



Preventing Children's Tobacco Consumption

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According to WHO estimates, the products of the cigarette industry have caused the deaths of 100 million people worldwide in the past century. As most smokers are nicotine addicts, their efforts to quit often fail. It is therefore essential to prevent the start of smoking careers.

As most lifelong smokers begin smoking before the age of eighteen, and as the health risks are most dangerous for children and adolescents, one of the most important tasks of any health policy is to prevent children and adolescents from taking up a smoking career. Unfortunately, children and adolescents are taking up smoking at an increasingly early

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age: in Germany, for example, when they are between eleven and thirteen years old.

This trend indicates serious shortcomings in regard to the present measures to protect children and adolescents. Since 80 percent of habitual smokers begin their career as juveniles,¹ the tobacco industry is confronted with the economic necessity to turn children into addicted smokers to avoid the industry shrinking dramatically over time. Unless measures are taken which render cigarette smoking by juveniles unprofitable for the tobacco industry, the protection of children and adolescents will remain unattainable political goals.

YOUTH PROTECTION BY MEANS OF TAX LAW

To counter the imprudent decisions made by youths, we need to impose an additional tax on the cigarette industry, a tax based on

Smoking children and adolescents in Germany in 2004^{2,3}

Age	Girls	Boys	Total
12-13	4.86%	8.25%	6.56%
13-14	8.37%	7.21%	7.79%
14-15	21.36%	15.17%	18.27%
15-16	27.27%	33.21%	30.24%
16-17	30.07%	34.05%	32.06%
17-18	40.40%	49.57%	44.98%
Total	22.70%	25.27%	23.98%

the number of cigarettes smoked by minors. The tax scale should be sized in a way that the consumption of cigarettes by minors leads to losses for cigarette manufacturers, even in light of the profits arising from lifelong smoking careers. Consequently, the maximum rate of this tax should equal the scientific estimates of the long-run social costs arising from smoking.

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For an average 25 year-old smoker these costs amount to two dollars per cigarette.⁴ Current taxes in Germany are roughly 0.14 € per cigarette, and the typical retail price is 0.24 € per cigarette, with the price and tax not being a function of the age of the smoker.

The proposed regulation provides extra duties for the cigarettes smoked by minors, with the duties paid by the industry. The amount of the tax will be calculated on the basis of the quantity of the cigarettes smoked by minors. Moreover, the tax amount is inversely rated to the age of the smoking minor, so that it reflects the eminent damage of early smoking. In the age group of children up 14, it averages at 2 euros (\$2.60) and in the age group of juveniles from 14 years onward 1.90 euros (\$2.47) will be charged per cigarette. With the advancing age of the customer the tax decreases by 0.1 euros (\$0.13) per every additional year. Each tobacco supplier will be individually charged for their cigarettes.

To determine the tax on each producer, it is necessary to determine the amount of cigarettes smoked by minors in the particular age groups annually. Rather than a comprehensive census, statistical estimation procedures will

be applied. This is a well known and legally approved procedure in commercial law and financial administration. Usually the data is already being collected for marketing reasons. The additional costs for the data acquisition are therefore not an important burden for the tax computation.

This tax will charge the tobacco industry for being the initiators of the non-desirable results of the consumption of their products by children and adolescents. The current practice leads to high profits for the cigarette industry, whereas costs for limiting the health damages of juveniles are shifted to private and public institutions. This inconsistent share of responsibilities will be rectified by the suggested tax. The open and concealed measures of the cigarette industry to seduce minors into starting smoking will become economically senseless. For the first time, this duty will lead to a serious alignment of interests of the cigarette industry, parents, schools and health institutions.

Current regulation aims to reduce smoking by selective, only partially effective restrictions on the marketing activities of the cigarette manufacturers. This method, however, does not eliminate the industry's existing incentives

to seduce children and juveniles into smoking. In contrast, the suggested tax yields a direct economic interest for the cigarette industry to achieve a low smoking rate of minors. A failure to establish a lower smoking rate of juveniles of their cigarettes will result in economic losses for the cigarette suppliers due to the extra duties.

DISCUSSION

The decline of cigarette consumption through the proposed regulation not only leads to an immediate health improvement for children and juveniles, it also yields additional tax receipts. However, over time these will become very small as smoking rates decline.

Based on the present statistics of juvenile smokers, the tobacco industry in Germany would have to pay additional taxes of 6.2 billion € (\$8.19 billion). Instead of having the incentive to increase the volume of cigarettes smoked by juveniles, the tax ensures that the cigarette providers have an incentive to decrease it. For the first time, it would not be a profit but a loss for the cigarette industry to seduce children into smoking. To avoid this tax, the tobacco firms would henceforth discourage children from smoking cigarettes as

effectively as they encourage it now. Given the size of the tax, I suspect the result would be a nearly complete elimination of minors' smoking. This tax makes other regulations superfluous and yields an unexcelled protection of minors: it turns the tobacco industry and its mighty marketing systems from seducing children to preventing them smoking.

Letters commenting on this piece or others may be submitted at <http://www.bepress.com/cgi/submit.cgi?context=ev>.

NOTES

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2. Deutsches Krebsforschungszentrum (2007), Stabsstelle Krebsprävention, Heidelberg. (German Cancer Research Center, Staff Position Cancer Prevention).
3. Statistisches Bundesamt (2006), Statistisches Jahrbuch (2006), Bundeszentrale für gesundheitliche Aufklärung, Die Drogenaffinität Jugendlicher in der Bundesrepublik Deutschland. Eine

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4. Sloan, Frank A., Jan Ostermann, Gabriel Picone, Christopher Conover, Donald H. Taylor, Jr. (2004), *The Price of Smoking*, Massachusetts: The MIT-Press, p. 257, Table 11. 4

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