

## TOBACCO INCREASES THE POVERTY OF INDIVIDUALS AND FAMILIES

Together, tobacco and poverty create a vicious circle. In most countries, tobacco use tends to be higher among the poor. Poor families, in turn, spend a larger proportion of their income on tobacco. Money spent on tobacco cannot be spent on basic human needs such as food, shelter, education and health care. Tobacco can also worsen poverty among users and their families since tobacco users are at much higher risk of falling ill and dying prematurely of cancers, heart attacks, respiratory diseases or other tobacco-related diseases, depriving families of much-needed income and imposing additional costs for health care. And, although the tobacco industry provides jobs for thousands of people, the vast majority employed in the tobacco sector earn very little, while the big tobacco companies reap enormous profits.

### The poor and tobacco consumption

- ◆ It is the poorer and the poorest who tend to smoke the most. Globally, 84% of smokers live in developing and transitional economy countries<sup>1</sup>.
- ◆ At the country level, tobacco consumption varies by socioeconomic group. In many countries, at all levels of development and income, it is the poor who smoke the most and who bear most of the economic and disease burden of tobacco use.
- ◆ A study of smoking prevalence among men in Chennai (India) in 1997 shows that the highest rate is found among the illiterate population (64%). This prevalence decreases by number of years of schooling, and it decreases to about one fifth (21%) among those with more than 12 years of schooling.<sup>2</sup>
- ◆ A study in the United Kingdom shows that only 10% of women and 12% of men in the highest socioeconomic group are smokers while 35% of women and 40% of men in the lowest socioeconomic group smoke.<sup>3</sup>

### Diverting money to tobacco

In many countries, especially in developing countries, the majority of people who use tobacco are poor and can ill-afford to spend scarce household income on tobacco. Yet their addiction to nicotine drives them to spend money on tobacco, diverting critical resources that could otherwise be spent on vital necessities. In the case of the poorest, where a significant portion of their meagre income is required to buy food, expenditures on tobacco may make the difference between an adequate diet and malnutrition.

- ◆ The poorest households in Bangladesh spend almost 10 times as much on tobacco as on education.<sup>4</sup> And at country level, over 10.5 million currently malnourished people could have an adequate diet if money spent on tobacco were spent on food instead.<sup>5</sup>
- ◆ Some street children and other homeless people in India spend more on tobacco than on food, education or savings.<sup>6</sup>
- ◆ Preliminary results from an ongoing study in three provinces of Viet Nam found that over the course of a year, smokers spent 3.6 times more on tobacco than on education; 2.5 times more for tobacco than clothes; and 1.9 times more for tobacco than for health care.<sup>7</sup>
- ◆ Among lower income households in Egypt, more than 10% of household expenditures went to cigarettes or other forms of tobacco.<sup>8</sup>
- ◆ In Morocco, in 1999, households spent nearly as much on tobacco as they did on education.<sup>9</sup>
- ◆ Poor, rural households in south-west China spend over 11% of their total expenditures on cigarettes.<sup>10</sup>
- ◆ In many countries, workers spend a significant portion of their salaries on tobacco. The following table shows the amount of time that workers in selected countries would have to work in order to pay for a pack of Marlboro or local brand cigarettes and the equivalent amount of time that it would take to buy bread or rice instead.<sup>11</sup>

Table 1

### Required work time to buy cigarette pack vs. bread or rice (Selected countries)

Country	Marlboro	Local brand	Bread (1 kg)	Rice (1 kg)
Brazil (Rio de Janeiro)	22 min.	18 min.	52 min.	13 min.
Canada (Toronto)	21 min.	17 min.	10 min.	11 min.
Chile	38 min.	33 min.	19 min.	25 min.
China	62 min.	56 min.	103 min.	47 min.
Hungary	71 min.	54 min.	25 min.	42 min.
India	102 min.	77 min.	34 min.	79 min.
Kenya	158 min.	92 min.	64 min.	109 min.
Mexico	49 min.	40 min.	49 min.	25 min.
Poland	56 min.	40 min.	21 min.	23 min.
United Kingdom	40 min.	40 min.	6 min.	8 min.

