per capita incomes. We found that between 2002 and 2008, there was a 22 percent increase in cigarette affordability in Russia, and cigarette consumption increased by 17 percent. By contrast, between 2008 and 2017 there was a 62 percent decrease in cigarette affordability, which was accompanied by a cigarette consumption drop of 34 percent. This is an area Russia can really focus on in its tobacco control efforts, as the country has the most affordable cigarettes among the main tobacco-using countries despite its striking progress in reducing the affordability of cigarettes.

Our other presented findings [7] showed that under different tobacco tax increase scenarios, not only would cigarette consumption decrease, but excise tax revenue would continue to increase. We also showed [8] that the aggregate effect of an increase in tobacco taxes in Russia would be positive and progressive, especially for the poorest groups as they tend to be more likely to decrease cigarette use in the face of higher prices.

Finally, since Russia is part of the Eurasian Economic Union, it's imperative that a strict minimum excise rate (tax floor) on cigarettes be set for all member countries at a level higher than currently proposed, which is only €30–35 (US\$34-40) per 1,000 cigarettes by 2020 [9]. The European Union, in contrast, has a mandatory level of €90 (US\$103) per 1,000 cigarettes for its member countries.

Russia has made much progress on tobacco control, and the related decrease in cigarette consumption and increase in life expectancy. However, to further improve health conditions and achieve the life expectancy target by 2030, big tax increases, with regular hikes to keep cigarette prices from climbing more steeply than inflation and per capita income growth, should be a priority policy measure in Russia's overall tobacco control efforts. An added bonus: these taxes can also help increase tax revenue for the country and expand fiscal space for priority investments and programs, including health.

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > What countries can learn from Moldova's successful tobacco taxation efforts

What countries can learn from Moldova's successful tobacco taxation efforts



Submitted by Patricio V. Marquez On Fri, 11/09/2018
co-authors: Irina Guban



Smoking begins at a young age in Moldova, with people starting to smoke at the average age of 17 years old. It's a bigger concern among men here, as 30 percent of men in Moldova smoke, according to [2016 data](#) ^[1], compared to 3.3 percent of women.

Tobacco use is a leading cause of the growing burden of noncommunicable diseases (NCDs) globally, harming and killing prematurely, so it's no surprise that life expectancy for men in Moldova, at 68 years old, is eight years less than for women. Since the greatest relative years of life lost for [men occur during their working years](#) ^[2], this also impacts Moldova's human capital development. The World Bank Group's Human Capital Index value for Moldova, which measures the current and potential productivity of a country's people, has [increased since 2012](#) ^[3] but it's still lower than the average for the region, reflecting the country's higher rates of premature mortality among men due to NCDs.

Besides the negative public health and human capital impacts, the rising burden of tobacco-related diseases also imposes a heavy cost on public health expenditures and household budgets, as on the economy. In Moldova, the total economic cost of smoking-attributable diseases, including health care costs and work absenteeism, is [estimated at 3.8 percent of its GDP](#) ^[4].

One of the most effective and least expensive tools in the fight against tobacco are taxes. In many countries, raising tobacco taxes can offer a “win-win” ^[5]: positive health outcomes and increasing fiscal revenue for priority programs and investments. However, in many cases, countries' tax rates are quite low, undermining their public health and revenue potential.

Moldova's positive experience with taxing tobacco in recent years provides some lessons, and possibly encouragement, for other countries considering this measure. The government has been increasing tobacco taxes every year since 2016, with the goal of achieving the European Union (EU) tobacco tax directive minimum rate of 90 EUR/1,000 cigarettes by early next decade, per its Associate Agreement with the EU. This has translated into public health gains for the country, with a reduction in the volume of cigarettes sales taxed (used as a proxy for consumption) by about 10 percent, to 5.55 billion pieces in 2017 compared to 6.19 billion pieces in 2016.

While reducing tobacco use, and the related risk of developing tobacco-attributable diseases, Moldova has also been able to collect additional tax revenue, partly because of still high levels of tobacco use in the country and the low cost of cigarette production relative to the average retail price. Cigarette excise tax revenue in the country increased from MDL 1.73 billion (US\$ 87 million) in 2016 to MDL 2.04 billion (US\$ 110.6 million) in 2017, or about 1.16 percent of Moldova's GDP. The tobacco tax increases adopted by Moldova's Parliament for 2018-2020 are projected to further increase excise tax revenue, hitting 3.31 billion MDL (US\$194 million) or 1.45 percent of GDP in 2020.

Evidence from Moldova also shows that tobacco taxation disproportionately benefits the poor. Research by the World Bank ^[6], using data from household budget surveys, shows that the poor tend to be more responsive to price increases, reducing their tobacco use more than the rich (the change in the quantity purchased relative to its price change for the lowest income group in Moldova was estimated at -0.53, compared to -0.13 for the highest income group). In turn, lower cigarette use among the poorest income groups can reduce the risk of developing tobacco-attributable diseases, the risk of impoverishment due to high out-of-pocket medical expenses to treat these diseases and would boost household incomes due to a decrease in ill health and absenteeism from work.

While Moldova has seen many benefits from taxing tobacco, a key lesson from their recent experience is the need for countries to simplify tax structures by merging multiple tobacco tax “tiers” and unifying the tax rate across all types of cigarettes. This can help to preempt smokers' switching to cheaper cigarette brands after a tax-rate hike on the brands they previously smoked. While Moldova saw a reduction in cigarettes consumed from 2016 to 2017, there was a noticeable shift during this time in people's consumption to non-filter cigarettes, which are taxed at lower rates than filter cigarettes and cost less. Additionally, tobacco tax rates should be adjusted over time to at least keep up with the pace of inflation and, preferably, at a faster rate so that affordability is reduced over time.

Moving forward, if Moldova adopts a uniform tax structure for both filter and non-filter cigarettes and increases tobacco tax rates by about 25 percent per year over 2021-2025, the country could benefit even further from reduced health risks due to lower cigarette consumption and collect additional tax revenue that helps its population as a whole. Momentum for future tobacco tax policy increases in Moldova can also be boosted, and cross-border threats like cigarette smuggling minimized, by coordinating with neighboring countries (particularly Belarus and Ukraine) and strengthening tax administration and customs control over the tobacco distribution chain, including the use of “track and trace” technologies.

Published on *Investing in Health* (<https://blogs.worldbank.org/health>)

[Home](#) > On World No-Tobacco Day, calling attention to the dangers of smoking for the heart

On World No-Tobacco Day, calling attention to the dangers of smoking for the heart



Submitted by Patricio V. Marquez On Thu, 05/31/2018



Today we mark [World No Tobacco Day](#) ^[1] and this year the focus is on “Tobacco and Heart Disease.” The goal is to highlight the important and often overlooked role of smoking cigarettes as a leading cardiovascular disease (CVD) risk factor.

If we look at recent data from the [Institute of Health Metrics and Evaluation](#) ^[2] (IHME), we should be alarmed. CVD, which includes heart diseases and stroke, is the number 1 killer in the world, accounting for one-third of all deaths. The numbers are staggering. As evidenced in a [related study](#) ^[3], in 2015, there were more than 400 million individuals living with CVD and nearly 18 million CVD deaths worldwide.

But CVD is not only a problem in high income countries. IHME data shows that the United States, Canada, Australia, New Zealand, Japan, South Korea, and countries in Western Europe experienced

steep declines over the past two decades that have begun to taper off and plateau. The countries with the greatest number of cardiovascular deaths, after accounting for population size, are found throughout Eastern Europe, Central Asia, the Middle East, South America, sub-Saharan Africa, and Oceania.

Given the increased risk for smokers of CVD, cigarette smoking is one of the leading causes of preventable death. Accumulated scientific evidence shows that nicotine, a chemical in tobacco, is highly addictive; activates biological pathways that increase risk for disease and adversely affects maternal and fetal health during pregnancy. Smoking or chewing tobacco can also immediately raise blood pressure, albeit temporarily, as the chemicals in tobacco can damage the lining of artery walls, causing arteries to narrow, increasing blood pressure.

As shown in another [global study](#) [4], tobacco use not only increases an individual's risk of death from all vascular diseases two- to three-fold, but 10–30% of all CVD deaths are attributable to tobacco worldwide. Among men aged 30–44 years, however, 48% of cardiovascular deaths are attributable to tobacco use. Smokers' risk of heart failure is twice the risk of non-smokers, and smokers with heart failure have a worse prognosis than non-smokers.

What to do?

Waiting to treat affected individuals after the onset of CVD is not a medically efficacious nor a financially sustainable course of action, particularly in low- and middle-income countries that are struggling to implement ambitious agendas to attain universal health coverage (UHC).

The time has come, therefore, for a drastic paradigm shift to embrace primary and secondary prevention as critical pillars of service provision under UHC. Indeed, health promotion and disease prevention cannot have been less valuable or secondary to treatment for controlling the spread of CVD since both are two sides of the same coin, complementing and reinforcing each other, along a continuum of interventions.

Given this preventable “CVD carnage,” there is no longer a justification for Governments to keep delaying the implementation of the [Framework Convention on Tobacco Control](#) [5] (FCTC) demand-reduction tobacco control measures to protect the population and prevent the onset of CVD. World No-Tobacco Day offers the opportunity to recommit our effort to support countries in [raising taxes sharply on tobacco products](#) [6], adjusting for inflation and increased affordability due to growing incomes, to hike up prices and make these products unaffordable to reduce tobacco use and the health risks associated with tobacco-related diseases, including CVD.

Equally important, on this World No-Tobacco Day, there is a need for governments to commit to preventing youth from taking up smoking by adopting strict regulatory measures (e.g., curtail advertisement and promotion through social media) and high taxes on “low-tar and other less harm innovations,” such as e-cigarettes and vape products. This, in turn, will significantly lower their risk for CVD in the future.

Governments will do well in heeding US FDA Commissioner Scott Gottlieb, who earlier this year indicated that “these products should never be marketed to, sold to, or used by kids — and we need to make every effort to prevent kids from getting hooked on nicotine.”

As we move forward, we need to be clear that to deal effectively with CVD as a global problem, we need to put added attention and effort to deal effectively with the global tobacco use epidemic. The success of the latter will help to make major inroads to reduce the burden of CVD. That should be our take-away message for action on World No-Tobacco Day!

Published on *Investing in Health* (<https://blogs.worldbank.org/health>)

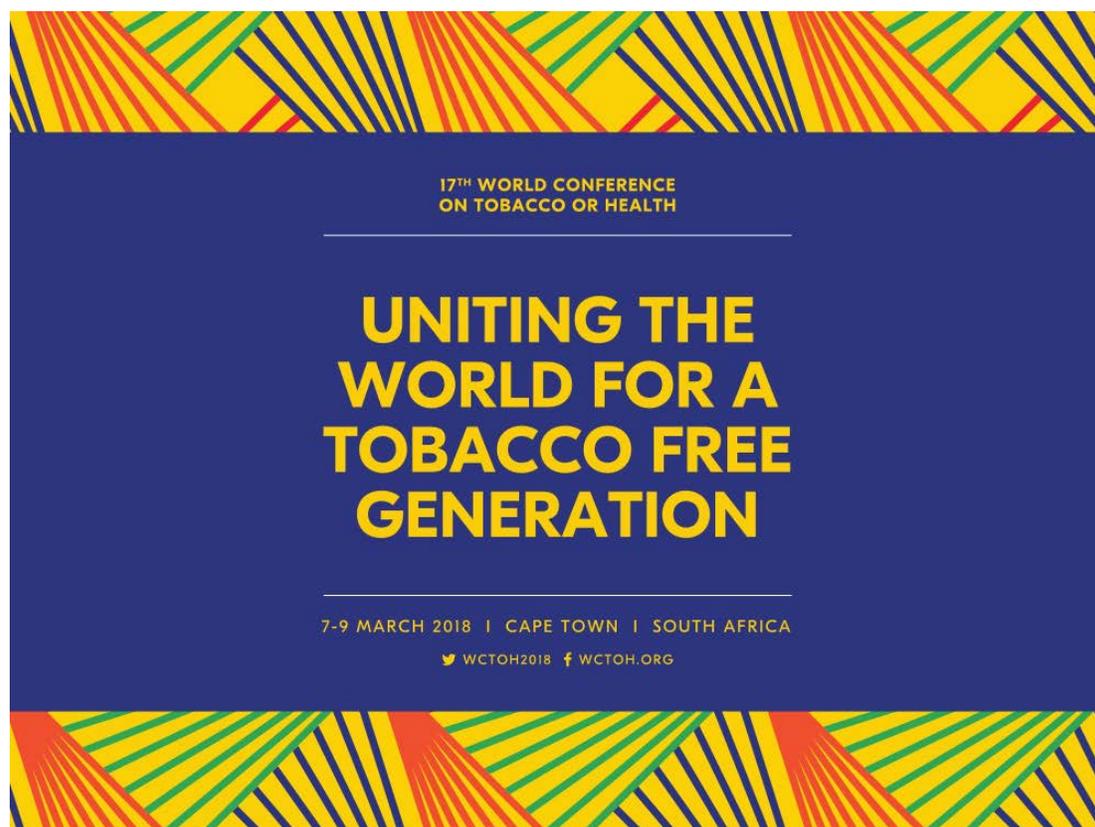
[Home](#) > Global Tobacco Control: Inching Forward but No End-Game Yet

Global Tobacco Control: Inching Forward but No End-Game Yet



Submitted by Patricio V. Marquez On Tue, 03/27/2018

co-authors: Enis Baris



Earlier this month, we attended the [17th World Conference on Tobacco or Health](#) ^[1], held in Cape Town, South Africa--the first time on the African continent. While we celebrated the effort made by the global community to implement the Framework Convention on Tobacco Control (FCTC) over the past decade, it was sobering to realize that a greatly intensified and sustained effort is required in the future. Business as usual will not suffice.

The tobacco epidemic continues to be one of the biggest global public health threats. Data from the new edition of [The Tobacco Atlas](#) ^[2], launched at the Conference, shows that 942 million men and 175 million women ages 15 or older are current smokers.

The good news: efforts in the past decade have slowed down the spread of the tobacco epidemic. Smoking rates among adults have decreased globally. The bad news: this positive result obscures the fact

that in some countries declines among males have stalled, and in other countries has continued to rise. Female smoking is still relatively lower than males, but has had a moderate increase in some countries.

What is ominous for the future is the relative rapid increase of smoking rates among youth, globally. Africa, the Eastern Mediterranean, and the Americas, with young population age structures, have experienced the fastest percentage changes in consumption over 1980-2016 (52%, 65% and 44%, respectively).

While 181 countries are parties to the FCTC, many are lagging in implementing its provisions. A good example that illustrates this point is the banning of smoking in public places. Currently, only 50 countries, up from 10 countries a decade ago, have adopted comprehensive smoke-free legislation, covering about one-fourth of the total population in the world. Also, the adoption of significantly large tax hikes to make cigarettes more costly and reduce tobacco use and prevent uptake by youth, is still a widely underused policy measure [3].

We think that any end-game strategy for the future would need to place added emphasis in supporting the adoption, by all FCTC signatory countries, of smoke-free environments, regulations and tax policies to significantly reduce the social acceptability of smoking in all its forms and make the price of cigarettes unaffordable.

The economic rationale for this course of action is compelling, given the negative externalities from smoking, ranging from annoyance that smokers can cause to individuals around them in public places, harm suffered by non-smokers who are both exposed to smoking by others and third hand smoke (the residues that contain many of the harmful substances found in tobacco smoke that solidify and form in surfaces at homes and public spaces where smoking occurred), and the direct and indirect social costs of tobacco use that families, communities and governments have to pay.



Seoul, Republic of Korea
Patricio Marquez / World Bank 2018

Accumulated evidence shows that if properly implemented, these policies work and are impactful. In many cities around the world, smoking is not allowed in restaurants, bars, clubs, hotels, or even in public housing complexes as in New York City. Presentations delivered at the Conference by World Bank Group participants provided evidence of country experiences where tobacco tax hikes have led to higher prices, reduced consumption, helped mobilize additional domestic resources to finance priority investments and programs, and are helping reduce inequities associated with the impoverishment impact of costly treatments for tobacco related diseases. Indeed, the experience of a range of countries that that have adopted tobacco tax reform in recent years--from Azerbaijan, Armenia, Belarus, Botswana, Colombia, Gabon, Ghana, Indonesia, Moldova, Mongolia, Montenegro, Philippines, Sierra Leone, and Ukraine [4]--attest to the win-win [5] nature of this fiscal policy.

It was also gratifying to learn a couple days after the end of the Conference that President Buhari of Nigeria has approved significant changes in the

tobacco tax structure by introducing specific excise duties on to top of ad valorem rates to be implemented over 2018-2020. The potential impact of this policy decision in the most populous country and larger economy in Africa sends a clear signal that political will and commitment at the highest level of government can overcome industry interference and the power of interest groups for the benefit of the population of a country.

We left Cape Town with a clear understanding that the global epidemic of tobacco use is not a problem that will simply go away. But we are optimistic that it is possible to move the needle faster and further since the broad anti-tobacco movement comprised of governments, civil society, international agencies, and philanthropies, is growing stronger and bolder.

Besides supporting the implementation of the FCTC globally, we think it is time to move away from siloed approaches and closely connect tobacco control efforts to broader processes geared to the achievement of the sustainable development goals.

In practice, this would imply exploring, innovating and trying ambitious approaches from crafting public health exceptions for tobacco control under global, regional and bilateral trade agreements with the support of the World Trade Organization (WTO) or political fora such as the G77, to leveraging the power of international finance markets by promoting shareholder activism to pursue “**tobacco-free investments**” as proposed during the Conference by **Tobacco Free Portfolios**, a global not-for-profit organization based in Australia. Michael R. Bloomberg’s launching of STOP ^[6] (Stopping Tobacco Organizations and Products), an initiative that creates a new global watchdog to closely monitor and highlight the tactics the tobacco industry uses across the globe to undermine public health, is another tool to advance the tobacco control agenda.

As we move forward, paraphrasing an African proverb, we should remember that if we walk alone we could go fast, but if we walk together as a broad collective learning from and supporting country, regional, and global efforts we will go far, in achieving the ambitious WHO target of a 30% reduction in the prevalence of tobacco use by 2025.

