

Smoking And Its Economic Impacts

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Health and Economic Costs of Smoking

It is evident that passive as well as active smoking damages the health of people, as well have related economic costs. Cigarette smoking causes many diseases, cause health inequalities as well as premature deaths. The number of people dying from smoking-related diseases increases every year. Shortly, the deaths can increase at the rate of 7 percent each day. The population affected by smoking, shortly, can increase to 7 million. The research conducted by health organizations portrays that smoking results in approximately 80 percent of people dying from lung cancer, emphysema as well as bronchitis and causes 17 percent of people to die as a result of heart diseases (Chaloupka & Warner, 2000). Smoking accounts for more than a quarter of cancer deaths in the world. These cancers include lip, lung, mouth, pancreas, kidney, throat, bladder, cervix, liver, as well as stomach cancer. Research shows as well that 600,000 deaths in the world result from passive smoking. Children and women are the main victims of this passive smoking (Chaloupka & Warner, 2000). Research by the Disease Control and Prevention Center shows that over 440,000 deaths are premature deaths as a result of smoking. However, the smoking industry is one of the taxpaying industries that affects the economy of the country greatly. In this paper, I will discuss the economic impacts of smoking.

Direct Healthcare Expenditure

The cost related to the healthcare of the illness caused by tobacco smoking is extremely high. In America, the total annual private as well as public healthcare expenses resulting from smoking totals about 170 billion US dollars. When relating to the total Gross Domestic Product, the smoking cost is roughly one percent of the overall GDP. Various studies have shown the health-associated costs (Windsor et al., 1993). The costs comprise the medical expenditure in administration and on drugs, costs from passive smoking, children smoking, maternal smoking, as well as smoking-attributable mortality and morbidity. The tobacco abuse cost is also included. For example, the United States of America has over 39.6 billion dollars from the federal government as healthcare expenditure for smoking-related diseases. At the same time, every state contributes to this smoking-related illness more money. For example, in 1999, the state of California used US\$8.6 billion as the cost of the smoking-related illness healthcare expense (Windsor et al., 1993). Therefore, this costs indicates that smoking is costly in numerous aspects and requires a lot of public finances. In many countries, a large amount of money is used on smoking-attributable to overall healthcare costs.

Productivity Loss and Social Costs

As part of healthcare smoking costs, many other costs are imposed on society. Premature deaths, as well as smoking-related illnesses, have a great impact on the economy as a result of premature death as well as sick workers (Lightwood & Glantz, 1997). Tobacco use is high in most densely populated areas. Most workers are addicted and smoke even during working time. Similarly, absenteeism of workers in their workplaces results in decreased productivity. Workers may miss attending to their daily duties because they have to visit the hospital for medication. At the same time, employers have to recruit new staff more often as a result of premature death. This new recruitment adds new costs to the employee affecting the economy of the country. Fire outbreak is another effect of smoking that affects the economy. For example, in 2000, approximately 300,000 or 11 percent of the total fire deaths, universally resulted from smoking. This fire causes a lot of damage, starting from the treatment costs of the victims as well as property damage replacement (Warner, Smith, Smith, & Fries, 1996). Approximately 552 US dollars are used every year to cope with this damage. Other costs include costs for emergency ambulance and paramedical services, accidents and forest fires caused by smoking cigarettes.

Employment Taxation and Tobacco Revenue

However, smoking has economic benefits as well. The tobacco industry provides a great benefit deal, especially to consumers, producers, and the economy (Hu, Mao, Shi, & Chen, 2010). The tobacco industry gives job opportunities to people. For example, tobacco farms employ approximately 33 million individuals worldwide. A huge number of workers depend on tobacco for their daily income. At the same time, tobacco provides the government with tax (Hu et al., 2010). In 2009, the American president, Barack Obama, signed a law act that increased the American federal tax on tobacco and cigarettes to US\$1.01 from the initial cost of 36 cents. This increased tax was estimated to result in the United States of America's income in the federal government. Therefore, tobacco profits the economy of the country.

Pension Savings From Premature Mortality

Besides the tax income increase and job opportunities, smoking has other benefits to the economy. The premature deaths save the government from paying pensions (Chaloupka & Warner, 2000). Short life reduces pension of an individual, therefore the premature death of employee aid the government from paying this pension.

Conclusion on the Economic Effects of Smoking

In conclusion, smoking has both negative and positive impacts on the economy of a country. The negative effects include the effects of smoking on human health. Whereby smoking causes many diseases, such as lung, throat, kidney, liver, and mouth cancer, as well as premature deaths. These diseases and premature deaths decrease the economy of a country. A great amount of public finance is needed to fund healthcare costs related to smoking. At the same time, a lot of money is needed to compensate for the fire that results from smoking (Lightwood & Glantz, 1997). Smoking is a common cause of the fire in the world. Fire accidents resulting from smoking require more money regarding compensation. However, smoking has benefits as well. The tobacco industry provides job opportunities to workers. At the same time, these industries provide tax income to the government that aids in increasing the overall economy. Although smoking contributes to the economy of a country, the health hazards it poses are many to the people, both the smoking and passive smokers, therefore affecting the country's economy.

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