1. What are the common myths of tobacco and tobacco control?

**Myth 1:** Tobacco is only an issue for affluent people and affluent countries.
**Fact:** Within individual countries, tobacco consumption and tobacco-related disease burdens are generally greatest among the poor. Smoking is declining among males in most high-income countries. In contrast, it is increasing in males in most low- and middle-income countries and in women worldwide. In China and Russia, smoking prevalence among men is estimated at 60%. The World Health Organization analyzed the increased smoking prevalence of women worldwide in its new publication Gender, women and the tobacco epidemic (available at http://www.who.int/tobacco/publications/gender/women_tob_epidemic/en/index.html).

**Myth 2:** Governments should not discourage smoking other than making its risks widely known. Otherwise, they would interfere with consumers' freedom of choice.
**Fact:** First, many smokers are either unaware of their risks, or they simply underestimate and minimize the personal relevance of those risks, even in high-income societies where the risks are relatively widely known. Second, most smokers start when they are children or adolescents – a time when they have incomplete information about the risks of tobacco and its addictive nature – and by the time they try to quit, many are addicted. Third, smoking imposes costs on non-smokers. For these reasons, the choice to smoke and its harmful externalities to others differ from the choice to buy other consumer goods and governments may consider interventions justified.

**Myth 3:** Smokers always bear the costs of their consumption choices.
**Fact:** Not necessarily so. They do impose certain costs on non-smokers. The evident costs include tobacco-related diseases, nuisance and irritation from exposure to environmental tobacco smoke. In addition, smokers may impose financial costs on others (such as bearing a portion of smokers’ excess healthcare costs). However, the scope of these costs is difficult to measure and they vary in place and time. However, smokers’ healthcare costs on average exceed non-smokers’ in any given year. It has been argued that, because smokers tend to die earlier than nonsmokers, their lifetime health care costs may be no greater than those of nonsmokers; however, recent reviews in high-income nations conclude that smokers’ lifetime healthcare costs do indeed exceed nonsmokers’, despite their shorter lives. If healthcare is paid for to some extent by the public sector, smokers will thus impose their costs on others.

**Myth 4:** Tobacco control will result in permanent job losses for an economy.
**Fact:** Successful control policies will lead to only a slow decline in global tobacco use (which is projected to stay high for the next several decades). The resulting need for downsizing will be far less dramatic than many other industries have had to face. Furthermore, money not spent on tobacco will be spent on other goods, generating alternative employment. Studies for this report show that most countries would see no net job losses and that a few would see net gains if consumption fell.
Myth 5: Tobacco addiction is so strong that simply raising taxes will not reduce demand; therefore, raising taxes is not justified.

Fact: Scores of studies have shown that increased taxes reduce the number of smokers and the number of smoking-related deaths. Price increases induce some smokers to quit and prevent others from becoming regular or persistent smokers. They also reduce the number of ex-smokers returning to cigarettes and reduce consumption among continuing smokers. Children and adolescents are more responsive to changes in the price of consumer goods than adults—that is, if the price goes up, they are more likely to reduce their consumption. This intervention would therefore have a big impact on them. Similarly, people on low incomes are more price-responsive than those on high incomes, so there is likely to be a bigger impact in developing countries where tobacco consumption is still increasing. Models developed for this report show that tax increases that would raise the real price of cigarettes by 10 percent worldwide would cause 40 million smokers alive in 1995 to quit and prevent a minimum of 10 million tobacco-related deaths.

Myth 6: Governments will lose revenues if they increase cigarette taxes, because people will buy fewer cigarettes.

Fact: Wrong. The evidence is clear: calculations show that even very substantial cigarette tax increases will still reduce consumption and increase tax revenues. This is in part because the proportionate reduction in demand does not match the proportionate size of the tax increase, since addicted consumers respond relatively slowly to price rises. Furthermore, some of the money saved by quitters will be spent on other goods which are also taxed. Historically, raising tobacco taxes, no matter how large the increase, has never once led to a decrease in cigarette tax revenues.

Myth 7: Smuggling and illicit production will undermine the effects of raised tobacco taxes.

Fact: Smuggling is a serious concern. But even in the face of smuggling, the evidence from a number of countries shows that tax increases still increase revenues and reduce cigarette consumption. Furthermore, governments can adopt effective policies to control smuggling. Such policies include prominent tax stamps and local-language warnings on cigarette packs, as well as the aggressive enforcement and consistent application of tough penalties to deter smugglers.

Myth 8: Governments should not raise cigarette taxes because such increases will have a disproportionate impact on poor consumers.

Fact: Existing tobacco taxes do consume a higher share of the poor consumers’ income than of rich consumers. However, policymakers’ main concern should be over the distributional impact of the entire tax and expenditure system, and less on particular taxes in isolation. Poor consumers are usually more responsive to price increases than rich consumers, so it is likely that their consumption of cigarettes will fall more sharply, and their relative financial burden may be correspondingly reduced.

Myth 9: In response to higher cigarette taxes, smokers will switch to cheaper brands or cheaper tobacco products and thus there will be no reduction in overall tobacco consumption.

Fact: This behavior, which is also known as “substitution”, establishes a legitimate concern. However, not all smokers will engage in this behavior. Price increases will discourage non-smokers from taking up smoking and induce many smokers to quit or reduce consumption. Consequently, there will be reductions in overall consumption and prevalence. Only a certain portion of smokers will not be affected and some of them manage to maintain their levels of tobacco consumption through substitution. Non-price measures, nicotine replacement therapy and other cessation interventions can help curb tobacco use among this group.
**Myth 10:** Tax rates for cigarettes are already too high in most countries.