Published on *Investing in Health* (<https://blogs.worldbank.org/health>)

[Home](#) > Taxes for Better Health: Making the Case at the Joint Learning Network

Taxes for Better Health: Making the Case at the Joint Learning Network



Submitted by Patricio V. Marquez On Tue, 03/13/2018
co-authors: Somil Nagpal, Lydia Ndebele

[This blog first appeared on Joint Learning Network for Universal Health Coverage](#) ^[1]

Adam Smith, the 18th century social philosopher and political economist, renowned as the father of modern economics, observed in his seminal work “The Wealth of Nations” that *“sugar, rum, and tobacco are commodities which are nowhere necessities of life, [but] which are ... objects of almost universal consumption, and which are therefore extremely proper subjects of taxation.”*

Accumulated evidence on taxes from across the world, particularly on tobacco taxation, shows that taxing these products can offer a “win-win ^[2]” for countries strengthening their health systems by increasing: positive health outcomes and domestic resources to fund priority investments and programs. The public health impact, revenue generation, and increased equity all point to the value of a redoubled and sustained effort to support the utilization of this fiscal policy as a global public good.

To move this global agenda forward, over 35 participants from 12 low-and middle-income countries came together in Nairobi, Kenya, on February 13, 2018 to participate in a learning exchange of country experiences organized by the [Joint Learning Network for Universal Health Coverage](#) ^[3] (JLN) with support from the [World Bank’s Global Tobacco Control Program](#) ^[4] and co-hosted by the [Ministry of Health of Kenya](#) ^[5]. This event was the first offering of a new JLN collaborative on [Fiscal Policy for Public Health](#) ^[6].



The presentations during this event showed how increasing tobacco taxes plays an important role in raising the price of tobacco products, reducing consumption, and generating new revenue for the public sector. The evidence on the impact of taxing alcohol and sugar sweetened beverages (SSB), combined with non-fiscal measures such as regulations on advertising and sales to minors, strict enforcement of drunk-driver laws, and education and communication to consumers, is also increasingly showing the positive public health impact of this policy. However, as documented in the case of tobacco taxes, taxation policies remain underused globally, especially in low- and middle-income countries (LMICs). The good news is that there is a growing interest among policymakers and public health professionals on this topic.

The range of experiences from Ukraine, Malaysia, England, Mexico, and the United States presented at the JLN event, showed taxation to be not only an effective but a progressive policy. The significant increases in tobacco taxes in Ukraine over the past decade have helped generate tax revenues amounting to about 1.7% of GDP in 2017 and resulted in a 20% reduction in the proportion of the population who smoke tobacco daily. The tobacco tax in [Ukraine](#) [7] is strongly progressive as it benefits more the poorest population deciles when direct (e.g., out of pocket health care expenditures) and indirect costs (e.g., lost days of work due to sickness) averted are considered.

In the case of Malaysia, recent studies show that to achieve further reduction in the overall prevalence of smoking among adults from 24% in 2015 to 15% in 2025, the excise tax should be raised from the current rate of 47% to 78% of the retail price. The increase in alcohol taxes in England is predicted to result in the reduction of consumption and the avoidance of new cases of alcohol-related diseases and related health care costs. The spread of taxes on SSB to confront the alarming rise of obesity and diabetes in Mexico has led to a 10% decrease in SSB sales in Mexico, and a 21% reduction in self-reported SSB consumption in Berkeley, California, over the initial implementation phase of this measure.

Kenya offers an important lesson of real-life political economy and implementation challenges, showing that this is not an easy process and where there may be much more to learn from country exchanges.

Kenya's experience shows that necessary elements for a successful tax campaign include collaboration with solid, technical in-country partners that can lead the effort on the ground, sustained advocacy and lobbying with key governments officials and/or stakeholders, generation of critical data to inform and support advocacy messaging, constant monitoring and countering industry interference and tactics, and proactive engagement of the public using appropriate media channels.

During an interactive brainstorming session, JLN participants focused on the public health implications of various fiscal policy measures in addition to their traditional role of raising revenue and how they had been tried in their own countries.

The big take-home messages identified by the participants included:

- taxing tobacco to make these products less affordable where this had not been done yet, and considering advocacy with policymakers to introduce or raise taxes on alcohol and SSB to reduce health risks and the onset of related diseases as a major step needed in their own country contexts.
- additional efforts to build capacity on the use of simulation models so that the expected impact of policy scenarios are assessed;
- documentation of best practices as well as insights from what did not work well and experiences in managing implementation challenges;
- and to explore ways in which countries could organize themselves and work together on these issues.

In moving forward, all of us should realize that fiscal policies such as taxation of products that pose major health risks for noncommunicable diseases are clearly amongst the most cost-effective measures for health systems, as countries seek to achieve universal health coverage. If this is not done, the growing burden posed by tobacco and alcohol use and the consumption of SSB will increase the number of people affected by these diseases, raising the demand and utilization of costly medical care, and undermining the financial sustainability of entire health systems.

Regulating and taxing e-cigarettes is the right thing to do

SUBMITTED BY PATRICIO V. MARQUEZ ON THU, 12/07/2017



Image courtesy [Pixaby](#) creative commons license

Regulating tobacco use using excise taxation, restrictions on smoking in public places, and restrictions on youth access and sale of tobacco products is now a widely-accepted policy action to prevent its harmful health effects. The ruling by the United States Federal District Court that ordered the country's four largest cigarette makers to make "corrective statements" to inform the public about the harms of cigarettes, including light and low-tar cigarettes, which began on November 26, 2017 for one year, using prime-time television commercials and full-page ads in newspapers, only confirms what is already known on the basis of [accumulated evidence over the past half century](#): the manipulation of cigarette design and composition to ensure optimum nicotine delivery have led to addiction, ill health, and premature mortality and disability among smokers and among those exposed to secondhand smoke. And the recent decision by the Vatican to ban duty-free cigarette sales is a good example of how societal attitude towards tobacco use has changed: a sovereign state is willing to forego revenue from products that clearly harm people's health.

In recent years, policy discussions at the global level on whether e-cigarettes and other smoke-free nicotine delivery systems should be classified as tobacco products, and hence be regulated in the same way as cigarettes, have acquired great importance because their production is at the core of new diversified business plans of tobacco companies alongside the production and marketing of cigarettes. While the e-cigarette, a battery-powder device that heats a liquid containing nicotine into a vapor that is inhaled like a cigarette, is being touted as a harm reduction technological innovation to protect smokers from the ill effects of cigarettes, which continue to be marketed globally, we must ask: Is there strong scientific evidence that justifies this claim and exempts e-cigarettes from being regulated as another tobacco product?

A review published in the [New England Journal of Medicine](#) concluded that “At present, it is not possible to reach a consensus on the safety of e-cigarettes except perhaps to say that they may be safer than conventional cigarettes but are also likely to pose risks to health that are not present when neither product is used.” The results of a [comprehensive review](#) of available evidence done by U.S. Surgeon General in 2016, went further by concluding that tobacco use among youth and young adults in any form, including e-cigarettes, **is not safe**, and that in recent years, e-cigarette use by youth and young adults has increased at an alarming rate, becoming the most commonly used tobacco product among youth in the United States. The report also warned that since e-cigarettes are tobacco products that deliver nicotine, which is a highly addictive and toxic substance, they may pose the risk that many of today’s youth who are using e-cigarettes could become tomorrow’s cigarette smokers to continue to feed their nicotine addiction. Moreover, nicotine exposure can harm brain development in ways that may affect the neurological development and mental health of children and adolescents.

The regulatory response to e-cigarettes in the United States and the European Union (EU) is clear in signaling the potential health risks of e-cigarettes. E-cigarettes, as other cigarette products, now fall under the regulatory jurisdiction of the U.S. Food and Drug Administration. This is in accordance with the U.S. Surgeon General Report recommendations that comprehensive tobacco control and prevention strategies for youth and young adults should address all tobacco products, including e-cigarettes, and that further reductions in tobacco use and initiation among youth and young adults are achievable by regulating the manufacturing, distribution, marketing, and sales of all tobacco products—including e-cigarettes. In May 2017, the EU’s Court of Justice cleared new legislation that also puts e-cigarettes under similar regulatory pressures as traditional cigarettes, including a broad ban on advertising and other promotional activity. The EU’s updated Tobacco Products Directive, which brings e-cigarettes under this strict regulatory umbrella for the first time, was drafted a couple of years ago, but it was challenged by several important players in the tobacco industry.

The World Health Organization (WHO) and the Secretariat of the Framework Convention on Tobacco Control (FCTC) have been clear in recommending that countries treat and regulate e-cigarettes no differently than other tobacco products. The World Bank Group (WBG) has had an unambiguous global policy on tobacco since the 1990s that precludes lending, provision of grants, or guarantee investments, loans, or credits for tobacco production, processing, and marketing. As an original supporter of the FCTC, the WBG also provides technical assistance to governments to increase taxes on tobacco products as a win-win policy measure for both public health and domestic resource mobilization.

I believe that all of us working to advance the great cause of global health should not waiver in our commitment to support the development of healthy societies. In doing so, we should keep in mind that tobacco use is the world’s leading preventable cause of death, killing 7 million people per year. Moving forward, we should be guided by the lessons from history and available scientific evidence and redouble our efforts to support globally the full implementation of the FCTC’s demand and supply reduction measures to control tobacco use in all its forms, including e-cigarettes.

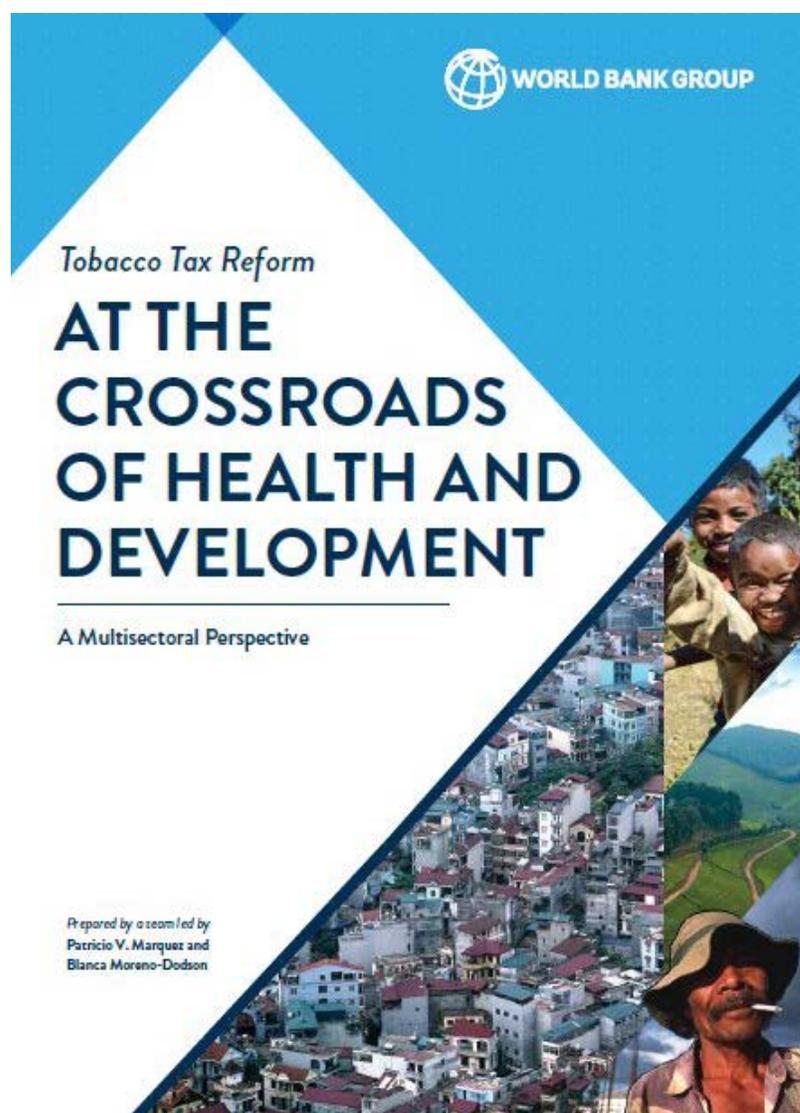
Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Tobacco Tax Reform: At the Crossroads of Health and Development

Tobacco Tax Reform: At the Crossroads of Health and Development



Submitted by Patricio V. Marquez On Tue, 10/03/2017
co-authors: Blanca Moreno-Dodson



Few people today doubt that smoking is bad. But many, including seasoned policy makers, do not realize just how bad it is. Bad for people, bad for economies, and bad for poverty reduction. In fact, tobacco use not only kills millions of people each year but places a staggering poverty and economic burden on low-income families and less-developed countries that is deepening inequalities between and within countries

In a new report, ***Tobacco Tax Reform: At the Crossroads of Health and Development*** [1], prepared in collaboration with a multisectoral team from different institutions, we show that by implementing tobacco tax policy reforms now, policy makers can choose a fast road to healthier, more prosperous societies. Indeed, country evidence indicates that higher tobacco tax rates could save millions of lives each decade, reduce poverty, and boost public resources for development investment. Yet, today, tobacco taxation remains one of the world's least-used tobacco control measures.

We argue in the report that the power to change this situation however exists. Not in the hands of any single leader or institution, but in a global coalition uniting governments, multilateral agencies, civil society, researchers, the private sector, and communities: a coalition dedicated to ensuring that the life-saving impact of tobacco tax reform reaches the largest possible number of people in the shortest possible time.

MAKING IT HAPPEN

If leaders want to move forward on tobacco excise taxation, what are the critical steps? What are the common pitfalls they should avoid? This report distills a large body of evidence on successful practice in tobacco taxation and the decision-making process.

Key lessons include:

- **Go big, go fast.** Tax strategies should focus on health gains first, then on fiscal benefits. This means going for big tobacco excise tax rate increases starting early in the process. Adopting a slow, cautious timeline might sound prudent. But it means condemning large numbers of people to avoidable illness and premature death. In tobacco taxation, the rewards go to those who act boldly.
- **Attack affordability.** Tobacco taxes only reduce tobacco consumption if they reduce cigarette affordability. In most LMICs, wages are rising. Thus, cigarettes will become de facto more affordable for consumers, increasing consumption, unless tobacco taxes rise even faster. Effective strategies will generally involve combining big initial tax increases with recurrent hikes over time, to keep cigarette prices climbing more steeply than per capita real income growth (including inflation).
- **Change expectations.** Communication with the public is also critical. Governments must make sure consumers know that a tax-rate hike is not just a one-off, but that cigarette prices will keep going up. This is a motivator for current smokers to quit and young people not to start.
- **Tax by quantity.** Tobacco tax rates should be simplified and based on the quantity of cigarettes, not their price. This is done in two ways, both of which preempt smokers' switching to cheaper cigarette brands after a tax-rate hike on the brands they previously smoked (a response called "downward substitution"). The first key move is to use specific excises, as opposed to ad valorem (value-based) excises or other taxes. A key factor that needs to be considered is that specific rates require to be adjusted over time to at least keep pace with inflation and, preferably, at a faster rate so that affordability is reduced over time. Any strategy for adopting them should be therefore accompanied by a framework/instrument to allow for annual increases over time (such as the United Kingdom's tobacco duty escalator). The second is to merge the multiple tobacco tax "tiers" used by most developing countries. This way, tax hikes raise prices by the same large amount on all brands at once, pushing smokers to quit completely, rather than switch.
- **"Soft earmarks"** can win support. Earmarking tax revenues through legislation is criticized by fiscal experts as contributing to rigidities, fragmentation, and eventual distortions in public expenditures. However, "soft" earmarking of funds — for example, linking increased taxes to increased health spending

— has helped generate grassroots support for the tax hikes. This has been shown by experience in other sectors, and it has worked for tobacco taxes in countries like Australia, Philippines, and the United States.

- **Regional collaboration can boost results.** Momentum for ambitious tobacco tax reform can be enhanced, and cross-border threats like cigarette smuggling minimized, when countries work together in a regional structure. The European Union (EU) provides an example. The EU experience shows that regional cooperation can help countries achieve the dual goals of reducing tobacco consumption while increasing government revenues. Lessons also concern the pace of reforms. EU lawmakers faced early political pressure to “go slow,” by setting a low initial minimum tobacco excise rate to apply to all Member States. However, the EU accelerated progress by convincing Member States to agree up front to relatively high minimum tobacco excise rates, with longer transition periods authorized for some countries facing special challenges.

- **Build broad alliances.** Country leaders face sharp resistance to tax rate increases and other tobacco control measures from the tobacco industry. The industry is both financially powerful and politically astute. Tobacco industry advice to governments promotes the most ineffective interventions and seeks to undercut and weaken tax measures. To counter these pressures requires robust scientific and economic analysis, as well as multi-sectoral policy development. It also demands the mobilization of civil society and opinion leaders. Support from international partners is also required, particularly in low-income countries, to strengthen country capacity for lining up and coordinating all parts of government, while engaging a wide set of stakeholders outside of government.

The good news is that countries and partners can come together, not just around a problem, but around a proven solution. A stronger, united effort is required to advance the global tobacco taxation agenda toward better health, less poverty, and greater development opportunity for all.

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Taxation: Most effective but still the least-used tobacco control measure

Taxation: Most effective but still the least-used tobacco control measure



Submitted by Patricio V. Marquez On Wed, 07/19/2017



source: Infographic: [Stop Smoking: It's Deadly and Bad for the Economy](#) ^[1]

A [new report by the World Health Organization](#) ^[2] (WHO) shares some good news: Six in 10 people worldwide are now protected by at least one of the WHO Framework Convention on Tobacco Control (FCTC)-recommended demand reduction measures, including taxation. The report, launched on the sidelines of the UN high-level political forum on sustainable development, also makes clear that raising taxes to increase tobacco product prices is the most cost-effective means to reduce tobacco use and prevent initiation among the youth. But it is still one of the least used tobacco control measures.

The facts about this global public health scourge are undisputable:

- Tobacco use is the leading single preventable cause of death worldwide, killing over 7 million people each year.
- Cigarettes are addictive by design, and smoking cigarettes can damage every part of the body, causing different cancers from the head or neck to the lungs and cervix and other chronic conditions such as stroke and heart disease, which lead to early death.
- The direct and indirect economic costs are also enormous, totaling more than US\$1.4 trillion.

