The economics of tobacco control: evidence from the International Tobacco Control (ITC) Policy Evaluation Project

John A Tauras,1,2 Frank J Chaloupka,1,2 Anne Chiew Kin Quah,3 Geoffrey T Fong3,4,5

ABSTRACT
Over the past few decades, the importance of economic research in advancing tobacco control policies has become increasingly clear. Extensive research has demonstrated that increasing tobacco taxes and prices is the single most cost-effective tobacco control measure. The research contained in this supplement adds to this evidence and provides new insights into how smokers respond to tax and price changes using the rich data on purchase behaviours, brand choices, tax avoidance and evasion, and tobacco use collected systematically and consistently across countries and over time by the International Tobacco Control (ITC) Project. The findings from this research will help inform policymakers, public health professionals, advocates, and others seeking to maximise the public health and economic benefits from higher taxes.

Over the past few decades, the importance of economic research in advancing tobacco control policies has become increasingly clear. Evidence on the impact of tax and price increases on tobacco use is needed in order to determine the relative and public health effects of excise tax increases. To maximise these effects, one needs to understand the advantages and limitations of alternative types of tobacco tax structures. Objective data on the extent and determinants of tax avoidance and tax evasion are needed to address concerns that higher taxes and other tobacco control policies will lead to illicit tobacco markets and to identify the most effective approaches to tax administration. The importance of economic research is clear from the emphasis on economic research in nearly all the tobacco control research priorities identified by the WHO (2010) as part of its non-communicable disease research agenda setting process that included:

- Research on the inter-relationships between tobacco use and poverty, including the role of tobacco use in causing poverty, and compromising other spending, and the differential effect of tobacco control policies and programmes on the poor.
- Research to develop messages effective in overcoming misinformation spread by tobacco companies, building/strengthening social norms against tobacco, and building support for tobacco control policies and programmes.
- Finally, in the subset of countries with high economic dependence on tobacco, research on developing economically viable alternatives to tobacco growing and manufacturing.

The economic research contained in this supplement addresses many of these issues, taking advantage of the unique data collected in the International Tobacco Control Policy Evaluation Project (ITC Project). The ITC Project is a transdisciplinary collaboration of over 100 researchers across 22 countries: Canada, USA, UK, Australia, Ireland, Thailand, Malaysia, Republic of Korea, China, Mexico, Uruguay, New Zealand, France, Germany, The Netherlands, Mauritius, Brazil, Bangladesh, Bhutan, India, Kenya and Zambia. The primary objective of the ITC Project is to evaluate the effectiveness of current tobacco control policies and to provide evidence for governments to assess the possible need for stronger policies; and then when new policies are implemented, to evaluate them over time and in comparison with other ITC countries where those policies have not changed during that same period of time. Conducting parallel surveys in countries being compared is known as a quasi-experimental design or ‘natural experiment’ design. This type of research design provides rigorous evaluation of the psychosocial and behavioural effects of national level tobacco control policies of the Framework Convention on Tobacco Control (FCTC). The ITC Project is conducting large-scale annual prospective cohort surveys of tobacco use to evaluate FCTC policies in countries inhabited by over half the world’s smokers. Each ITC Survey includes key measures for each FCTC policy domain that are identical or functionally similar across all ITC countries to facilitate cross-country comparisons.

In the decade since the ITC Project was founded (2002), there have been over 90 survey waves conducted across the 22 countries. The resulting data, through the project’s scientific publications and reports, have been used to evaluate FCTC implementation by countries across many domains of the treaty, including health warnings (pictorial...
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The findings from this research will be of interest to policymakers, public health professionals, advocates, and others seeking to understand and take full advantage of the public health and economic benefits from higher tobacco taxes.

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