**Fact:** The question of what the “right” level of tax should be is a complex one. The size of the tax depends in subtle ways on empirical facts that may not yet be available, such as the scale of the costs to nonsmokers, income levels, and also on varying societal values, such as the extent to which children should be protected. It also depends on what a society hopes to achieve through the tax, such as a specific gain in revenue or a specific reduction in disease burden. For the time being, a useful yardstick may be the tax levels adopted as part of the comprehensive tobacco control policies of a number of countries where cigarette consumption has fallen. In such countries, the tax component of the price of a pack of cigarettes is between two-thirds and four-fifths of the retail cost. Currently, in the high-income countries, taxes average about two-thirds or more of the retail price of a pack of cigarettes. In lower-income countries, taxes amount to not more than half the retail price of a pack of cigarettes, which are still very much below the level in high-income countries.

**Myth 11:** Measures to reduce tobacco supply are effective ways to reduce consumption.

**Fact:** While interventions to reduce demand for tobacco are likely to succeed, measures to reduce its supply are less promising. This is because, if one supplier is shut down, an alternative supplier gains an incentive to enter the market. The extreme measure of prohibiting tobacco is unwarranted on economic grounds, unrealistic and likely to fail. Although crop substitution is often proposed as a means to reduce the tobacco supply, there is scarcely any evidence that it reduces consumption, since the incentives to farmers to grow tobacco are currently much greater than for most other crops. However, it may be a useful strategy where needed to aid the poorest tobacco farmers in transition to other livelihoods, as part of a broader diversification program. Similarly, the evidence so far suggests that trade restrictions, such as import bans, will have little impact on cigarette consumption worldwide. Instead, countries are more likely to succeed in curbing tobacco consumption by adopting measures that effectively reduce demand, and applying those measures symmetrically to imported and domestically-produced cigarettes. However, there is one supply-side measure which is key to an effective strategy for tobacco control: action against smuggling. Control of smuggling will improve governments’ revenue yields from tobacco tax increases.

**Myth 12:** Tobacco controls will simply compound the poverty of rural economies that are heavily dependent on tobacco farming.

**Fact:** The market for tobacco is likely to remain substantial for at least the next several decades and, while any future gradual decline in consumption will clearly cut the number of tobacco-farming jobs, those jobs will be lost over a decades or more, not overnight. Adopting sound agricultural and trade policies can help farmers in poor countries compete fairly for the world market. Governments are justified to prudently help the poorest of tobacco farmers with the adjustment costs of a gradual decrease in demand for their product. Many governments have helped with such adjustment costs for other industries.

2. Once a government decides that interventions are justified and chooses to do so, what should be the goals of its intervention measures?

Appropriate intervention measures should be taken to deter children and adolescents from smoking, protect nonsmokers and give adults all the information they need to make an informed choice. Governments might also consider helping those who want to quit by making it easier for them to obtain nicotine replacement therapy (NRT) and other cessation interventions.

3. What are the recommended strategies for governments to achieve these goals?

Where governments decide to take strong action to curb the epidemic, a multi-pronged strategy should be adopted. Its aims should be to deter children from smoking, to protect
non-smokers, and to provide all smokers with information about the health effects of tobacco. The strategy, tailored to individual country needs, should include: (1) raising taxes so that they constitute at least two-thirds to four-fifths of the total retail price of cigarettes; (2) publishing and disseminating research results on the health effects of tobacco, adding prominent warning labels to cigarettes, adopting comprehensive bans on advertising and promotion, and restricting smoking in workplaces and public places; and (3) widening access to nicotine replacement and other cessation therapies.

4. How cost-effective are the suggested tobacco control measures?
Tobacco control is highly cost-effective as part of a basic public health package in low and middle income countries. Measured in terms of the cost per year of healthy life saved, tax increases would cost between $5 and $17 for each year of healthy life saved depending on various assumptions. This compares favorably with many health interventions commonly financed by governments, such as child immunization. Non-price measures are also cost-effective in many settings. Measures to liberalize access to nicotine replacement therapy, for example by changing the conditions for its sale, would probably also be cost-effective in most settings. However, individual countries would need to make careful assessments before deciding to provide government subsidies for NRT and other cessation interventions for poor smokers.

5. Given the relatively low quit rates even in countries where cessation interventions are available, would it be better to implement strategies solely aimed at preventing children from smoking?
A strategy aimed solely at deterring children from smoking is not practical and would bring no significant benefits to public health for several decades. Most of the tobacco-related deaths that are projected to occur in the next 50 years are among today's existing smokers. Governments concerned with health gains in the medium term may therefore consider adopting broader measures that help adults to quit.

6. It is mostly up to each government to decide whether to adopt the above recommendations or not. Is there a role for international agencies to assist governments in the process of choosing and implementing tobacco control policies?
International agencies such as the UN agencies should review their existing programs and policies, to ensure that tobacco control is being given due prominence; they should sponsor research into the causes, consequences and costs of smoking, and the cost-effectiveness of interventions at local level; and they should address tobacco control issues that cross borders, including working with the World Health Organization's new Framework Convention for Tobacco Control. Key areas for action include facilitating international agreements on smuggling control, discussions on tax harmonization to reduce the incentives for smuggling, and bans on advertising and promotion involving the global communications media.