- Controlling tobacco use is critical for the achievement of the health and social and economic targets in the 2030 Agenda for Sustainable Development.

But we know what needs to be done and governments are acting. Governments are implementing “**MPOWER**”, six tobacco control measures in line with the WHO Framework Convention on Tobacco Control (FCTC). MPOWER includes:

- **Monitoring** tobacco use and prevention policies;
- **Protecting** people from tobacco smoke;
- **Offering** help to quit tobacco use;
- **Warning** about the dangers of tobacco;
- **Enforcing** bans on tobacco advertising, promotion and sponsorship; and
- **Raising** tobacco taxes.

The WHO report indicates that 43% of the world’s population (3.2 billion people) are now covered by two or more MPOWER measures at the highest level, nearly seven times the number covered in 2007. Eight countries, including five low- and middle-income ones, have implemented four or more MPOWER measures at the highest level: Brazil, Islamic Republic of Iran, Ireland, Madagascar, Malta, Panama, Turkey, and the United Kingdom of Great Britain and Northern Ireland.

Some additional findings are noteworthy:

- **Monitoring:** Several countries, such as Nepal, India, and the Philippines, that conducted WHO-backed initiatives to monitor tobacco use have used the information to adopt measures to protect people from tobacco use. For example, Philippines’ landmark Sin Tax Reform Law was passed in 2012 after its 2009 global adult tobacco survey showed high smoking rates among men (47.4%) and boys (12.9%). The implementation of this policy measure has contributed to declining tobacco use as evidenced by the country’s 2015 adult tobacco survey results.
- **Protect:** Comprehensive smoke-free legislation is currently in place for almost 1.5 billion people in 55 countries. Dramatic progress has been witnessed in low- and middle-income countries, 35 of which have adopted these laws since 2007.
- **Offer:** Appropriate cessation treatment is in place for 2.4 billion people in 26 countries.
- **Warn:** More people are protected by strong graphic pack warnings than by any other MPOWER measure, covering almost 3.5 billion people in 78 countries – almost half (47%) the global population. And, 3.2 billion people live in a country that aired at least one comprehensive national anti-tobacco mass media campaign in the last two years.
- **Enforce:** Bans on tobacco advertising, promotion, and sponsorship interfere with the tobacco industry’s ability to promote and sell its deadly products and reduce tobacco use. But only 15% of the world’s population is currently covered by a comprehensive ban.
- **Raise:** Raising taxes to increase tobacco product prices is the most cost-effective measure to reduce tobacco use and encourage users to quit, but it is one of the least used tobacco control measures globally.

What the World Bank Group is doing

As an institution, the Bank has long been committed to tobacco control as reflected in its unambiguous Operational Directive 4.76 of 1999 that mandates that the World Bank Group does not lend directly or provide credits, grants, or guarantees for tobacco production, processing, or marketing. The Bank’s policy advice and technical assistance support tobacco tax increases to protect the population from health risks and to mobilize additional domestic resources.

Over the past two decades, Bank teams have carried out substantial analytical work to build the global knowledge base on issues related to tobacco control.

In recent years, the Bank, in partnership with the Gates and Bloomberg Foundations, and in coordination with WHO, has supported countries in the design of tobacco tax policy reforms to raise prices, reduce consumption, and mobilize domestic resources in accordance with the 2015 Financing for Development Addis Ababa Action Agenda.

In addition to support provided to the reforms in Philippines in 2012, in Botswana in 2013, in Ghana in 2014, and in Peru in 2015, the Bank's assistance to Armenia, Colombia, Moldova, and Ukraine contributed to the adoption of significant tobacco tax increases in 2016. The total population covered by these policy actions is about 250 million people.

Ongoing support is being provided in 2017 to an additional set of countries across regions, including Montenegro, where the government recently announced that tobacco taxes will be increased over the next 3 years in line with the European Union Tobacco Tax Directive's target rates, and in Lesotho, as part of the 2017 budget presented by the new government to Parliament.

In moving the global tobacco control agenda forward, as the findings of the 2017 WHO report suggest, a dedicated focus by governments with support of the international community is required to raise tobacco taxes since it continues to be the least used tobacco control measure. This is of critical importance to make these deadly products unaffordable, reduce consumption among current smokers, and prevent smoking initiation among children and youth.

While health is the main objective, we also need to argue, on the basis of country evidence from across the world, that raising tobacco taxes can generate a significant fiscal benefit by helping to expand a country's tax base and increase the budgetary capacity of governments to fund priority investments and programs that benefit the entire population.

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > World No Tobacco Day 2017: Why Does It Matter?

World No Tobacco Day 2017: Why Does It Matter?



Submitted by Patricio V. Marquez On Tue, 05/30/2017



"Sugar, rum, and tobacco, are commodities which are nowhere necessities of life, [but] which are ... objects of almost universal consumption, and which are therefore extremely proper subjects of taxation."
- Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776)

World No Tobacco Day 2017 focuses on the links between tobacco use, tobacco control, and sustainable development. Does this mean that tobacco use is more than a public health issue? The answer is an emphatic yes, rooted in robust scientific evidence accumulated over the past five decades and country experiences worldwide. Let me explain.

While tobacco products are legal goods offered in the marketplace, their consumption, particularly cigarette smoking, is highly addictive, toxic, and deadly. Nicotine (a chemical in tobacco), tar (a partially combusted particulate matter produced by the burning of tobacco), and carbon monoxide (a colorless, odorless gas produced from the incomplete burning of tobacco) activate multiple biological pathways through which smoking increases risk for diseases of nearly all organs of the body. The WHO just released this week jarring new data – 7 million people a year are killed by smoking and other tobacco use each year, up from 4 million people at the turn of the century. Smokers who begin early in adult life and do not stop smoking face a three-fold higher risk of death compared to comparable non-smokers, resulting in a loss of at least one decade of life.

If global development is lifting lives within and among countries, it should be clear to all of us that ill health, premature death, and disability caused by tobacco use is a major obstacle to supporting the achievement of healthy, educated, productive, prosperous, socially engaged, and happy people. It also undermines economic development, as the total economic cost of smoking is estimated to exceed US\$ 1.4 trillion per year, equivalent to 1.8% of the world's annual gross domestic product (GDP).

So what can be done to further strengthen the global effort to deal with this development challenge?

This year's World No Tobacco Day offers an opportunity for governments and societies across the world to recommit to implement strategies and plans that prioritize action on tobacco control, building upon ongoing efforts and achievements. The accelerated implementation of all demand-reduction measures, such as regulations to provide protection from exposure to tobacco smoke in public places, and to prohibit misleading tobacco packaging and labelling, as well as price and tax measures, along with raising public awareness of tobacco control issues, outlined in WHO's Framework Convention on Tobacco Control (FCTC) since 2005 has already contributed to the decrease in smoking prevalence in 126 countries from 24.7% in 2005 to 22.1% in 2015. While all the interventions included in the FCTC need to be fully implemented, tobacco taxation demands increased attention and effort, as its implementation lags behind. Around the world, cigarette prices remain too low to discourage consumption. Only 33 countries impose taxes that constitute more than 75% of the retail price of a pack of cigarettes—the taxation level recommended to deter consumption.

Since price plays an important role in smoking and cigarette taxes play an important role in cigarette prices, raising taxes on tobacco products is one of the most cost-effective measures to reduce tobacco use, especially in low- and middle-income countries (LMICs) where smokers are more price-sensitive. Due to the addictive nature of tobacco products, more than just focusing on quantity of cigarettes consumed, particular attention needs to be placed on examining the impact of prices on smoking initiation, especially among children and adolescents, on quit attempts, and on the fraction of the population that smokes.

In redoubling the tobacco taxation effort, it is important to keep in mind that the positive impacts of higher tobacco taxes that lead to higher prices and reduced consumption extend well beyond direct health gains and indirect benefits such as higher productivity and reduced health care expenditures. As recognized in a recent publication by the International Monetary Fund (IMF), "In many countries, raising tobacco taxes can offer a "win-win": higher revenue and positive health outcomes.... Of course, countries putting more weight on health objectives could raise taxes even further than the revenue maximizing point."

Country experiences provide strong evidence that increasing tobacco taxes can contribute to accelerate domestic resource mobilization in line with the objectives set forth in the 2015 Financing for Development Addis Ababa Action Agenda. This is important, as augmenting a country's tax base is critical to expand the fiscal capacity of governments to fund priority investments and programs, such as universal health coverage, education, safe water and basic sanitation, and road safety, to help countries achieve the Sustainable Development Goals (SDGs) by 2030.

On this World No Tobacco Day, those of us working at the World Bank Group should also reaffirm our commitment to "walking the walk and not only the talk" to help countries control the development threat posed by tobacco use. The unambiguous Operational Directive 4.76 of 1999 mandates that the World Bank Group does not lend directly to tobacco production, processing, or marketing; provide grants for investment in these activities; or guarantee investments, loans, or credits for these industries. World Bank Group policy advice and technical assistance support tobacco tax increases to protect the population from health risks and to mobilize additional fiscal revenue.

To advance the tobacco control agenda into the future, we should be guided by the realization that taxing tobacco is not only good for public health, but it is a fundamental policy measure that is necessary to help countries grow and develop for the benefit of the entire population.

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Tripling tobacco taxes: Key for achieving the UN Sustainable Development Goals by 2030

Tripling tobacco taxes: Key for achieving the UN Sustainable Development Goals by 2030



Submitted by Prabhat Jha On Tue, 01/24/2017
co-authors: Patricio V. Marquez, Sheila Dutta

Also available in: [Spanish](#) ^[1] | [العربية](#) ^[2] | [Français](#) ^[3]



World Bank Group / 2013

Since the World Health Organization (WHO) adopted the Framework Convention on Tobacco Control (FCTC) a decade ago, over 180 countries have [signed the treaty](#) ^[4]. Progress has been made in expanding the coverage of effective interventions--more than half of the world's countries, with 40% of the world's population have implemented at least one tobacco control measure, and despite increasing global population, smoking prevalence has decreased slightly worldwide from 23% of adults in 2007 to 21% of adults in 2013. How can greater reductions in smoking be achieved in the next decade and contribute to

reaching the health and social targets of the UN Sustainable Development Goals (SDGs) by 2030? We review some key issues in the epidemiology and economics of global tobacco control.

Smokers face a three-fold higher risk of death versus otherwise similar non-smokers, resulting in a loss of at least one decade of life. While the hazards of smoking accumulate slowly [5], cessation is effective quickly. People who quit by age 40 get back nearly the full decade of life lost from continued smoking [6]; quit by 50, get back six years; quit by 60, get back four years. Cessation is now common among adults in high-income countries [7]. For example in Canada [8] there are over 1 million more ex-smokers than just a decade ago. However, due in large part to the marketing and pricing strategies of the tobacco industry, cessation remains a major public health challenge in most low and middle-income countries (LMIC) where 85% of smokers live.

Global annual cigarette sales rose from five trillion cigarettes in 1990 to about six trillion today. Cigarette production has increased by 30% in China since 2000, which consumes 40% of the world's cigarettes [9]. Global tobacco industry profits of about \$50 billion – or \$10,000 per tobacco death – enable it to access finance officials, fund pricing research, and run interference against tobacco control--summarised wonderfully by comedian John Oliver [10]. Serious control of tobacco must counter these strategies on the basis of robust health, social and economic data that document the negative societal impact of tobacco use.

WHO has recommended a 30% reduction in smoking prevalence by 2025, which would avoid at least 200 million deaths by the end of the 21st century among current and future smokers. The only plausible way to reduce smoking to this extent would be to triple tobacco excise taxes in most LMICs. A tripling of the excise tax [11] would roughly double the retail price and reduce tobacco consumption by about 40%. As of 2015, WHO reported that only 28 LMICs had comprehensive policies covering counter advertising, restrictions on public smoking, and on appropriately high taxes, and that few had made progress on raising taxes.

The common strategy of tobacco producers is to lobby governments to keep cigarettes affordable by keeping tax hikes below the rate of income growth, and by taxing different cigarettes at different rates to enable smokers to change to cheaper brands or lengths. Smart taxation needs to simplify taxes by adopting, ideally, a high, uniform excise tax on all types of cigarettes (both filter and nonfilter) to reduce downward substitution (let's not forget, all cigarettes will kill you!). The Government of India has recently made modest tax reforms in this direction, the 2015 tobacco tax adjustment in China is reducing consumption and increasing fiscal revenue, and in 2016 World Bank teams supported the work of government teams in Armenia, Colombia, Moldova and Ukraine for the undertaking of comprehensive tax reforms that were approved by Parliaments, including reforms on tobacco tax structures and rate levels—additional work is being supported in other countries worldwide. Smart taxes can follow the example of Canada's tax hike of about 5 cents a pack in 2014, as well as the Sin Tax Reform (both tobacco and alcohol) in the Philippines of 2012 that helped mobilize domestic resources to fund the expansion of universal health coverage. There have been other successes: Botswana, Ecuador, Mauritius, Mexico, and Uruguay, where local political champions, paired with expert taxation advice, achieved large tax hikes. South Africa [12] also raised taxes in the last decade and has curbed consumption per adult by half.

Non-price interventions also play an important role as they help to reduce the social acceptability of tobacco use. Young American women took up smoking in large proportions in the 1960s and 1970s due in part to aggressive advertising (“The “Virginia Slims” epidemic”). Advertising bans or restrictions are likely one reason why young Chinese or Indian women have not yet done so. Australia has adopted plain packaging, and other countries are starting to follow this example. Simple questions on past smoking status to death certificates or to verbal autopsies could enable low-cost monitoring of the consequences of tobacco use in many populations [13].

Governments and international agencies with accumulated know how and expertise in data sciences such as the World Bank Group and OECD along with WHO could also help countries create accessible and independent sales, revenue and smuggling data sources as a basis for rational tobacco tax policy. Country finance officials should refuse advice from tobacco lobbyists to avoid falling into conflict of interest situations, as WHO recommends for health officials.

Implementing the FCTC more effectively in the next decade is required to raise cessation rates in LMICs. The World Bank recommended taxation as the core strategy in its 1999 publication, Curbing the Epidemic: Governments and the Economics of Tobacco Control [14]. Similar recommendations follow in recent reports on tobacco taxation by WHO [15], and by the International Monetary Fund [16]. Building upon accumulated evidence [17] and country experiences, a tripling of the worldwide excise tax might be the only way to achieve the 2030 UN Sustainable Development Goal of reducing non-communicable disease deaths by 30%!

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Healthy women are the cornerstone of healthy societies

Healthy women are the cornerstone of healthy societies



Submitted by Patricio V. Marquez On Thu, 01/12/2017

co-authors: Melanie Walker



Photo: Ivelina Taushanova / World Bank

On a recent road trip over the holidays, one of us had a good chat with his college-aged daughter about her views on gender. She was quite adamant in rejecting arguments voiced by some people about “innate intellectual differences” between males and females. She views these arguments as sexism that ignores the fact that there are women who are not getting the same opportunities as men because they are subject to cultural norms that limit their potential.

We not only agree with her views but also know that healthy women are at the core of healthy societies. The health of women is not, however, innate to any society. Development experience has shown that deliberate policies and programmatic strategies aimed at nurturing women’s health and well-being across the life cycle are vital for realizing the full potential of women and girls.

The World Bank Group Gender Strategy [1], which builds on the 2012 World Development Report

(WDR) on “^[2]Gender Equality and Development ^[2],” makes the point that while some women may face fewer disadvantages now than in the past, major gaps remain. One significant gap is excess female mortality, which could be avoided with better access to quality health care services, particularly during pregnancy and child delivery. Early detection and treatment for conditions such as cervical cancer help increase survival rates as many women are diagnosed only after the disease is in an advanced stage, leading to higher case fatality. As noted by the US CDC ^[3], since the human papillomavirus (HPV) is the main cause of cervical cancer, vaccination among school-aged girls is another critical intervention.

Social conditions and cultural norms that limit women’s access to health services, education, and economic opportunities are at the root of women’s health disparities and exacerbate the feminization of poverty as measured by the higher percentage of female -headed households who are poor. The prevalence of gender-based violence (e.g., in the midst of conflict situations, human trafficking, and domestic violence) is another often hidden determinant of women’s excess morbidity and mortality.

Research has shown that many maternal illnesses and lifestyle behaviors also affect children, amplifying their negative impact on society. For example, tobacco and alcohol use, anemia, over-nutrition, and under-nutrition all have potential long-term consequences on children. Gestational diabetes is a strong predictor of future health, both of the mother, who may develop diabetes and cardiovascular diseases (CVD) later in life, and the child, who has increased risk of developing Type II diabetes later in life. Poor maternal nutrition before and during pregnancy, as well as tobacco and alcohol use during pregnancy, contribute to poor intrauterine growth, resulting in low birth weight (LBW), which in turn predisposes the child to metabolic disorders and risk of non-communicable chronic diseases (NCDs) later in life. These problems are compounded by HIV and malaria. For example, LBW and malnutrition are more frequent in HIV-infected children, and malaria infection during pregnancy is a common cause of anemia and LBW.

Findings from new research also provide evidence about the impact that the well-being of women has on the intergenerational propagation of good physical and mental health. The findings ^[4] published in late 2016 indicate that pregnancy is associated with substantial changes in brain areas of pregnant women that are responsible for social cognition and the ability to understand the thoughts and intentions of others and that they may help intensify the bonding between mothers and their babies, and hence, the survival and healthy development of children.

Supporting access to effective interventions such as reducing malnutrition, preventing anemia, and improving access to essential health services, including effective contraception, are not only important for ensuring women’s well-being but also for improving nutrition in the early years of children and as important preventive measures for arresting the explosive growth of NCDs worldwide as noted above. The promotion of breastfeeding – which protects against diarrhea, respiratory infections, and obesity -- also helps prevent NCDs and protects against infection, apart from its nutritional benefits. Screening for gestational diabetes and screening for and prevention of malaria, HIV, and tuberculosis could also be part of an integrated antenatal care program with multiple benefits. And in conflict-and post-conflict contexts, programs targeting displaced populations and refugees are found to maximize their impact by combining nutrition, maternal mental health, and psychosocial stimulation interventions that address the symptoms of post-traumatic stress linked to exposure to extreme violence. Such integrated interventions have been shown to reduce the disabling impact of post-traumatic stress on mothers’ ability to nurse and feed their children.