## Tobacco farming: a vicious circle of poverty and illness

Tobacco farming is extremely labour-intensive and requires expensive inputs such as fertilizers and pesticides. These products are often sold to the farmer by the tobacco industry at the start of the growing season, condemning him to a cycle of indebtedness. While the tobacco industry often boasts of the positive economic benefits of growing tobacco, it fails to mention that the overwhelming majority of the profits go to the large companies, while many tobacco farmers find themselves poor and in debt. In addition, there are many occupational hazards in the tobacco fields, from pesticide exposure to nicotine poisoning. And, while tobacco farming is not unique in its use of child labour, the particular hazards posed by tobacco cultivation place these children at increased risk of injury and illness.

- ◆ Children and adults working with tobacco often suffer from green tobacco sickness (GTS), which is caused by dermal absorption of nicotine from contact with tobacco leaves. Common symptoms include nausea, vomiting, weakness, headache and dizziness, and may also include abdominal cramps and difficulty breathing, as well as fluctuations in blood pressure and heart rates.<sup>12</sup>
- ◆ In the United States of America, tobacco growers' share of each dollar spent on a pack of cigarettes dropped from US\$ 0.07 in 1980 to US\$ 0.02 in the late 1990s, while the companies' share rose from US\$ 0.37 to US\$ 0.49.<sup>13</sup> Meanwhile, 71% of all tobacco farmers have gross sales of less than US\$ 20 000 per year and most work off-farm to supplement their income. In contrast, garbage collectors in the United States of America made an average of over US\$ 29 000 in 1999.<sup>14</sup>
- ◆ According to a study in Brazil, tobacco requires 3 000 hours of labour per hectare per year, while beans require only 298 hours and maize 265.<sup>15</sup>
- ◆ It would take the average tobacco farmer in Brazil around six years to earn the equivalent of what BAT's director earns in a single day, or 2140 years to earn his annual salary.<sup>16</sup>
- ◆ There is growing concern about the neuropsychiatric effects among tobacco workers of exposure to organophosphate pesticides, with preliminary studies indicating increased rates of depression and suicides in Brazil among tobacco farmers.<sup>17</sup>



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<sup>1</sup> Guindon GE and Boisclair D. Past, Current and Future Trends in Tobacco Use. *HNP Discussion paper, Economics of Tobacco Control Paper No.6*. February 2003.

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<sup>3</sup> United Kingdom Department of Health. *Smoking Kills: A white paper on tobacco*. London: The Stationary Office. 1998. At web site: <http://www.archive.official-documents.co.uk/document/cm41/4177/contents.htm>.

<sup>4</sup> Efroymson D et al. Hungry for Tobacco: An analysis of the economic impact of tobacco on the poor in Bangladesh. *Tobacco Control* 2001, 10:212-217.

<sup>5</sup> Efroymson D et al. Hungry for Tobacco: An analysis of the economic impact of tobacco on the poor in Bangladesh. *Tobacco Control* 2001, 10:212-217.

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<sup>7</sup> "The Economics of Tobacco in Viet Nam: Tobacco Expenditures and their Opportunity Cost", (ongoing research project of PATH Canada, Viet Nam, funded by Research for International Tobacco Control (RITC)).

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<sup>10</sup> Hu T, Mao Z, Liu Y. Smoking, Standard of Living, and Poverty in China International Development for Research Centre/Research Institute for Tobacco Control and the World Bank, forthcoming.

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<sup>14</sup> USDA Economic Research Service, Table B-1: Characteristics of Tobacco Farms, 1992. *Tobacco: Situation and Outlook Report*, April 1998 and U.S. Department of Labor. National Compensation.

<sup>15</sup> Varashin VM et al. "Fatores limitantes ao desenvolvimento da agricultura familiar de subsistencia da Regiao Centro-sul do Parana", Iapar: Londrina, 1991. Cited in Angela Cordeiro, Francisco Marochi and Jose Maria Tardin, "A Poison Crop – Tobacco in Brazil," Pesticide Action Network Briefing Paper, June 1998.

<sup>16</sup> Christian Aid/ DESER, "Hooked on Tobacco report February 2002."

<sup>17</sup> Salvi RM et al. Neuropsychiatric evaluation in subjects chronically exposed to organophosphate pesticides. *Toxicological Sciences*, 2003,73:267-271; and Jamal GA et al. A clinical neurological, neurophysiological, and neuropsychological study of sheep farmers and dippers exposed to organophosphate pesticides. *Occupational and Environmental Medicine*, 2002, 59:434-441; Christian Aid/ DESER. *Hooked on Tobacco report February 2002*.