

Tobacco and poverty

The link between tobacco and poverty

Tobacco use tends to be higher among the poor. Currently, there are an estimated 1.3 billion smokers worldwide (1). Of these, 84% live in developing and transitional economy countries (1). In many countries, it is the poor who bear most of the economic and disease burden of tobacco use.

There are many ways in which tobacco increases poverty at the individual, household and national levels. Tobacco use contributes to poverty through loss of income, loss of productivity, disease and death. Together, tobacco and poverty form a vicious circle from which it is often difficult to escape.

Spending on tobacco leads to increased deprivation

For the poor, money spent on tobacco is money not spent on basic necessities, such as food, shelter, education and health care. The poor spend a larger portion of their income on tobacco than do richer households. In poor households, where a significant proportion of income is devoted to food, expenditures on tobacco can mean the difference between an adequate diet and malnutrition.

Research from around the world shows that expenditure on tobacco can represent a high percentage of household income, sometimes higher than that on education or health care. For example, in Egypt over 10% of household expenditure in lower income households is spent on cigarettes and other tobacco products (1). The average amount spent by poor households in Morocco on tobacco is virtually the same as the amount spent on education, and more than half the amount spent on health (1).

Lost earnings due to illness and death

Tobacco users are at much higher risk of falling ill and dying prematurely of cancers, heart attacks,

respiratory diseases and other tobacco-related diseases. This can deprive families of much-needed income and imposes additional health care costs. When available, treatment of tobacco-related diseases like lung cancer, heart disease and chronic pulmonary diseases can be costly.

The poor, who have few assets aside from their ability to work, are particularly vulnerable. If the main breadwinner becomes ill from tobacco use, the family's ability to purchase food and other necessities is threatened. The ill-health caused by tobacco use is often the trigger for a downward slide into more extreme poverty.

Tobacco increases the poverty of countries

Tobacco not only impoverishes many of those who use it, it puts an enormous financial burden on countries, including lost productivity due to illness and premature death, and environmental damage caused by tobacco cultivation and curing. Many countries are net importers of tobacco leaf and tobacco products, losing millions of dollars each year in foreign exchange as a result. Most cigarettes sold in the world are international brands produced by a handful of multinational companies based in wealthy countries. Much of the profit from tobacco sales therefore flows out of the countries of purchase.

The cost of tobacco use to countries includes increased health care costs. As tobacco consumption rates and tobacco-related illnesses increase in developing countries, so do tobacco-related health care costs. In Egypt, the direct annual cost of treating diseases caused by tobacco use is estimated at US\$ 545.5 million (1).

Tobacco and employment

The tobacco industry overstates the employment and trade benefits of tobacco to developing countries in order to prevent regulation. However, the tobacco sector represents a small part of

most economies. In most countries, tobacco manufacturing jobs account for less than 1% of total manufacturing employment, while tobacco farming makes up a tiny proportion of employment in the agricultural sector (1). Furthermore, tobacco exports represent a tiny portion of total exports of countries in the Eastern Mediterranean Region.

Many governments fear that tobacco control would generate unemployment among tobacco sector employees. However, the World Bank has shown that implementing comprehensive tobacco control policies would have little or no impact on total employment in most countries (1). In fact, employment would remain about the same or increase in many countries if tobacco consumption were reduced. This is because spending on tobacco products would be shifted to other products and services, generating demand and new jobs across the economy. Job losses resulting from increased mechanization in the tobacco industry far outstrip any job losses that might result from tobacco control policies.

Best practices and the way forward

Tobacco and tobacco-related diseases have a significant effect on poverty and malnutrition in low-income countries. Reducing tobacco use will therefore help achieve the Millennium Development Goals. Governments, development agencies, donors and multilateral agencies now recognize that tobacco is much more than a health issue. In order to counter the ill effects of tobacco use among the poor and in low-income countries, the following actions are needed.

- ▶ Comprehensive tobacco control policies should be implemented.
- ▶ Development agencies should use policy dialogue, and technical and financial cooperation, to support policy change on tobacco.
- ▶ Sustainable alternatives to tobacco cultivation and manufacture should be promoted.
- ▶ Taxation and pricing policies should be pursued to raise prices and significantly reduce tobacco consumption, particularly among the poor.

References

1. *World No Tobacco Day, 2004: Tobacco and poverty, a vicious circle*. Cairo, WHO Regional Office for the Eastern Mediterranean, 2004.