Investing in women’s education is another critical contributor to child health. Again, research data ^[5] highlight the strong correlation between mother’s primary school completion and better infant health (as measured by incidence of very low birth weight) and child health (as measured by height-for-age and weight-for-age), even after controlling for many potential confounding factors. The data also shows that mother’s primary school completion leads to earlier preventive care initiation and reduces smoking. An

assessment of increased educational attainment and its effect on child mortality in 175 countries between 1970 and 2009 [6] showed that half the reduction in child mortality over the past 40 years can be attributed to the better education of women--that is, for every one-year increase in the average education of reproductive-age women, a country experienced a 9.5% reduction in child deaths. Economic empowerment of women is also transgenerational, women who have the dignity of a roof above their heads and food on their tables make better choices not just for themselves but for their families, including their children.

In short, it should be clear that addressing the root causes of ill health, premature mortality, and disability among women, and enhancing women's voice and agency to deal with limiting, and in some cases, oppressive, social and cultural norms and gender-based violence that impede the health and human capacity development of women is a cross-sectoral development priority. Policies that help turn the tide against the feminization of poverty and toward enabling women to lead lives of sustainable economic advancement and self-reliance will at the same time improve the health and mental well-being of future generations, and contribute to ensure that development is socially and economically inclusive.

Do the right thing: Tax tobacco!



Submitted by Alex Kremer  On Tue, 12/13/2016

Also available in: [Română](#) | [Русский](#)

Both my grandfathers smoked when they were young. My father's father was a shopkeeper who smoked a pipe and my mother's father was a smallholder who smoked cigarettes. Both died of heart failure and left my grandmothers as widows. My father grew up as a little boy in an atmosphere of pipe smoke and sometimes I wonder whether this contributed to his asthma and his own heart problems. My mother became a doctor, a cancer specialist, and she always used to tell my brother and me that we should never smoke, because she saw every day what smoking had done to her patients.

In Moldova, 87 percent of deaths are attributable to diseases associated with tobacco. I am not saying that tobacco caused them all, but these deaths are caused by diseases to which tobacco contributes. Also, in Moldova 43 percent of men smoke, while for women it is 5 percent. The worry is that nowadays a lot of the growth in smoking is among women.

It's interesting that very many Moldovans begin to smoke when they are children. 30 percent of kids in class 8 or class 9 have already smoked a cigarette. And this is possible because smoking is so easy. It's so cheap. It's cheaper than buying a bottle of Coke or a chocolate bar. So obviously smoking is very attractive to young people in Moldova. We can discourage young people from beginning this dangerous and addictive habit by making cigarettes more expensive.

Smoking eats up 5 to 10 percent of the public health budget. That's our estimate of the cost of treating diseases caused by smoking. The World Bank has looked at many scenarios of how raising tobacco taxes would increase Government revenues. Without going into details, it's quite possible to raise at least an extra 1 percent of GDP.

So raising tobacco taxes could protect the lives of our children and grandchildren, save on health spending and raise revenues.

If somebody votes against increasing tobacco taxes, it could be for three reasons. Two of them are wrong. Only the third one is solid.

The first one is a fear that there might be political resistance to an increase in taxes. But anybody who opposes tobacco taxation for fear of the political resistance has to answer this question: "Can you find another way to improve the budget by at least one percent of GDP which would create less political resistance?" One could raise VAT or income tax, but that would be politically even more difficult than increasing tax on tobacco.

The second reason for opposition to an increase in tobacco taxes would be for fear of smuggling. We know about smuggling. We know how cigarettes enter Moldova through Transnistria. Maybe two or three years

ago this argument would have been convincing. But now, Moldova and Ukraine have made significant progress in border cooperation and have monitoring systems which make this business much more difficult - if there is political will.

There is only one strong reason for opposing an increase in tobacco taxation. And that is because one is influenced by the tobacco lobby. The only real source of resistance to an increase in tobacco taxation is the tobacco industry. I therefore think that it is the obligation of anyone who blocks an increase in tobacco taxation to explain to the population why they are so opposed to it.

From a speech by Alex Kremer, World Bank Country Manager for Moldova, at Moldova's parliament on 6 December 2016.

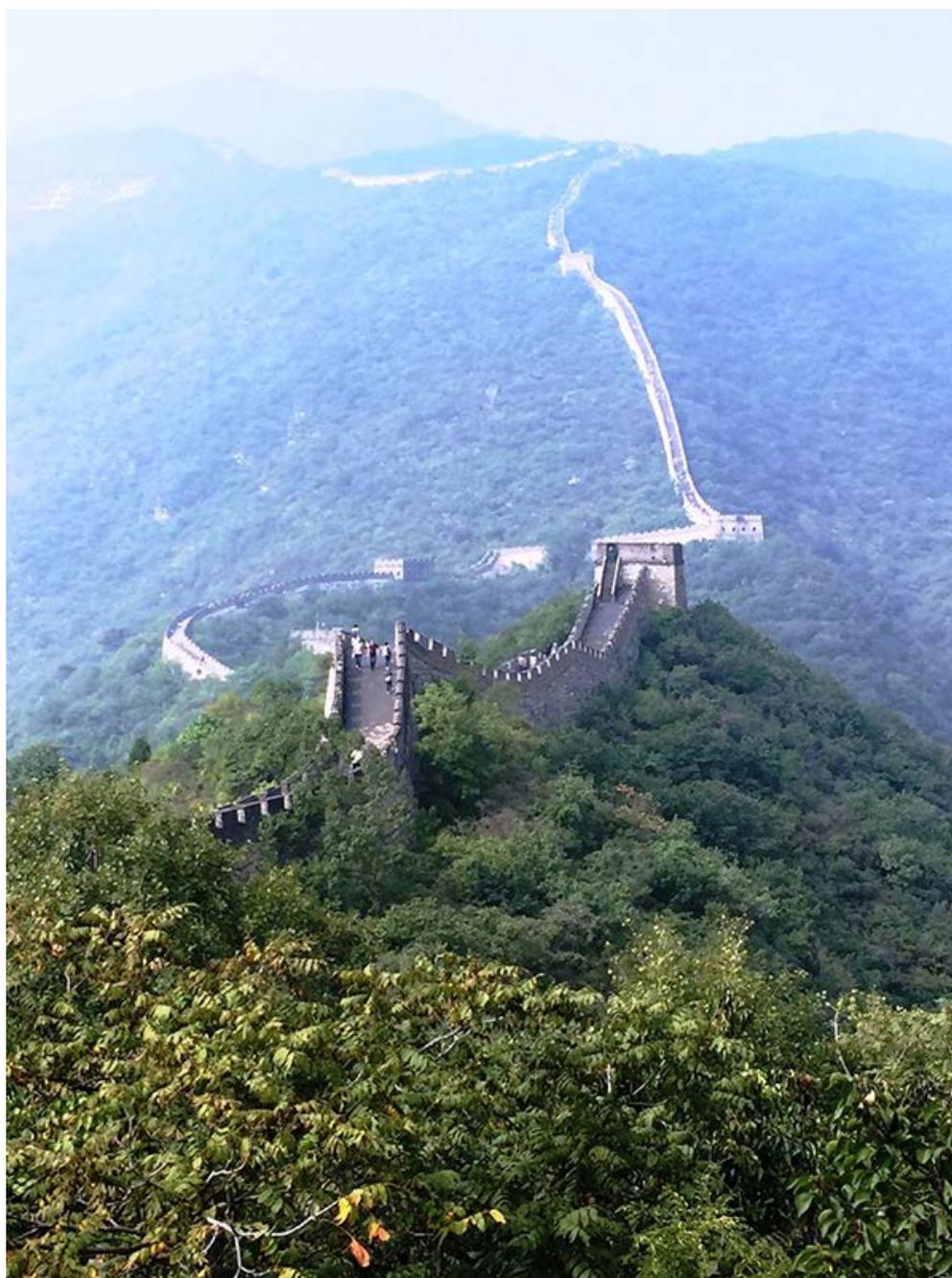
Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > China's 2015 tobacco tax adjustment: a step in the right direction

China's 2015 tobacco tax adjustment: a step in the right direction



Submitted by Patricio V. Marquez On Wed, 11/09/2016
co-authors: Rose Zheng



In August 2016, the Chinese public health community got a much-needed boost. The President of the People's Republic of China, Xi Jinping, said at the National Meeting on Health attended by members of the Standing Committee of the Political Bureau of the Communist Party Central Committee, ***“An all-around moderately prosperous society cannot be achieved without the people's all-around health.”*** He stressed that ***“Prevention should be more important than treatment”*** and ***“If these issues are not addressed effectively, the people's health may be seriously undermined, and economic development and social stability will be compromised.”***

Given China's size and importance in the world, the emphasis placed by President Xi on health promotion and disease prevention is nothing but revolutionary. Indeed, in an era where the organization and delivery of specialized, high-cost medical care dominates global health practice, the words of President Xi signals the emergence of a more balanced health paradigm in China, where public health and medical care reinforce and complement each other as part of a continuum of multi-sectoral actions to deal with both the causes and consequences of social, environmental, and behavioural drivers of ill health, premature mortality, and disability.

China has the highest number of tobacco users in the world (>300 million) and smoking is a major killer. Approximately 1 million deaths every year are caused by tobacco, despite improved access to medical care thanks to the expansion in recent years of national health insurance coverage.

In the face of this dire reality, what to do? Wait to treat people when they develop lung cancer and other tobacco-related diseases, or adopt measures to prevent the onset of disease in the first place? Governments have an obligation and the means to protect their population's wellbeing by adopting effective fiscal and regulatory measures, in addition to providing medical care to those persons who fall ill. In that sense, 2015 may prove to be a landmark year for tobacco control in China, as the Government adopted a national tax reform on cigarettes as well as a ban on smoking in public places in Beijing—a ban that is proposed to be expanded across the country.



Photo: Patricio Marquez / World Bank 2016

Initial assessments done by a team from WHO's Collaborating Center for Tobacco and Economics at Beijing's University of International Business and Economics (UIBE), show that the 2015 tobacco tax reform is proving to be a win-win for both fiscal and public health in China. The evidence thus far:

- **Impact on price and market structure.** The weighted average **wholesale price** increased by 8.9% from 10.27RMB per pack in 2014 to 11.18RMB per pack in 2015. The **average retail price** increased by 10.29%, from 11.61RMB per pack to 12.81RMB per pack. However, from a global perspective, **the weighted average cigarette price in China is still cheap: less than US\$2 per pack on average.** As the low-end price categories increased more than middle and premium price categories of cigarettes, the price gaps between tiers have been reduced. This encourages smokers up-shifting from the low end categories (Class V and Class IV) to the middle and upper price categories (Class III and Class II).
- **Impact on tax incidence.** The sales **weighted tax share as % of retail price** increased from 52% in 2014 to 56% in 2015, which is still lower than WHO recommended standard of 75%. The sales **weighted average excise tax as % of retail price** increased by 4% from 31% in 2014 to 35% in 2015.
- **Impact on consumption.** For the first time since 2001, as confirmed by the State Tobacco Monopoly Administration (STMA), **the volume of cigarette sales decreased by 2.36% in 2015 compared to 2014.** After the 2015 tax adjustment, sales continued to decrease by 4.61% over May 2015-April 2016 compared with May 2014-April 2015, and by 5.36% between October 2015-September 2016 compared with October 2014-September 2015.
- **Impact on government's revenue.** According to STMA data, the tobacco industry in China contributed 840.4 billion RMB (about US\$129.29 billion) tax revenue from tobacco products in 2015, an increase of 9% over the 2014 level. As a state-owned enterprise, it also contributed an additional 190.97 billion RMB (US\$29.38 billion) profit to the central government, plus 63.6 billion RMB (US\$9.79 billion) enterprise income tax to the central government. The 2015 tax increase was

applied at the wholesale level, which generated an additional 57.8 billion RMB (US\$8.89 billion) in excise tax at the wholesale level.

- **Impact on public health.** A preliminary estimation suggests that within 12 months following the 2015 tax increase, the total number of smokers would decrease by about 5 million.

While the impact of the 2015 tobacco tax increase is generating measurable benefits, the price of cigarettes in China continues to be low and increasingly affordable for a population that enjoys rapid wage increases. If the ultimate goal is to help smokers quit and prevent the next generation from getting addicted to smoking cigarettes, then additional tobacco tax policy reforms are needed in China, especially for re-orienting the excise tax structure towards specific excise taxes at the retail level in the medium-term and towards a uniform tax system at the retail level in the long-term. A recent study* estimated that a 50% increase in tobacco price through excise tax would lead over 10 years to 5.3 million years of life gained, and reduce expenditures on tobacco-related disease treatment by US\$2.4 billion.

Looking into the future, as evidenced in a World Bank study "**Toward a Healthy and Harmonious Life in China: Stemming the Rising Tide of Non-Communicable Diseases**", with stronger tobacco control measures including steeper tobacco tax increases, the rapid rise in China's non-communicable diseases can be halted, resulting in major gains for people's health and the country's social and economic development.

Uruguay: A giant leap to prevent tobacco-assisted suicide



Submitted by Patricio V. Marquez On Tue, 10/25/2016
co-authors: Melanie Walker

Also available in: [Español](#)



Tobacco is arguably one of the most significant threats to public health we have ever faced. Since the publication of the landmark **U.S. Surgeon General's Report on Tobacco and Health in 1964**, that provided evidence linking smoking to diseases of nearly all organs of the body (see graph below), the international community slowly began to realize that a century-long epidemic of cigarette smoking was causing an enormous, avoidable public health catastrophe across the world.

History is not linear. The road to progress tends to be circuitous and full of uncertainties, and even more than a few steps backwards. In spite of this reality, at certain points in time, we have to admire those individuals and countries who have stepped in to shine the light to allow us all to move forward.

Recently, Uruguay, a small country in South America, offered us a good example of how a government that is committed to protecting the health and wellbeing of its people was able to withstand for more than 6 years the pressure of litigation from a giant multinational tobacco company, whose annual revenues of more than US\$80 billion exceed the country's gross domestic product of close to US\$50 billion. As discussed in detail below, Philip Morris started proceedings in February 2010 claiming that the comprehensive tobacco control measures adopted by the Government of Uruguay since 2003 violated obligations under international trade and investment arrangements.

We are heartened by the resolve of leaders in Uruguay, which reflects the “garra charrúa” or the “resourceful, daring, and never to give up attitude” of the Uruguayan people. Perhaps in this case is apt to paraphrase the words of Apollo 11 astronaut, Neil Armstrong, after he stepped onto the lunar surface for the first time in 1969, to describe Uruguay’s victory as **“one small step for a country, one giant leap for global tobacco control.”**

Although cigarettes are “legal” goods that are produced, traded, and sold across the world, it is an indisputable fact, as one of us can attest as a specialist in vascular disease, that tobacco acts in a number of direct and indirect ways to cause damage to our blood vessels, heart and brain. Over time, these injuries raise blood pressure, reduce ability to tolerate exercise, and increase risk for blood clots and cancer.

Common adverse effects of **Tobacco smoking**

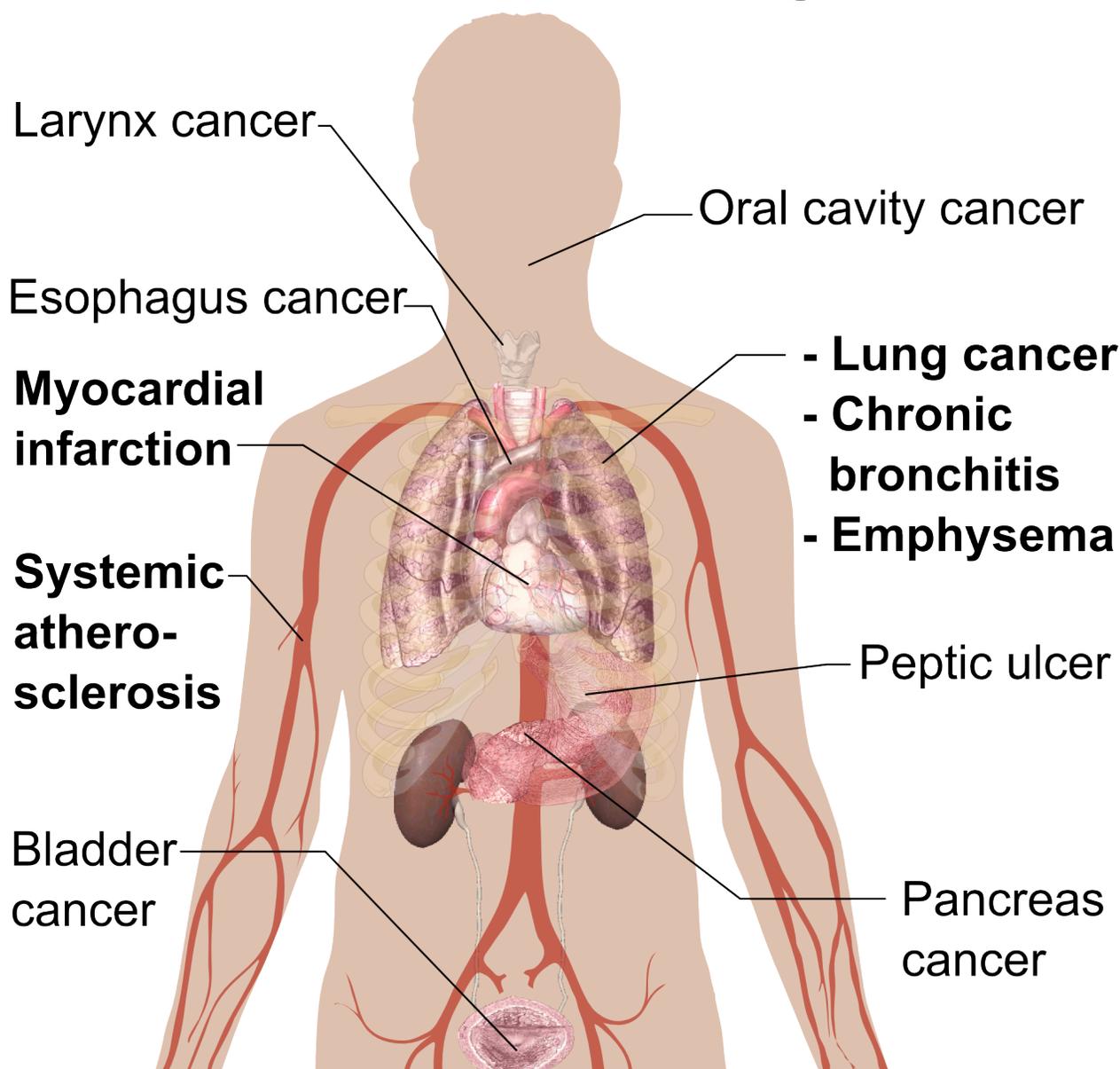


Image courtesy: [Science](#) [1]

Indeed, the bleak truth is that tobacco is the only “legal” product that kills when used as advertised. [2] Despite decades of accumulated epidemiologic and experimental evidence on the causal relationship between tobacco smoking and lung cancer and other diseases, as well as significant progress achieved in reducing tobacco use globally since the adoption in

2005 of the **WHO's Framework Convention on Tobacco Control (FCTC)**, smoking remains one of the largest causes of preventable disease and death, with nearly 80% of the world's one billion smokers living in developing countries. Data from the 2015 Global Burden of Disease study show that tobacco-attributable deaths and disability-adjusted life years (DALYs) lost have continued to rise across the world because of increases in population and aging that overwhelm declines in both exposure and risk-related rates of related disease burden. In 2015, more than 7.1 million people died due to all tobacco smoke-related cases, up from 6.8 million people in 2005.

