

Higher cigarette taxes don't deter all smokers

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Raising taxes on cigarettes, a public health measure used by governments to encourage people to quit, doesn't motivate all smokers to stop the deadly habit.

A study on the long-term impact of taxing cigarettes, led by two Concordia University economists and published in the *International Journal of Environmental Research and Public Health*, found higher taxes do prompt low-and middle-income earners to quit.

Yet price increases don't persuade wealthier smokers or those aged 25 to 44 to butt out.

"Contrary to most studies, we find that the middle-aged group, which constitutes the largest fraction of smokers in our sample, is largely unresponsive to taxes," says first author Sunday Azagba, a PhD candidate in the Concordia Department of Economics. "While cigarette taxes remain popular with policy-makers as a key anti-smoking measure, their effectiveness largely depends on how people respond to them."

The research team examined data collected by Statistics Canada, specifically the National Population Health Survey conducted from 1998-99 to 2008-09. They analyzed three categories of daily smokers: People aged 12 to 24, 25 to 44 and 45 to 65.

A conventional belief among policy makers is that higher cigarette prices will reduce smoking among target populations such as [high school students](#). "Overall, it was smokers from lower [socioeconomic groups](#)

who are more price-responsive than those from higher socioeconomic groups," says co-author Mesbah Sharaf, a PhD candidate in the Concordia Department of Economics. "If there is a 10 per cent increase in taxes then smoking participation will fall by about 2.3 per cent."

The research team also found people with post-secondary education were less likely to smoke than those with less than [high school education](#). "If smokers are sophisticated about their self-control and responsive to prices, taxes could act as a [self-control](#) incentive for them," says Azagba. "Higher taxes for some people, when consumption of addictive goods is driven by cues, may be counterproductive."

Canadian smokers, international picture

The substantial social, economic and health costs caused by tobacco use have led many countries to adopt higher cigarette taxes as a policy to reduce smoking. The World Health Organization estimates five million people around the globe die each year due to smoking-related illnesses and forecasts such deaths will increase to eight million people annually by 2030.

In Canada, cigarettes are taxed by both the federal, provincial and territorial governments. While smoking rates in Canada have been declining for more than two decades, says Azagba, "The lowest percentage of [smokers](#) can be found among women who are married, older, with high income and more education."

More information: The paper, "Cigarette Taxes and Smoking Participation: Evidence from Recent Tax Increases in Canada," is published in the *International Journal of Environmental Research and Public Health*. www.mdpi.com/1660-4601/8/5/1583

Provided by Concordia University

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