



Factsheet 8.

Tobacco and poverty

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The families of smokers often bear the costs of their tobacco use.
Credit: World Lung Foundation.

Tobacco use is increasing in low- and middle-income countries

The tobacco epidemic is shifting from high-income countries to low- and middle-income countries, largely due to the transnational tobacco companies expanding their businesses.^{1,2} For example, British American Tobacco sells 70% of its cigarettes in Africa, Asia, Eastern Europe and Latin America.³

Tobacco use poses a heavy burden on the governments of low- and middle-income countries, through increased healthcare costs, loss of foreign exchange on imported cigarettes and diversion of land to tobacco farming.⁴ It also decreases economic productivity and increases employee absenteeism. For example, tobacco use costs Chinese society an estimated US\$ 5 billion - US\$ 1.7 billion in medical treatment and US\$ 3.3 billion in lost productivity each year.⁵

People with lower incomes are more likely to smoke

Tobacco spending widens the gap between rich and poor because smoking prevalence is higher among the poor, and they spend a higher proportion of their income on tobacco than the rich.^{6,7} The poorest 20% of households in Mexico spend nearly 11% of their household income on tobacco.⁸

Expenditure on tobacco represents a loss of money that could otherwise have been spent on basic needs, such as food, education and health care. In Indonesia, poor families spend 22% of their monthly income on cigarettes.^{6,7}

Tobacco use affects people on low incomes in many ways

Health

Smokers on low incomes bear a heavier health burden and feel more acutely the associated costs of tobacco-related illness, disability and early death. The families of smokers bear many of these costs. If the earner in a family is unable to work because of tobacco-related illness, or if he/she dies, the family's income and food supplies often stop. Paying for medical treatment can make the family even poorer.^{4,10}

Nutrition

Tobacco use can lead to malnutrition. In Bangladesh, money spent on tobacco could be used to purchase enough food to remove 10.5 million children from their current state of malnutrition.⁷ The amount spent by smokers in Vietnam on cigarettes (\$US 416.7 million) is enough to feed 10.6-11.9 million people per year. In Cambodia, money spent on tobacco could buy enough rice to feed 39% of the population living below the poverty line.⁶

Key Facts

- The tobacco epidemic is shifting to low - and middle-income countries.
- People on low incomes are more likely to smoke than those on higher incomes.
- Money spent on tobacco reduces the amount of money available to spend on food, healthcare, shelter and education.
- Tobacco use affects the health, nutrition, education, employment and gender equality of people on low income.
- By reducing tobacco use among the poor, tobacco control contributes significantly to achieving the Millennium Development Goals (MDGs).

Education

Families on low income often spend more money on tobacco than on education. For example, 2.3 times as much money is spent on tobacco than education in Vietnam¹¹ and 10 times as much is spent in Bangladesh.⁷

Employment

Many countries have been forced to reduce or eliminate subsidies for tobacco farmers. This, and the devaluation of currencies, has made farmers accept loans offered by the trans-national tobacco companies. Many of them have gone into severe debt attempting to repay the loans.¹²

Men, women and children who farm tobacco experience long working hours, harassment and poverty. For example, in Malawi an estimated US\$ 10 million is generated by child labour.¹³ Reductions in tobacco consumption can lead to increased employment as well as improved health and reductions in poverty.¹⁴

Gender inequality

Tobacco use adversely affects women's health, which in turn compromises their prospects for economic and gender equality.¹⁵ Women represent a key growth market for the tobacco industry in low- and middle-income countries.¹⁶ Currently 9% of women in low- and middle-income countries smoke, but if current trends continue, by 2025 approximately 20% of women will smoke.¹⁷

The Millennium Development Goals (MDGs) and the WHO Framework Convention on Tobacco Control (WHO FCTC)

The Millennium Development Goals, agreed upon by the United Nations and member states, set global targets for reducing poverty and encouraging development in low- and middle-income countries.¹⁸ Tobacco control has an important part to play in realising these goals.

Tobacco control can help to achieve the MDGs in a number of ways:

- Reducing the amount of money spent on tobacco rather than food (MDG 1).
- Encouraging shifts in spending from tobacco to basic family health and educational needs (MDGs 1,2,3,4,5).
- Reducing the number of children unable to attend school due to tobacco farming or hand-rolling tobacco products (MDG 2).
- Reducing the number of women who smoke and are exposed to second-hand smoke (MDG 3).
- Reducing the exposure of all people, especially children and pregnant women, to second-hand smoke (MDG 4 and MDG 5).
- Reducing deaths from HIV/AIDS and tuberculosis that are related to tobacco use (MDG 6).
- Reducing the damage done to the environment by the growing, curing, consumption and disposal of tobacco and its products (MDG 7).
- Establishing effective coalitions for tobacco control (MDG 8).

Improving the health, social, environmental and economic status of all people through effective tobacco control policies contributes to the global effort to implement the Millennium Development Goals. Of the tobacco control policies included in the WHO Framework Convention on Tobacco Control (WHO FCTC), raising taxes (and the overall price of tobacco) has been proven to significantly reduce tobacco use and expenditure on tobacco products among the poor.¹⁹ By providing "a framework for tobacco control measures to be implemented... at the national, regional and international levels" the WHO FCTC outlines the steps required for governments to adopt effective tobacco control policies and reduce poverty.



The Millennium Development Goals

- **MDG 1.** Eradicate extreme poverty and hunger
- **MDG 2.** Achieve universal primary education
- **MDG 3.** Promote gender equality and empower women
- **MDG 4.** Reduce child mortality
- **MDG 5.** Improve maternal health
- **MDG 6.** Combat HIV/AIDS, malaria and other diseases (including tuberculosis)
- **MDG 7.** Ensure environmental sustainability
- **MDG 8.** Establish a global partnership for development

References



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