The lawsuit by Philip Morris, the biggest tobacco company in the world, against Uruguay argued that the country's rules on tobacco packaging negatively impacted its intellectual property rights and sales in violation of the terms of a bilateral investment treaty between Uruguay and Switzerland, where the tobacco company has its headquarters. At its core, the lawsuit opposed provisions in two tobacco control measures adopted by the Government of Uruguay for protecting public health from the adverse effects of tobacco promotion, including false marketing that certain brand variants are safer than others, even after misleading descriptors such as "light," "mild," "ultra-light" were banned, and to increase consumer awareness of the health risks of tobacco consumption and encourage people, particularly the youth, to quit or not to take up smoking. **Ordinance 514** issued by the Ministry of Public Health in 2008 requires each cigarette brand to have a "single presentation" and prohibits different packaging or "variants" for cigarettes sold under a given brand. **Presidential Decree 287** of 2009 mandates an increase in the size of prescribed health warnings of the surface of the front and back of the cigarette packages from 50% to 80%, leaving only 20% of the cigarette pack for trademarks, logos and other information. The application of these provisions forced Philip Morris to withdraw most of its brands (such as Marlboro Red, Marlboro Gold, or Marlboro Green) from retail stores in Uruguay.

On July 8, 2016, however, **the International Center of Settlement of Investment Disputes (ICSID), an independent arm of the World Bank Group**, dismissed the lawsuit in its entirety and ruled that Uruguay should be awarded compensation for all the expenses and costs associated with defending against these claims. In essence, the ruling accepted the claim made by the Government of Uruguay that its anti-tobacco measures were "about protection of public health, not interference with foreign investment." We should be clear, as **Uruguay's President, Dr. Tabaré Vázquez**, an oncologist, stated in a televised address to the country after the ruling, the ICSID award reinforces that **"it is not acceptable to prioritize commercial considerations over the fundamental right to health and life."**

This landmark international ruling came at just the right time, as India prepares to host in early November 2016, the **Conference of the Parties (COP7)**, bringing together 180 Parties, which includes almost every country in the world, as well as regional economic integration organizations like the European Union, for reviewing the implementation of the WHO's FCTC and the Protocol to Eliminate Illicit Trade in Tobacco Products.

At COP7, the victory of Uruguay needs to be highlighted echoing the words of **former New York City Mayor Michael Bloomberg**, an international public health champion, who provided financial support to help Uruguay deal with the litigation: **"No country should be ever be intimidated by the threat of a tobacco company lawsuit, and this case will help embolden more nations to take actions that will save lives."** Indeed, countries across the world have now an important precedent to follow for the benefit of their people.

Healthy living for healthy societies and stronger economies

SUBMITTED BY [BASSAM SEBTI](#)  ON TUE, 05/31/2016



Also available in: [العربية](#) | [Español](#) | [Français](#)



(c) Alex Yosifov/Flickr Creative Commons

The cigarette puffs surrounded the 18-month-old boy as he stood next to his chain-smoking grandparents in the living room, while a 3-year-old girl fetched a can of Pepsi-Cola from the fridge in the kitchen. Just across in the dining area, a 7-month-old boy was being fed a creamy, sugary, chocolate cake, while a bunch of other kids were playing “house” in the front yard by actually eating unlimited number of chocolate bars, cake, and chips while drinking soda.

I could not believe my eyes. Observing these behaviors as a parent myself, it seemed like I was watching the slow death and diseases haunting these children for the rest of their lives.

It has always been like this, but I had never noticed it until I moved out of Iraq and became a parent. I grew up in a place where the unhealthy lifestyle was not a major concern. There are many other, more pressing concerns people there tend to worry about — and rightfully so — than what they eat and drink.

However, what people in my war-torn home country may not realize is that it's not only car bombs that can kill them. Cigarettes, junk food, and soda can too.

I spent three weeks in Baghdad recently to visit my mother, who was dying of cancer. During my visit, I met with some of my relatives. I noticed not only that some of them didn't care much about what their children eat, they themselves did not care for their health either. They chain-smoke (around kids, of course) and hadn't been to a doctor for a checkup in years!

"I'd rather die suddenly," a 37-year-old cousin of mine there once said. "I don't want to know if I have any disease that I have to deal with," he added.

I was speechless.

This is exactly how mother died. A tumor on her left kidney kept growing for five years, destroying it and then spreading to the bones. For five years since her last checkup, the cancer had infiltrated her blood and advanced to stage IV. It was too late to treat when discovered. She had only one month to live.

It takes a village

Educating people in Iraq and around the world, on healthy lifestyle is a vital matter — to the people *and* their countries' economies.

A World Bank [report](#) warns that risky behaviors –smoking, using illicit drugs, alcohol abuse, unhealthy diets, and unsafe sex— are increasing globally  and pose a growing threat to the health of individuals, particularly in developing countries. Titled "Risking your Health: Causes, Consequences and Interventions to Prevent Risky Behaviors", the report looks at how individual choices that lead to these behaviors are formed and reviews the effectiveness of interventions such as legislation, taxation, behavioral change campaigns, and cash transfers to combat them.

Engaging in such risky behaviors, according to the report, exerts a significant toll on the individual's productivity in the long-run. Society suffers as immediate peers of those who engage in risky behaviors may also experience declines in their productivity. Children are at particular risk, for example if they have to stop schooling due to a sick parent or if development of their cognitive abilities is compromised due to early exposure to harmful substances.

"Risky behaviors not only endanger an individual's health and reduce life expectancy, they often impose consequences on others," said Damien de Walque, senior economist in the World Bank's research department and principal editor of the report, in a press release. "The health consequences and monetary costs of risky behaviors to individuals, their families, and society as a whole are staggering and justify public interventions."

I once was a smoker myself. The peer pressure in high school and the difficulties I had to face during the country's wars had led me to smoke. However, after a doctor's consultation and educating myself on how harmful this habit is, I quit and it has been seven years since I lit a cigarette. Unbelievably, [smoking rates increased in 27 countries between 2000 and 2015.](#)  I am lucky I am not part of that statistic, and you should not be either. As they say, health is wealth. So think twice before flushing your wealth down the toilet or to the grave! 

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Plain packaging & tobacco taxes: an antidote for manipulation and deception

Plain packaging & tobacco taxes: an antidote for manipulation and deception



Submitted by Patricio V. Marquez On Tue, 05/31/2016



For 2016's World No Tobacco Day, celebrated today, the World Health Organization (WHO) and the Secretariat of the WHO Framework Convention on Tobacco Control (FCTC) are calling on countries to get ready for plain packaging of tobacco products. Why, may you ask?

The importance of this regulation is best explained in *"Phishing for Phools"* a new book by Nobel Prize Laureates in Economics, George Akerlof (2001) and Robert Shiller (2013). We humans think in terms of stories, Akerlof and Shiller observed, and our decisions are consequently determined by the stories we tell ourselves. Advertisers use this to their advantage by "graph[ing] their story" onto ours, and thereby influencing the decisions we make—in this case, to get us addicted to tobacco use, particularly teenagers and low-income people.

Australia passed legislation in 2012 to reduce the appeal of smoking by restricting the use of logos, colors, brand images, or promotional information on packaging other than brand names and product names displayed in a standard color and small font below hard-hitting warnings depicting the negative health consequences of smoking. In the two years following the law, tobacco consumption declined 12.8%, which some have attributed, in part, to the legislation.

Other countries are starting to follow Australia's example. Similar regulations approved in France and the United Kingdom are set to begin implementation in 2016, and they are under formal consideration in several other countries across the world. Uruguay and Thailand already mandate that at least 80% of front and back of the packaging be covered with graphic health warnings. And Mauritius leads Africa in terms of requirements for tobacco packaging and labelling.

The arsenal of effective consumer protection regulations that contribute to reduce the social acceptability of smoking also includes advertising bans, smoke-free public spaces, and restricting sales to minors. In the United States as mandated to the U.S Food and Drug Administration (FDA) by the 2009, "Family Smoking Prevention and Tobacco Control Act," regulatory agencies have authority to regulate the manufacture, distribution, and marketing of tobacco products, including e-cigarettes, like any other drug.

Cigarette taxes also play an important role in tobacco control. Evidence presented by high-level officials from China, Philippines, Uruguay, and the United States at a **global tax conference held at the World Bank this past week**, shows that raising tobacco taxes increases prices, reduces consumption, and improves the public health by reducing ill health and premature death.



Expanding the Global Tax Base: Taxing to Promote Public Goods, Tobacco Taxes: (Pictured left to right) Patricio Marquez, World Bank Group, Fernando Serra, Ministry of Economy & Finance, Uruguay; Philip Cook, Duke University; George Akerlof, Georgetown University; Jason Furnman, US President's Council of Economic Advisers; Jeremias Paul, former Under Secretary of Finance, Philippines; and Rose Zheng, University of International Business and Economics, Beijing, China.

Contrary to the assumption that tobacco taxes are financially regressive, **Jason Furman, the Chairman of the US President's Council of Economic Advisers**, illustrated how the sum of benefits fully offset the additional cost of taxes on consumers—tobacco taxes disproportionately benefit lower income households because as tobacco taxes increase, better health ensues, less money is needed for smoking-related healthcare services, and labor productivity improves due to reduced sickness and absenteeism.

Raising tobacco taxes is also an easy way to raise domestic revenue for health and other priority investments, as it is done in the Philippines under the 2012 Sin Tax Law to expand health insurance coverage to 15 million poor families or about 45 million people, and in the United States after federal tobacco taxes were increased in 2009 by US President Obama to fund the expansion of the Children's Health Insurance Program (CHIP) for low-income children. The 2015 excise tax increase at the wholesale level in China, which has increased the tax rate as a percentage of the retail price from 49% to 56%, is a significant step for China, not only because the country is the largest producer and consumer of tobacco in the world, but also to deal with the growing burden of non-communicable diseases. The experience of Uruguay, a country with one of the most comprehensive tobacco control laws in the world, shows that its application has significantly decreased smoking among adults from nearly 50% to about 20% over the past decade.

We have to be clear that tobacco control measures, such as plain packaging and higher taxes, are not part of a “nanny state” designed to hinder “free choice” in society. For those of us who have lost loved ones due to tobacco-related diseases, the story is a painful one. Simply told, our loved ones had become addicted to cigarettes, a product that unlike any other product on the market, kills when used as promoted by the “feel good” stories of manufacturers. Indeed, despite new year’s resolutions and promises to quit, they could not shake off the “urge” to smoke!

On this World No Tobacco Day, the international community needs to recommit itself to support countries in adopting plain packaging legislation to make tobacco use less attractive and increase taxes to make tobacco products less affordable. Improving public health and protecting future generations from the risks of tobacco use should be a priority in the global social contract. We owe it to the memory of our loved ones and to the millions of people who have died prematurely because of their tobacco addiction.

Published on *Voices* (<http://blogs.worldbank.org/voices>)

[Home](#) > Taxing tobacco and the new vision for financing development

Taxing tobacco and the new vision for financing development



Submitted by Patricio V. Marquez On Mon, 04/18/2016

As part of the 2016 [World Bank Group-International Monetary Fund Spring Meetings](#) [1] held this past week in Washington, D.C., a fascinating panel discussion, [A New Vision for Financing Development](#) [2], took place on Sunday, April 17. Moderated by [Michelle Fleury](#) [3], BBC's New York business correspondent, it included World Bank Group President [Jim Yong Kim](#) [4], [Bill Gates](#) [5], [Justine Greening](#) [6] (UK Secretary of State for International Development), [Raghuram Rajan](#) [7] (Governor of the Reserve Bank of India), and [Seth Terkper](#) [8] (Minister for Finance and Economic Planning of Ghana).



The panel was in consensus about the current challenging economic and social environment facing the world as a whole. That environment includes low rates of economic growth across the world, drastic reductions in the price of commodities that are impacting negatively low-and middle-income countries, rising inequality, frequent natural disasters and pandemics, increased number of displaced populations and refugees due to conflict and violence spilling across national borders and continents, and the ambitious [United Nations 2030 Agenda for Sustainable Development](#) [9], which includes a set of 17 [Sustainable Development Goals](#) [10] (SDGs). A question

debated in the panel was, Where will the resources be found to address these challenges? This question is critical under the current scenario if countries are to continue to build on the progress achieved over the last decade and maintain previous gains.

Gates noted that new and innovative tools are required alongside the promotion, adoption, and adaptation of good practices to make a difference in dealing with these challenges. Terkper advocated for maintaining official development assistance commitments and adopting flexible risk-sharing financial instruments by multilateral organizations to help countries attract and leverage private investment. The importance of investing in the development of healthy and productive populations as key engines of economic and social development over the medium and longer terms was stressed by Kim, who argued that many governments have to be convinced to invest in "soft sectors" — health, nutrition, and education — compared to the "hard sectors" — roads, ports, and energy infrastructure.

While international financial assistance is necessary to help countries translate into reality the vision for a world free of extreme poverty, where there is opportunity for all, it should be recognized, as observed by

Rajan, that domestic resources depend in large measure on economic growth. Growth, in turn, is supported by an enabling economic, social, and environment policy environment, including counter-cyclical fiscal policies, adequate fiscal space, and good governance. But, as highlighted by Greening, national governments must recognize that in accordance with the [Financing for Development Addis Ababa Action Agenda](#) ^[11] adopted in July 2015, the active mobilization and effective use of domestic resources, underscored by the principle of national ownership, are central to the common pursuit of sustainable development.

If development is lifting up lives, and new and innovative approaches for funding development are seen as “game changers,” then I would argue that the development community needs to redouble its commitment to advocate with national governments and society at large for raising taxes on tobacco products. Taxing tobacco is one of the most cost-effective measures to reduce consumption of products that kill prematurely, make people ill with all kinds of tobacco-related diseases (e.g., cancer, heart disease, respiratory illnesses), and cost health systems enormous amounts of money for treating often preventable diseases. In addition, hiking tobacco taxes can help expand a country’s tax base to mobilize needed public revenue to fund vital investments and essential public services that benefit the entire population and help build the human capital base of countries, such as financing the progressive realization of [universal health coverage](#) ^[12] and [mental health scale-up](#) ^[13] as well as education for all and [early childhood development](#) ^[14] initiatives. Indeed, data from different countries indicate that the annual tax revenue from excise taxes on tobacco can be substantial (e.g., close to 1% of GDP or \$3 billion in the [Philippines](#) ^[15] in 2015).

We at the World Bank, in partnership with the [Bill & Melinda Gates Foundation](#) ^[16] and [Bloomberg Philanthropies](#) ^[17], as well as [World Health Organization](#) ^[18], are already working and committed to support countries in the design and implementation of tobacco taxation policy measures and monitoring their health and fiscal revenue impact, as a critical element of the global development agenda. The time has arrived to make tobacco taxation an important source of domestic resource mobilization that has the potential to generate substantial health and social welfare dividends across the world.

Published on *Voices* (<http://blogs.worldbank.org/voices>)

[Home](#) > Economic slowdown and financial shocks: Can tobacco tax increases help?

Economic slowdown and financial shocks: Can tobacco tax increases help?



Submitted by Patricio V. Marquez On Mon, 02/08/2016
co-authors: Blanca Moreno-Dodson



Photo by: Patricio V. Marquez

A *Financial Times* article this past week focused on IMF Managing Director Christine Lagarde's call on policymakers to reform the global economy's system for coping with financial shocks. She said the world must prepare for looming crises in emerging and low-income economies, and their negative spillover impact on the rest of the world, caused by tumbling commodity prices.

We would like to argue that this is the time to seriously re-examine the role of corrective taxation, such as taxes on tobacco, which can generate positive social benefits while raising much-needed fiscal revenue. Let us make the case.

Tobacco use is a leading global disease risk factor and underlying cause of ill health, preventable death, and disability. With around 6 million lives lost annually, tobacco-related diseases claim more lives than HIV/AIDS [1], malaria, and tuberculosis combined.

It is a widely accepted fact that raising taxes on tobacco products is one of the most cost-effective measures to reduce their consumption and save lives. Indeed, research from high-income countries finds that a 10% price increase will reduce overall tobacco use by between 2.5% and 5%. International experience, however, indicates that tax rate increases should be high enough to reduce the affordability of tobacco products, offsetting growth in real incomes.

Tobacco taxes can also generate substantial domestic revenue which could then be allocated to fund essential services that benefit the entire population. To this end, strong tax administration is critical to minimize tax avoidance and tax evasion (mainly in the form of illicit trade). Regional agreements on tobacco tax harmonization can also be effective in reducing cross-border tax and price differentials, and in minimizing opportunities for individual tax avoidance and larger scale illicit trade.

Equally important, governments must resist interference with tobacco control from the tobacco industry, which continues to expand its business in poorer countries with less educated and younger populations, to compensate for lower consumption in high-income countries.

There are positive trends on this front across the world. According to the [2015 WHO Global Tobacco Report](#) [2], 106 countries have increased their tobacco taxes in various ways. In the United States, for example, cigarette prices rose 350% between 1990 and 2014, due to a five-fold increase in average state cigarette taxes and a six-fold increase in the federal cigarette tax. The 156% increase in the federal excise tax on tobacco over a four-year period adopted by the U.S. government in 2009 (taking it from 39 cents per pack to \$1, not counting state taxes which average over \$1 a pack) helps pay for the coverage of millions of low-income children under the State Children's Health Insurance Program.

The 2012 Sin Tax Reform Law in Philippines simplified the excise tax system on alcohol and tobacco, made the tax system more buoyant by indexing tax rates to inflation, and funded increased enrollment of the poor to the national health insurance program using tobacco and alcohol tax revenue. Excise taxes as a percentage of the price of the most-sold cigarette brand in some Latin American and Southern African countries have increased to levels that vary from 52% to 68%. In 2015, albeit still at a relatively low tax rate level, [China increased tobacco excise taxes](#) [3] as a percentage of cigarette retail price, from about 33% to 38%.

Although several low- and middle-income countries have increased tobacco excise tax rates, overall they remain substantially below tax rates in high-income countries, even when adjusting for differences in purchasing power. This shows that low- and middle-income countries can increase their excise taxes further to effectively make cigarettes more expensive, reduce consumption, and mobilize fiscal revenue.

Over the past decade, a “call to arms” to accelerate the implementation of the Framework Convention on Tobacco Control, including tobacco taxation, has consistently been made by WHO, former New York City Mayor Michael Bloomberg, Bill and Melinda Gates, and yes, the [World Bank Group](#) [4]. The international community has now a window of opportunity to advance the tobacco tax policy agenda within the broader framework offered by the [Financing for Development Addis Ababa Action Agenda](#) [5] adopted in 2015. Indeed, as stated in clause 32 of this agenda, price and tax measures on tobacco should be seen as effective and important means to reduce tobacco consumption and health care costs, and as a revenue stream for financing for development in many countries.

Under the World Bank Group's [Tobacco Control Program](#) [6], a multisectoral initiative funded with the support of the [Bill & Melinda Gates Foundation](#) [7] and the [Bloomberg Philanthropies](#) [8], work is under way in several countries across regions combining public health, macroeconomics, tax policy, and tax administration expertise, as well as know-how on reforming the customs systems, to assist in the design and implementation of tobacco tax policy and administration reforms.

In times of crises, unconventional measures help. So, let's make sure to include tobacco taxation as part of the policy arsenal for countries to use to deal with the stark new reality of budget shortfalls and faltering economic growth, while contributing to keeping the population healthy by controlling a preventable disease risk factor.

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Time to put “health” into universal health coverage

Time to put “health” into universal health coverage



Submitted by Patricio V. Marquez On Thu, 01/14/2016



photo by: Patricio Marquez

While on a walk with my younger son over the holidays, we got into a good discussion about the future of health care. After taking a class on health economics this past semester, he wanted to share his perspective about the need to “do something” to deal with the high cost of medical services that are pricing people out of health care in many countries.

Contrary to arguments used to justify the need for expanding access to services without putting patients at risk of impoverishment when they have to pay out-of-pocket for services rendered, even when they have health insurance, I was pleasantly surprised by his prescription. He said: we need to focus on “keeping people well” rather than only “treating the sick.”

As a public health professional, I could not agree more.

In 2015, we saw significant movement toward the goal of universal health coverage, culminating in a high-level meeting last month in Tokyo at which global leaders [highlighted](#) ^[1] the need to accelerate progress toward affordability of care and access to basic services.

To achieve these objectives, and to ensure the financial sustainability of health systems, which can be severely undermined by the uncontrolled rise of health care costs, it is important that the push toward UHC include efforts to change lifestyle choices that contribute to chronic disease.

To be clear: this is not only a predicament affecting developed countries. Given the growing relative importance of non-communicable diseases and injuries across the world, developing countries are also starting to face this unavoidable dilemma but without the resource base, health systems or coverage levels of developed countries.

Are disease and injury prevention then the “cure” for this global challenge? In large measure this may be the case. However, this course of action requires a fundamental rethinking of how to best keep people healthy and out of the hospital.

For starters, there has to be a widespread realization among policymakers, employers, health insurers, service providers, and the population at large, that the lion’s share of health care expenditures goes for treating diseases and injuries that could be “prevented”. This, however, would require priority attention for supporting population-wide efforts to tackle social and behavioral determinants of ill health and premature mortality, such as policy measures to curb tobacco use, second hand smoke, alcohol and substance abuse, obesity and Type-2 diabetes, road traffic injuries, and in some countries, gun violence.

Besides regular collection and dissemination of data on the nature and characteristics of health risks and associated conditions needed to guide policy formulation and implementation, including funding allocations, active involvement of different stakeholders is required to advance this public health agenda.

Taxation and regulatory measures, as well as “institutional nudges” such as offering healthier lunch options in the staff cafeteria, can help influence behavior change and reduce the social acceptability of health risks. High taxes on tobacco that make cigarettes unaffordable, for example, coupled with smoke-free public spaces and bans on advertising, have been shown to reduce consumption and prevent addiction among youth. Community-based nutrition and physical activity programs have also proved to be effective in helping control obesity and the onset of diabetes. Strict enforcement of laws against drunk driving has contributed to significant reduction of road fatalities across the world.

Insurance arrangements and health care organization and payment innovations are increasingly used in different countries to advance this public health agenda as well. For example, insurance companies, by charging lower premiums for those who quit smoking, lose weight, and pass screening tests for artery-clogging cholesterol, high blood pressure, and high sugar levels, provide an incentive for individuals and families to assume responsibility for their health.

Health care reforms that promote care coordination among hospitals, physicians, nurses, therapists and home care providers in accordance with evidence-based care protocols and that reimburse services using annual or capitated fees for members of an assigned population, are used to promote collaborative structures centered on ambulatory, community-based, primary care services. These arrangements have the potential to reduce costly emergency room visits and inpatient services through early detection and treatment of chronic diseases and by keeping people healthy and out of the hospital.

There are also generic drugs to treat most of these conditions as a secondary prevention measure. Statins, for example, are prescribed to reduce cholesterol and lower the risk of heart attacks and strokes. But measures to keep people on medication adherence need to be adopted to reduce the risk of disease progression or the development of multi-drug resistant conditions, including facilitating access to low-cost generic drugs, since the high cost of drugs that control chronic diseases may be a disincentive to use them.

The use of smartphones and specialized apps can help keep people healthy, via text message reminders about medication schedules; keep track of lab results and vital signs; and monitor progress in achieving personal health goals.

Many employers are offering on-site clinics as part of workplace health or wellness programs to help workers access health promotion counseling to encourage exercise and diet regimens, and to provide secondary prevention services such as flu vaccination, screening for high blood pressure and blood sugar levels, and psychosocial support for anxiety and depressive disorders and alcohol and substance abuse. In the United States, for example, it is estimated that one-third of firms that have 5,000 or more employees now have such clinics.

As we start the New Year, it is time to make the case for giving more attention to health promotion and disease prevention as part of scaling up of universal health coverage. Let’s make our goal healthy people and not simply more health services. The realization of this goal, however, has to be a shared social responsibility!

Follow the World Bank health team on Twitter: [@WBG_Health](https://twitter.com/WBG_Health) ^[2]

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Running away from “Tobacco Road”

Running away from “Tobacco Road”



Submitted by Patricio V. Marquez On Tue, 12/15/2015



Image: Patricio Marquez

Earlier this fall, my oldest son invited me to watch him run his first half marathon in Durham, North Carolina. While standing at the starting line, facing hundreds of runners of different ages, I could not help but be amazed by the irony of the situation: In the midst of a region in the United States known as “tobacco road,” there was tangible evidence of a significant, healthier turn in people’s norms and behaviors.

Why the irony, you may ask? After the U.S. Civil War in the 19th century, the tobacco industry became the backbone of North Carolina’s economy, and the city of Durham developed rapidly as a tobacco manufacturing center. Although cigarettes are no longer manufactured there, its historic district, where the race took place, still preserves the physical legacy of tobacco factories, which have now been converted into upscale apartment buildings and retail spaces.

While North Carolina is still the top tobacco-producing area in the United States, over the past two decades, tobacco employment, and the number of tobacco farming, processing and manufacturing

establishments have declined steadily across all segments of the tobacco value chain in the U.S. In 1992, the U.S. tobacco industry employed over 80,762 people in 2,144 establishments. By 2012, this number had dropped to 42,531 workers in 1,955 establishments, a decline of 47.3% and 8.8%, respectively.

The continuous decline in the relative economic importance of the U.S. tobacco industry is due in large measure to the translation of medical and public health evidence, and knowledge about the negative health effects of tobacco use, into effective public policy measures, such as smoke-free laws and tobacco tax increases, which make these products unaffordable. Education campaigns and cessation programs have also helped to reduce the social acceptability of smoking and have changed consumption patterns. And funding from the 1998 Master Settlement Agreement--an accord between the state Attorneys General of 46 states, five U.S. territories, the District of Columbia, and the five largest U.S. tobacco companies, which requires the tobacco industry to pay the states approximately US\$10 billion annually for the cost of health care for tobacco-related illnesses -- is being used to support crop diversification away from tobacco.

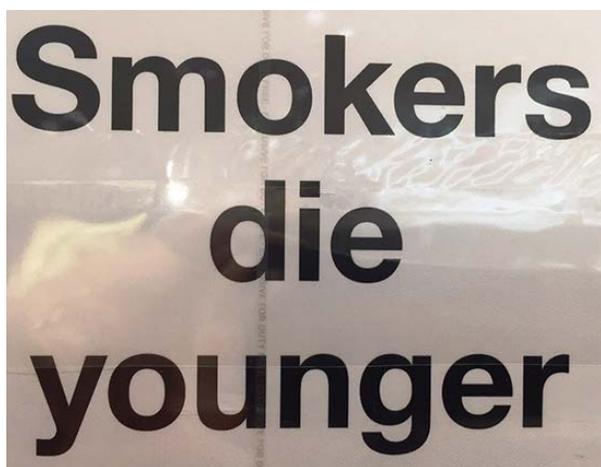


Image: Patricio Marquez

Beginning with the first U.S. Surgeon General’s report on tobacco released in 1964, a broad consensus now exists that tobacco use is the single-most preventable cause of death and disease in the United States. As documented in the *Healthy People 2020* report, for every person who dies from tobacco use in the United States, 20 more people suffer with at least one serious tobacco-related illness. Overall, smoking in the United States kills about 480,000 Americans a year and costs nearly \$280 billion a year in health care costs and lost productivity.

Thanks to widespread application of anti-tobacco policy measures, smoking rates have declined significantly. Survey data from the U.S. Centers for

Disease Control and Prevention (CDC) show a significant downward trend in current cigarette smoking among adults in the U.S.: from 42% in 1965 to 19% in 2011.

In spite of the significant progress achieved over the past 50 years, the 2014 Surgeon General’s report warns against complacency. The list of illnesses caused by smoking has grown, and smokers today have a greater risk of developing lung cancer than they did in 1964, even though they smoke fewer cigarettes, due to changes in the design and composition of cigarettes that raise health risks. It is notable that, for the first time, women are as likely as men to die from many of the diseases caused by smoking.

As the tobacco industry and tobacco use in the United States gradually but inexorably continue to fade away, there are other deep-seated and far-reaching changes taking place in social and cultural norms, attitudes and behaviors that have had an impact on the population’s health.

Scientific evidence and knowledge about the health benefits of regular physical activity, for example, are influencing youth and adults alike to participate in moderate and vigorous physical activities, such as running. Events such as the Durham Half Marathon reflect the “running/jogging/walking boom” that has grown over the past decade. Since 2004, Americans’ estimated total running/jogging participation (6+days/year) has increased 70% to a record of nearly 42 million people, across both genders.

Public health warnings and advice on effective ways to deal with the growing U.S. obesity and diabetes epidemic are also making more people cognizant about the food they eat. CDC data show that improvement in eating habits, including reductions in the average number of daily calories children and adults consume; a decline in the amount of soda Americans drink by about one-quarter since the late 1990s; and a rise in physical activity, have all contributed to the fall in the rate of new diabetes cases by about one-fifth, from 2008 to 2014.

On the trip back home from Durham, I concluded that all of us who are involved in supporting the realization of universal health coverage across the world now have a tremendous opportunity to contribute to the attainment of longer lives, free of preventable disease, disability, injury, and premature death. But to do so effectively in today’s era of competitive priorities and vested commercial interests, we need to advocate and support sound policymaking by disseminating and adapting to specific country contexts, good practices such as the ones observed in the United States. We also must bring evidence to bear on the broad social and economic benefits of public health action, as well as the costs of inaction.

We have a ways to go, but “running away from tobacco road” is a step in the right direction.

Follow the World Bank Health team on Twitter: [@WBG_Health](https://twitter.com/WBG_Health) ^[1]

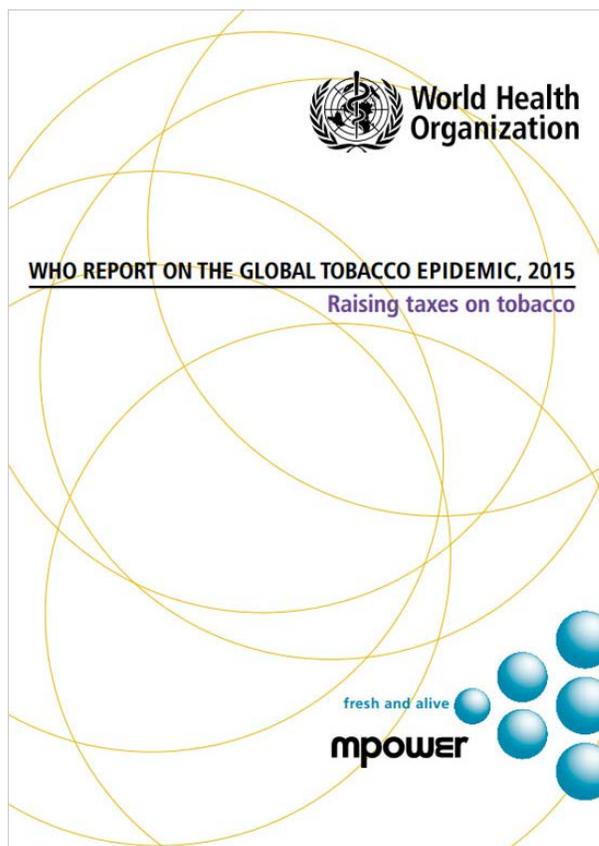
Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Making the public health case for tobacco taxation

Making the public health case for tobacco taxation



Submitted by Patricio V. Marquez On Mon, 07/06/2015



Let's be clear. Tobacco use, and its negative health, social and economic impact, is not a global problem that is simply going away.

As documented in a [recent study](#) [1], despite significant reductions in the estimated prevalence of daily smoking observed at the global level for both men and women since 1980, the actual number of smokers has increased **significantly** over the last three decades as the result of population growth. In 2012, it is estimated that close to **one billion people** were smokers, up from 721 million in 1980.

Clearly, tobacco use is a global epidemic. If we do not want to be passive spectators to the unhindered growth of this threat to global health, then political will at the highest levels of government needs to be galvanized, coupled with sustained support from civil society and international organizations. This is required not only to shine light upon this deadly but entirely preventable threat, but more importantly, to promote effective and sustained action to deal with it.

[A new World Health Organization \(WHO\) report on tobacco taxation](#) [2], launched today in Manila, raises a troubling question

for policymakers across the world: If, as shown by scientific evidence, tobacco is a leading global disease risk factor, why then are so few governments levying appropriate levels of tax on cigarettes and other tobacco products?

The importance of this question is accentuated by the widely accepted fact that raising taxes on tobacco products is one of the most cost-effective measures to reduce consumption of products that kill, while also generating substantial domestic revenue for health and other essential programs—investments that benefit the entire population.

Findings in the report show that while only 33 countries impose taxes that constitute more than 75% of the retail price of a pack of cigarettes—the taxation level recommended to have an impact on consumption —

most countries that do tax tobacco products have extremely low tax rates. And some countries do not have a special tax on tobacco products at all.

Given this situation, the WHO report is a much-needed and timely “call to arms.” It encourages governments to look at accumulated country evidence worldwide, and not simply the tobacco industry’s arguments, and to use tax measures to increase the retail price of tobacco products as one of the best available public health policy measures.

The report outlines some important lessons about how to effectively implement this policy measure to achieve the public health objectives of tobacco taxation, based on empirical evidence:

- While nearly all countries tax tobacco products, an excise tax is the most important type of tobacco tax, since it applies uniquely to tobacco products and raise their prices relative to prices for other goods and services.
- Simpler tobacco tax structures are more effective than complex ones, since tiered tax structures are difficult to administer and can undermine the health and revenue impacts of tobacco excise taxes.
- Use of specific excise taxes enhances the impact of tobacco taxation on public health by reducing price gaps between premium and lower-priced alternatives, which limits opportunities for users to switch to less-expensive brands in response to tax increases. Taxing all tobacco products comparably reduces incentives for substitution.
- *Ad valorem* taxes are difficult to implement and weaken tax policy impact. Since they are levied as a percentage of price, companies have greater opportunities to avoid higher taxes and preserve or grow the size of their market by manufacturing and selling lower-priced brands. This also makes government tax revenues more dependent on industry pricing strategies and increases the uncertainty of the tobacco tax revenue stream.
- Specific excise taxes need to be adjusted for inflation to remain effective.
- Tax increases should reduce the affordability of tobacco products. In many countries, where incomes and purchasing power are growing rapidly, large price increases are required to offset growth in real incomes.
- Strong tax administration is critical to minimize tax avoidance and tax evasion, to ensure that tobacco tax increases lead to higher tobacco product prices and tax revenues, as well as reductions in tobacco use and its negative health consequences.
- Regional agreements on tobacco taxation can be effective in reducing cross-border tax and price differentials and in minimizing opportunities for individual tax avoidance and larger scale illicit trade.

And, I will add, international trade agreements, such as the proposed Trans-Pacific Partnership, which is being negotiated by 14 countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam), could help curb smoking globally if related public health measures adopted by participating countries are protected from the threat of litigation from the tobacco industry.

The report also warns countries against accepting the industry’s argument that illicit trade of tobacco products will thrive if taxes on tobacco products are increased. Accumulated evidence shows that this argument is flawed. While high taxes may create incentives for illicit trade, different country experiences show that illicit trade can be controlled by legal means (e.g., use of prominent tax stamps, serial numbers, special package markings, health warning labels in local languages, adoption of uniform tax rates nationwide that facilitate successful collection at the points of manufacture and import) and by increased law enforcement (e.g., improving corporate auditing, better trace and tracking systems, and good governance).

The report makes the point that controls over the distribution chain (from monitoring of production and/or distribution to licensing of all parties involved in manufacturing, distribution and retailing), improved technologies, and better use of data help to reduce illicit trade and complement tobacco tax reforms.

We at the World Bank, working with WHO and other partners, such as the Bill & Melinda Gates Foundation and Bloomberg Foundation, are committed to support countries in the implementation of tobacco taxation measures as outlined in this report. Effective tax regimes that make tobacco products unaffordable represent an important intervention to tackle the growing burden of noncommunicable diseases and a potential important domestic revenue stream for helping finance the UN's Sustainable Development Goals (SDGs) across the world.

Follow the World Bank health team on Twitter: [@WBG_Health](https://twitter.com/WBG_Health) ^[3]

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > World No Tobacco Day 2015: On illicit trade and taxes

World No Tobacco Day 2015: On illicit trade and taxes



Submitted by Patricio V. Marquez On Fri, 05/29/2015



On May 31, the global health community will mark [World No Tobacco Day 2015](#) ^[1]. This year's theme focuses on the public health priority of stopping the illicit trade of tobacco products. Perhaps this is a good occasion to clarify that raising tobacco taxes to make this habit-forming product unaffordable is not the cause of illicit trade. Let me explain.

The benefits of higher tobacco taxes are obvious, both in terms of good health outcomes for individuals and entire communities, which result from reduced consumption of tobacco products. In particular, this policy measure should be seen as a key strategy relevant for all countries to reduce the growing burden of non-communicable diseases. In addition, hiking tobacco taxes can help expand a country's tax base to mobilize additional revenue to fund vital health programs and other essential public services that benefit all of us, even in the presence of cigarette smuggling. In the post-2015 period, increased tobacco taxation

(along with other “sin taxes”) could also represent an important domestic revenue stream for helping finance the UN’s Sustainable Development Goals (SDGs) across the world, which will build upon the Millennium Development Goals (MDGs).

One of the main arguments often raised by the tobacco industry and other parties against the adoption of tax increases on tobacco products is the threat of illicit trade. Accumulated international experience, however, demonstrates that this argument is flawed.

Tobacco taxes are not the primary reason for cigarette smuggling and cigarette tax avoidance. Despite high cigarette prices due to high taxes in high-income countries, illicit trade is much less common in these countries than in low-income countries with low tobacco taxes. Indeed, many countries, such as the United Kingdom, or various states in the United States, have increased tobacco taxes significantly without experiencing major changes in illicit trade.

While high taxes may create incentives for illicit trade, evidence indicates that other factors have a much bigger effect on illicit trade of tobacco products. The trade thrives where the potential for illicit gains is high, and the risk to illegal operators is low. More specifically, as noted in a [new report](#) [2] by the World Health Organization (WHO), factors driving illicit trade include: the ease and cost of operating in a country, tobacco industry participation, sophistication of crime networks, and low capacity in a nation’s tax administration system, and the likelihood of being caught and punished.

Also, as documented by the U.S. Government Accountability Office, where cigarette packs in the United States are taxed at varying rates at the state level, criminal enterprises have incentives to engage in cross-border and illicit schemes to profit or take advantage of these tax rate differentials.

What to do? Experience shows that these illegal activities can be controlled by legal means (e.g., use of prominent tax stamps, serial numbers, special package markings, health warning labels in local languages, adoption of uniform tax rates nationwide that facilitate successful collection at the points of manufacture and import), and by increased law enforcement (e.g., improving corporate auditing, better trace and tracking systems, and good governance). For example, since Her Majesty’s Revenue and Customs’ (HMRC) “Tackling Tobacco Smuggling” Strategy was introduced in the U.K. in 2000, the size of the illicit cigarette market has been cut by almost half, with more than 20 billion cigarettes and over 2,700 tons of hand-rolling tobacco seized. Additionally, the U.K. has seen more than 3,300 criminal prosecutions for tobacco offences following action by law enforcement officers. In Chile, a country that has one of the highest tax rates on cigarettes in the world, with taxes accounting for 78% of the price of each pack, the government has also experienced increased success in seizures of smuggled tobacco products. This has affected the country’s tobacco supply and is helping curtail the slight growth in illicit trade observed after a 2013 increase in tobacco prices.

After making the above argument on the need to delink tobacco taxation from illicit trade in policymaking discussions, it needs to be acknowledged that illicit trade of tobacco products is both a major health and fiscal challenge that merits urgent attention and action by governments across the world.

According to WHO research, one in every 10 cigarettes might be illicit. From a health perspective, increased availability and affordability of untaxed and inexpensive cigarettes puts more people at risk of being harmed because of increased smoking, addiction to a deadly product, and the resulting ill health, premature mortality and disability associated with tobacco-related diseases. From a fiscal perspective, illicit tobacco trade only benefits a few (often criminal enterprises) at the cost of forgone tax revenues for the government, which results from taxes not being paid on tobacco products.

Ratification of the Protocol to Eliminate Illicit Trade in Tobacco Products, which is a supplementary treaty to the WHO Framework Convention on Tobacco Control (FCTC), is a critical first step to confront this

global health, economic and social scourge. The Protocol is now open for ratification, acceptance, approval, formal confirmation or accession by all Parties to the WHO FCTC. So far, eight countries have ratified it (Gabon, Mongolia, Nicaragua, Spain, Turkmenistan and Uruguay). Thirty-two additional country ratifications are needed to make this Protocol an international law.

On World No Tobacco Day 2015, let's all advocate and encourage lawmakers --from across the political spectrum in our respective countries-- to ratify and implement the Protocol to Eliminate Illicit Trade in Tobacco Products, in spite of the strong opposition from the tobacco industry. Lives and the social well-being of nations depend on it!

Follow the World Bank health team on Twitter: [@WBG_Health](https://twitter.com/WBG_Health) ^[3]

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > The seven salvos of sin (taxes)

The seven salvos of sin (taxes)



Submitted by Jim Brumby On Tue, 03/25/2014



Tobacco kills one-third to one-half of all people who use it, on average 15 years prematurely. The World Health Organization (WHO) has a target of a 30% reduction in smokers by 2025; but this is one target that would be great to exceed. Alcohol-attributable cancer, liver cirrhosis, and injury caused 1.5 million deaths globally in 2010.

Recently, the representatives of ministries of finance and ministries of health, as well as a host of civil society organizations and international organizations, met in Manila to consider lessons to be drawn from the international experience surrounding so-called sin taxes.

What is a sin-tax? It is a tax that is levied on products or services that are socially costly, thus adding to their price and contributing to state revenue. These type of taxes are levied by governments to discourage individuals from partaking in such activities without making the use of the products illegal. To have so many countries from the East Asian region come together at the World Bank-organized event in Manila, sitting together, was itself a symbol of the emerging interest and consensus around issues concerning sin taxes.

Taking a cue from the [catchy campaign](#) ^[1] around *seven wins* to advance the recent successful passage of a major Sin Tax Reform in the Philippines, and based on the discussion in Manila, I suggest we consider the *seven salvos* of sin taxes, as follows:

1. ***It's mainly a health issue; it's only secondarily a taxation issue.*** The health consequences of continuing to smoke are dire -- tobacco is projected to cause 1 billion deaths in the 21st century, ten times what it did in the 20th century, or currently 5.4 million per year. Therefore, any delay is a costly delay; there should be a 'bias for action,' striving to make smoking less attractive to those susceptible to engaging in it. East Asia in particular has cigarettes that are affordable. They are packaged (including by single stick) to minimize access costs. This region accounts for a lion's share of the world's smokers. Indonesia, alone, accounts for 5% of the world's smokers, with two-thirds of men and about 7% of women smoking, and quite heavily, as well as a distressing 18% of children age 10 to 14 years.
2. ***Market segments matter.*** The behaviors across the market segments are quite distinct, with noteworthy differences in elasticities across product categories and prices, for example. Smokers may be inclined to shift between (down) product categories, especially when a price increase is induced through the levying of an additional tax or increase in tax rate. Cigarette companies manage their product categories and packages to offer new attractions to smokers across the different market segments.
3. ***Arguments against increasing tobacco tax rates are spurious.*** The industry – represented by growers, manufacturers, distributors and advertising outlets – are collectively a special interest. They mount arguments to try to galvanize public opinion, or create some forms of fear. One of the most often used is the suggestion that increased rates lead to smuggling. In such circumstances, it is important to reframe the argument. The issue is improving tax and customs administration so as to stamp down on illicit trade, rather than being held hostage by such trade and some poorly specified notion of smuggling.
4. ***Earmarking can help.*** Generally, public finance practitioners do not like earmarking, as it can contradict the general efficiency objectives of the public budgeting process. But this is one area where I am prepared to support earmarking in its soft form.
Earmarking can assist in making the argument for sin taxes compelling to the public; it can build trust in the public budgeting system, something which is needed in many countries in East Asia. Definitions concerning the soft and hard forms of earmarking are not uniform. In fact, earmarking as an idea seems to be malleable and ductile. These are strengths, not weaknesses. Institutional development has shown numerous cases where jurisdictions have started with earmarking, but through time have moved away from that, as confidence has emerged in their public budgeting processes. Health promotion – based on the idea that prevention is better than cure – sprang to life in the 1980s; it has made a valuable contribution to public health and should be supported by earmarked taxes. Earmarked taxes can also be applied for general public health purposes. For example, Philippines, Thailand, Egypt, and the UK earmark sin taxes for health.
5. ***Tax design matters a bit.*** It is desirable to have automatic annual adjusters built into the law so that excise taxes keep pace with rising incomes and aspirations. It is also noteworthy, that as with many taxes, more *tiers* create more *tears*. In other words, the more tiers for differentiating the types of tobacco products (maybe origin, price or quality) the more complicated the tax structure and the more wiggle room given to the tobacco industry for maneuver. Indonesia probably has the most complex (and industry-friendly) tobacco excise regimes in the world. Specific design features can make practices like 'front-loading' more difficult for the tobacco companies to sponsor. The challenge to reduce smoking requires numerous other interventions, as well as the use of taxation.
6. ***Build an evaluation system into the reform package.*** The public sector worldwide is beset by good ideas, but around which governments often fail to build tracking systems to measure the

changes in behaviors (good and bad). The best time to design these systems is at the start; the Philippines is a good example of doing that. Their sin tax reform is controversial; one way to manage that controversy is with good data about the effects of these reforms. This means building into the reform package, evaluation and data collection on both the effects on the taxation side and also the spending side.

7. ***It's a special time for tobacco taxes.*** The global move toward universal health coverage, the growing awareness associated with smokers' health, the revenue need and the institutional appetite for these forms of taxes have probably never been stronger. Cigarette taxes can boost tax intake considerably. Even at current low rates, Indonesia collects more than 1% of GDP in cigarette tax revenue. For countries looking at the transition from lower middle-income status to higher income status – to escape the so-called middle-income trap – arguably, it is a reform that shows institutional maturity and a society that is making the transition to the generally higher performing public institutions associated with higher incomes. The Philippines case showed that, notwithstanding an entrenched industry and integration with growers, real reform can take hold.

Follow the World Bank health team on Twitter: [@worldbankhealth](https://twitter.com/worldbankhealth) [2]

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Good News from the Global War on Tobacco Use

Good News from the Global War on Tobacco Use



Submitted by Patricio V. Marquez On Thu, 03/26/2015



Last week, I participated in the 16th World Conference on Tobacco or Health (WCTOH) in Abu Dhabi--a scientific event where the latest developments in tobacco control were presented.

While there was general agreement that the World Health Organization 2005 Framework Convention on Tobacco Control (WHO FCTC)--the first global treaty negotiated under the auspices of the World Health Organization--is an effective tool for tobacco control, there was concern that implementation at the national level has fallen short of objectives.

I prefer, however, to see the glass half full rather than half empty. Let me explain why.

It should be clear to all of us that the WHO FCTC is a global framework that commits countries that have ratified it to move forward on tobacco control. This is in itself a tremendous achievement. To help make this a reality, WHO introduced MPOWER, a package of effective policies and interventions to assist countries in reducing the demand for tobacco. The MPOWER package includes: **M**onitor for tobacco use; **P**rotect people from tobacco smoke; **O**ffer help to quit tobacco use; **W**arn about the dangers of tobacco; **E**nforce bans on tobacco advertising, promotion and sponsorship; and **R**aise taxes on tobacco products.

As shown at the conference, MPOWER is increasingly being implemented worldwide. WHO estimates that 2.3 billion people in 92 countries – one-third of the world's population – are now covered by at least one MPOWER measure, up from 1.3 billion people in 48 countries in 2007.

More specifically, the 2012 WHO data show that:

- 2.8 billion people in 54 countries (40% of the world's population) are covered by effective tobacco use surveillance;
- 1.1 billion people in 43 countries (16% of the world's population) are covered by complete smoke-free legislation;
- 1 billion people in 21 countries (15% of the world's population) are offered appropriate cessation support;
- 1 billion people in 30 countries (14% of the world's population) are exposed to strong graphic health warnings;
- 694 million people in 24 countries (10% of the world's population) live in countries with complete tobacco advertising, promotion and sponsorship bans; and
- 530 million people in 32 countries (8% of the world's population) live in countries with sufficiently high taxes on tobacco products.

More importantly, according to WHO 2014 estimates, the implementation of the WHO FCTC over 2005-2015 has contributed to reduce smoking prevalence among males and females aged 15 years and older, from 40% to 35% , and from 9% to 6%, respectively. And, as documented in a [recent study](#) ^[1], evidence from 41 countries show that the effective implementation of MPOWER measures can help avert 7.4 million premature deaths by 2050.

Substantial and regular increases in tobacco excise taxes that raise prices and make tobacco less affordable have been shown to be the most cost-effective measure, since price increases are estimated to lead to a reduction of 7 million smokers and to 3.5 million smoking-attributable deaths averted.

To highlight the tangible progress being made in tobacco control in low- and middle-income countries, the winners of the 2015 Bloomberg Philanthropies Awards for Global Tobacco Control announced at the conference reflect good practices and results achieved in each of the MPOWER categories:

- **Monitoring:** Brazil Ministry of Health and National Institute of Statistics implemented the Global Adult Tobacco Survey in 2008, the first country to do so in the Americas, and the subsequent introduction of MPOWER measures into their existing national survey, creating strong technical capacity to monitor tobacco control.
- **Protecting:** Regional Advocacy Life Center (“LIFE”) of Ukraine led and coordinated support for the 2012 countrywide smoke-free law and comprehensive anti-tobacco advertising, promotion, and sponsorship bill.
- **Offering help to quit:** Uruguay’s Ministry of Health has been a leader in global tobacco control for nearly a decade. In 2008, the new Tobacco Control law mandated that all health care providers offer cessation support.
- **Warning:** Nepal’s Ministry of Health and Population passed a comprehensive law comprised of large, graphic health warnings, bans on tobacco advertising and sponsorships, and a smoke-free law, all while facing immense pressure from the tobacco industry.
- **Enforcing:** KONFOP, a Russian NGO, was a leader in the passage of 2013 tobacco control legislation in Russia, which is among the strongest comprehensive tobacco control legislation in the world.
- **Raising tobacco taxes:** The Philippines Department of Finance and Department of Health played a critical role in passing the Sin Tax Law in 2012, which made it more efficient to raise the tobacco tax by simplifying the country’s tax structure and channeling the revenue to help expand universal healthcare across the country.

Also at last week's conference, Michael Bloomberg and Bill Gates launched a US\$4 Million Anti-Tobacco Trade Litigation Fund to help governments that pass tough anti-smoking laws defend against international trade suits and increase public awareness of legal threats from the tobacco industry. And one of the most inspiring sessions addressed Australia's move to mandate plain or standardized packaging for tobacco products in 2012, in spite of strong opposition from the tobacco industry. There were also a lot of discussion on how to best support agricultural diversification and end tobacco crop dependence.

While tobacco control remains a difficult challenge in a large number of countries (about 1 billion people are current smokers), I left the conference convinced that significant inroads have been made in the first 10 years of the WHO FCTC toward the 2013 World Health Assembly target of reducing tobacco use prevalence globally by 30% by 2025. But, as I noted in my presentations at the conference, reaching that target will require that we continue working on tobacco control across the world as a moral and development imperative. If we do that, we will also be able to honor the legacy of loved ones who have suffered and died prematurely due to lung cancer or other tobacco-related diseases.

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > The Tobacco Dilemma: Corporate Profits or Customers' Health?

The Tobacco Dilemma: Corporate Profits or Customers' Health?



Submitted by Patricio V. Marquez On Wed, 02/26/2014



Photo courtesy Creative Commons

For those of us who have been impacted by the death of loved ones due to the negative health consequences of smoking, the recent announcement by Larry Merlo, the CEO of the U.S. pharmacy chain CVS, to stop selling tobacco products in the chain's 7,600 stores, was a ray of hope and a step toward a future when public health concerns trump short-term profit motives.

CVS's decision should be applauded and emulated as a good corporate example of the adoption of "shared value" principles, which combine social and economic concerns. Indeed, this was not only a courageous decision to help prevent more societal harm caused by tobacco addiction, but also a business-savvy decision for a man who lost his father to lung cancer.

While the company stands to lose about US\$2 billion in annual revenues (1.6% of its total sales of US\$123 billion), he is positioning CVS for the long term as an important health care provider, not just for selling

prescription drugs but also for offering basic health services such as flu vaccination and preventive care for chronic conditions in its fast-expanding “MinuteClinics” network.

Governments, private and non-governmental stakeholders, and international donors will do well to fully understand the business rationale of CVS and rethink their development strategies and assistance programs to make tobacco control a national and international priority. As Mr. Merlo noted in a [recent interview](#) ^[1] with the *Financial Times*, selling tobacco in CVS stores “had become a contradiction to the health outcomes that we were trying to achieve.”

So, if governments, private and civil society actors, and international donors are committed to maximize the well-being of the population, they must redouble multisectoral efforts towards tobacco control to avoid falling into the same contradiction that CVS faced.

Let's be clear. As World Health Organization (WHO) experts pointed out years ago, tobacco is the only consumer product that eventually kills half of its regular users if they follow its manufacturers' recommendations. So how to stop this “legalized” carnage across the world?

Besides corporate actions such as CVS's decision, which will contribute to further reduce the social acceptability of smoking, the 2003 [WHO Framework Convention on Tobacco Control \(FCTC\)](#) ^[2]—ratified by the majority of the world's countries—offers a number of anti-tobacco measures, including high taxes on tobacco products and regulations to protect people from exposure to tobacco smoke in public places.

The good news is that the effective application of the FCTC measures is both good for public health and for the economy at large. On one hand, these measures could yield cost-effective prevention for up to one-third of the world's cancer cases— a positive step since cancer treatment is already unaffordable in many countries. On the other hand, as suggested in a 2012 analysis conducted for the U.S. government by the Congressional Budget Office, an increase of 50 cents per pack in the U.S. excise tax on cigarettes and small cigars (adjusted each year to keep pace with inflation and, in the long term, with the growth of people's income), and the resulting impact on people's behavior and health, would increase U.S. federal revenues by about US\$41 billion and reduce spending by US\$1 billion through 2021.

Almost US\$38 billion of the additional revenues would come from the higher excise tax, and another US\$3 billion in revenues would stem from improvements in health, primarily from additional earnings as better health allows people to work more and be more productive. Spending on the U.S. government's largest health care programs, Medicare and Medicaid, would also decline slightly during that period as people's health improved, while spending on Social Security would increase slightly as more people lived longer.

CVS CEO Merlo's decision comes on the heels of another courageous position taken by Lt. General Ian Khama, President of Botswana. In spite of strong opposition from the tobacco industry, President Khama announced in his State of the Nation speech on November 4, 2013, a 30% increase in the tobacco levy on top of the 48% excise tax on tobacco adopted by the five Southern Africa Customs Union (SACU) countries, of which Botswana is a member.

Taking into account public health and economic evidence, and building upon these examples of bold leadership, we need to continue to keep pushing tobacco control across the world as a moral and development imperative. And only then we will truly honor the legacy of our loved ones who suffered and were lost because of lung cancer and other tobacco-related diseases.

Follow the World Bank health team on Twitter: [@worldbankhealth](#) ^[3]

Published on *Investing in Health* (<http://blogs.worldbank.org/health>)

[Home](#) > Back from the Cold: Russia Confronts Tobacco

Back from the Cold: Russia Confronts Tobacco



Submitted by Patricio V. Marquez On Fri, 04/05/2013



image Wikimedia Commons

You might have missed it over the winter, but Russia achieved an important public health milestone that deserves applause: It enacted a national law that bans smoking in public places and restricts cigarette sales, joining a growing number of countries in making tobacco control a health priority.

The policy victory was a long time coming.

I recall, working in Russia in the mid- and late 2000s, the sense of gloom that prevailed about the poor health conditions of the population. Indeed, in a report that the World Bank prepared in partnership with the Russian Ministry of Health and the World Health Organization (WHO), we documented that Russians were “*dying too young*,” the main causes driving this phenomenon, and its enormous demographic, social and economic toll.

It was obvious then, as it is now, that a major culprit of the demographic and health decline in Russia is the widespread use of tobacco, which is linked with the country’s high rates of cardiovascular diseases (some of the world’s highest), many cancers and chronic lung diseases. According to the 2008-10 Global Adult Tobacco Survey (GATS), there are nearly 44 million smokers in Russia, and almost every Russian is exposed to secondhand smoke in bars and restaurants. One in three Russians is exposed to smoke in the workplace, and it is estimated that smoking claims 330,000-400,000 Russian lives every year.

While Russia ranks number one in smoking rates among countries surveyed, cigarette smoking is the single most preventable cause of disease and death in the country. And the future disease burden will be influenced by the already high rates of smoking in adolescents and young adults of both sexes in the country.

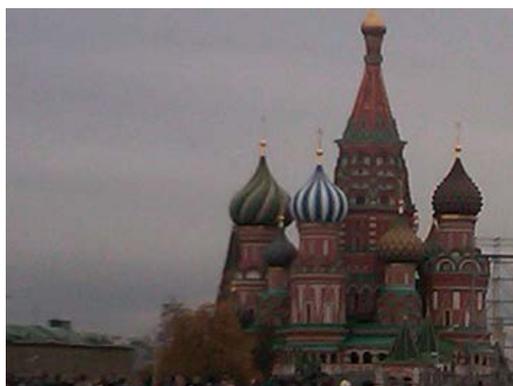
By the late 2000s, the rising cost to public health from smoking could no longer be ignored. From the highest offices in the Kremlin and the State Duma, to the Ministry of Health, regional governments and civil society, a consensus begun to emerge about the need to combat the tobacco epidemic as part of a broader effort to improve the poor health conditions of the population.

The stark reality underlying this shift was that mortality among Russian men had increased by 60% since 1991 -- four to five times higher than the European average -- contributing to the precipitous decline in life expectancy among males, to a low of 58 years in 2004 from the peak of 65 years in 1964, while women lived 14 years longer.

Although male life expectancy has risen in recent years to 63 years and life expectancy for women is now 75 years, poor health conditions, alongside declining fertility below replacement levels, have led to a significant decline in the total size of Russia's population, from 148 million in 1991 to 141 million in 2011. Annual productivity loss from smoking-related premature mortality was estimated to reach US\$ 24.7 billion, or more than 3% of the GDP, in 2008. Additional losses from morbidity and health care expenditures related to smoking compound this loss.

The growing political and social momentum toward addressing Russia's high burden of preventable illness contributed to the decision by the Russian government to ratify in April 2008 the Framework Convention on Tobacco Control (FCTC), a global treaty adopted by the 56th World Health Assembly in 2003, which has now been signed by 168 countries covering close to 90% of the world's population.

And on February 23, 2013, Russian President Vladimir Putin signed a long-awaited, comprehensive law that will ban smoking in most public places and restrict cigarette sales in the world's second-largest tobacco market after China (Russia's tobacco market was estimated to be worth US\$22 billion in 2011). The law, which will ban smoking on municipal transport, at railway stations, in lifts, bus stations and administrative buildings, as well as in health facilities and schools beginning June 1, 2013, will come into full force in 2014, covering other venues such as ships, long-distance trains, train platforms, hotels, cafes and restaurants. It will also ban sales of tobacco products at street kiosks, restrict advertising, and set minimum prices for cigarettes, which now cost less than US\$2.



On this year's World Health Day, celebrated on April 7, the Russian people and the global health community should rejoice. The enactment and implementation of this momentous law puts Russia on the right side of public health history. Its measurable benefit in years ahead will be less ill health and disability, countless lives saved, and a more productive and healthy population.

To paraphrase Boris Pasternak in his timeless novel *Dr. Zhivago*, perhaps "Mother Russia is on the move, she can't stand still, she's restless and can't find rest" -- hopefully until the tobacco curse is overcome.

Follow the World Bank health team on Twitter: [@worldbankhealth](https://twitter.com/worldbankhealth) ⁽¹⁾

Circumcision and smoking bans: Can policies nudge people toward healthy behaviors?



Submitted by Patricio V. Marquez On Mon, 05/21/2012

[1]

The scaling up of voluntary medical male circumcision, particularly in high HIV prevalence settings, is a highly cost-effective intervention to fight the epidemic—randomized controlled trials have found a 60% protective effect against HIV for men who became circumcised.



But, the supply of this medical service is just one part of the picture. Without active involvement from individuals and communities to deal with social and cultural factors that influence service acceptability, the demand for this common surgical procedure will be low.

Indeed, on a recent visit to Botswana, a country with high HIV prevalence and low levels of male circumcision, my World Bank colleagues and I had a good discussion with the National HIV/AIDS Commission about ways to address the low uptake of voluntary, safe male circumcision services in spite of a well-funded program by the government. It was obvious to all that if the demand for, and uptake of, this service were not strengthened through creative mechanisms that foster acceptance, ownership, and active participation of individuals and community organizations, the program would not help control the spread of HIV through increased funding of facilities, equipment, and staff alone.

So, what do we need to do to ensure that need, demand, utilization, and supply of services are fully aligned to improve health conditions?

The good news is that evidence from different countries can be used for designing effective policies to empower people to make informed decisions and do what's in their best interests.

In *Poor Economics* [2], a wonderful new book by Abhijit Banerjee and Esther Duflo of MIT, the authors present evidence on how firmly held beliefs by the poor, who often lack critical information (e.g., how HIV is transmitted or prevented), contribute to decisions and behaviors that put them at risk of or contribute to the spread of communicable diseases.

But the authors also argue that information alone will not do the trick. What's needed are those "policy nudges," such as free services or rewards as done under conditional cash transfer programs (e.g., *Bolsa Familia* in Brazil, *Oportunidades* in Mexico), which encourage people to demand and utilize preventive and treatment services (e.g., prenatal care and institutional deliveries, taking pills over the course of treatment to prevent the onset of multi-drug resistant TB).

Similarly, as we agreed with the Ministers of Health of Angola and Namibia during my visit to the region, there is also ample evidence from across the globe that shows that fiscal measures (e.g., higher excise taxes for tobacco), regulatory measures (e.g., smoking bans in public places to prevent the negative effects of secondhand smoke), or measures by the police (e.g., enforcement to deter drunk driving) are critical tools in the public health arsenal that lead to lower rates of lung cancer, heart attacks, road traffic deaths, as well as reduced use of related high-cost treatment and trauma care services.

As more countries pursue the goal of universal health coverage, which is high on the global health agenda, we need to focus not only on how to expand financial protection and access to needed services, but also to rethink how public policy is structured and geared to "nudge" people to improved health-related decision making and actions, and to regulate social and environmental factors that contribute to ill health, premature mortality and disability.

Published on *Nasikiliza* (<http://blogs.worldbank.org/nasikiliza>)

[Home](#) > Tobacco Kills: So what to do in Africa?

Tobacco Kills: So what to do in Africa?



Submitted by Patricio V. Marquez On Tue, 05/15/2012

The scientific evidence is overwhelming. As Robert Beaglehole and colleagues at the World Health Organization (WHO) pointed out years ago, tobacco is the only consumer product that eventually kills half of its regular users if they follow its manufacturers' recommendations.

Given this dire reality, it is clear that Africa is now at a crossroads. On one hand, the countries in this region have become an attractive and under-tapped market as tougher regulations, high taxes, and greater consumer awareness of the dangers of smoking in developed countries are "closing the door" to tobacco imports and leading to significant drops in consumption. And on the other hand, cigarettes are becoming increasingly affordable as incomes rise in several African countries due to the rapid economic growth of recent years. Indeed, African countries are experiencing the highest increase in the rate of tobacco use amongst developing countries--the number of smokers in sub-Saharan Africa is projected to increase 148 percent by 2030, to 208 million smokers or one-fifth of the total population.



Should African governments and the international community be concerned with this development?

I firmly believe, yes. If the current smoking patterns continue unabated, they will accelerate the growth of tobacco-related non-communicable chronic diseases (e.g., lung cancer, respiratory problems, heart attacks) compounding the already heavy burden imposed by communicable diseases (e.g., HIV/AIDS, tuberculosis, malaria). Besides undermining the health of the population and their productive potential and contributing to lives lost, Africa will be confronted with major health system and funding challenges to deal with these chronic diseases. The magnitude of these challenges is best illustrated by the United States, where cigarette smoking is estimated to cause annually more than 400,000 deaths and about US\$200 billion in health-related economic losses, nearly half in direct medical costs.

The good news is that Africa is fighting back. Some 42 African countries have already signed the 2003 [WHO Framework Convention on Tobacco Control \(FCTC\)](#) ^[1] that binds them to a number of anti-tobacco measures, including high taxes on tobacco products and protecting people from exposure to tobacco smoke.

On June 3-5, 2012, the World Bank, in partnership with the Southern Africa Development Community (SADC), the Ministry of Finance of Botswana, the Bloomberg and Gates Foundations, and WHO, is convening in Gaborone, Botswana, a high level forum "The Economics of Tobacco Control: Taxation and

Illicit Trade.” With the participation of delegations from Ministries of Finance, Trade, and Health of 14 SADC member countries and global and regional experts, the aim of the forum is to promote dialogue on best practices in effective design and administration of excise taxes on tobacco as an instrument to promote public health and to share knowledge on the dimensions, causes, and extent of illicit trade of tobacco and strategies to control it.

These topics are critical for helping create a “smoke-free” environment in Africa. Of all the demand-reduction strategies outlined in the FCTC, increasing the retail price of tobacco products through higher excise taxes to make tobacco products less affordable is the single most effective way to decrease consumption and encourage tobacco users to quit. And, contrary to tobacco industry claims, the forum will be geared to show that increased tobacco smuggling does not automatically follow tax increases if governments show committed and strengthened law enforcement to combat smuggling and counterfeiting.

Intersectoral work for health: Mirage or oasis?



Submitted by Patricio V. Marquez On Thu, 06/21/2012



It is common to hear officials from countries and international agencies talk about the multiple challenges that impede intersectoral work for health. The concern is valid: while ministries of health and related institutions are organized and funded to improve the “health” of the population, other ministries do not have such a mandate. In most cases, this has led to a certain paralysis characterized by lofty aspirations in the health sector about the potential benefits of intersectoral action, but with little collaboration and action involving other sectors.

Should we accept the status quo or proactively find entry points to engage other sectors in advancing the global health agenda?

In this context, it was gratifying to see high-level officials from ministries of finance, trade, health, and customs from 14 Southern African countries gather together at an African regional forum on tobacco control held earlier this month in Gaborone,

Botswana, organized by the World Bank and the Bloomberg Philanthropies, with support from the Gates Foundation and the World Health Organization.

The forum proved to be a good example of an effective entry point to begin sensitizing non health officials on the importance of adopting government-wide policies to prevent and control the negative health impact of tobacco consumption in a society.

Experts spoke on the nature of the tobacco challenge, explaining how tobacco taxation might be used to achieve public health goals. Discussion also centered on illicit trade and how it might be overcome to prevent it from undermining the effectiveness of high excise taxes on tobacco products that make them less affordable, drawing on international perspectives from a range of countries--Brazil, China, India, Kenya, South Africa, the United Kingdom and the United States.

Representatives from various countries emphasized that in resource-poor countries (e.g., Malawi, Zimbabwe) where tobacco cultivation is part of the farming system of large number of smallholder producers and is the only cash crop, there is need to support agricultural diversification to help farmers move away from tobacco dependence.

It was evident that sharing knowledge and country experiences is key to dispelling myths and misconceptions in favor of evidence, establishing common understanding across sectors about the social and economic determinants that influence health, and identifying interventions to open doors for intersectoral collaboration.

Also, the opportunity for peer-to-peer learning, and both Kenya's and Mauritius's willingness to share their expertise in tobacco control with other countries, showed that cooperation between African countries, along with international assistance, could help carry intersectoral work forward.

I left Gaborone convinced that reaching out to other sectors is not only possible but actually critical if we are going to advance the global health agenda. Perhaps now that the forum has helped establish an intersectoral connection, international partners could support the Southern African countries as they develop multisectoral policies and actions to overcome the many hurdles they face in implementing effective tobacco control measures.

In doing so, we should not forget the eloquent words of the Minister of Health of Botswana, the Hon. Rev. Dr. John Seakgosin, who advised us to keep in mind that "tobacco causes sickness, pain, grief and misery, and that its impact is impossible to measure in only monetary terms."

The cat is out of the bag: UN summit on NCDs



Submitted by Patricio V. Marquez On Wed, 09/21/2011

As a World Bank staff member, I feel privileged to have participated in two landmark global public health events.

In June 2001 at a UN General Assembly Special Session, world leaders collectively acknowledged—for the first time—that a concerted global response was needed to arrest the HIV/AIDS pandemic. This led to the establishment of the [Global Fund](#) [1] and bilateral initiatives such as [PEPFAR](#) [2], which helped fund a scaled-up response to [HIV/AIDS](#) [3], as well as to malaria and tuberculosis. The net result for the most part has been impressive: a dramatic expansion in access to treatment that has saved millions of lives, a significant reduction in the vertical transmission of HIV (mother to child), technological progress resulting in cheaper, more effective treatments, and better knowledge about HIV transmission to guide prevention efforts—while highlighting the need to revamp [health systems](#) [4] to make the effort sustainable.

I'm in New York this week at the UN Summit on Non Communicable Diseases (NCDs), where more than 30 heads of state, 100 ministers, international agencies, and civil society organizations are discussing a pressing global health issue: [NCDs](#) [5]. This is a policy nod in the right direction, as NCDs have been largely ignored in development circles even though they cause two-thirds of all deaths in the world (most of them prematurely) and long-lasting ill health and disability, and due to NCDs' chronic nature, increase the risk of impoverishing millions of people who lack or have limited access to health systems.

In spite of the high expectations for the Summit, there is a sober realization that we are living in a different world than in 2001. Because the severity of the economic slowdown and fiscal deficits—particularly in the developed world—may constrain international assistance in the upcoming years, there is a growing understanding that countries will need “to do more with less” and that they “cannot treat their way out of the NCD challenge” as stressed in a World Bank [report](#) [6] launched prior to the Summit.

So, I am optimistic that the post-Summit will bring forward some sound and effective approaches to deal with NCDs. The last ten years of global public health history offer multiple lessons to guide the response, particularly to avoid the false dichotomies of communicable versus non-communicable diseases, prevention versus treatment, and vertical programs versus health systems—they are mutually reinforcing. And, the World Bank, as a multisectoral institution, is well-positioned to assist countries in adapting (I would like to stress adapting and not adopting.) those lessons to their respective institutional and cultural realities—particularly in dealing with some of the social determinants of behaviors (e.g., smoking) and biological risks (e.g., obesity, hypertension due to poor diets high in trans fats, saturated fats, salt, and sugary drinks) that are associated with the onset of NCDs, as well as to strengthen the health services centered around a strong primary care system and universal health financing arrangements.

