The South Africa government is introducing legislation that would ban all tobacco advertising, including the sponsorship of sports and other public events. The proposed Tobacco Products Control Bill would also prohibit smoking in public places and the sale of cigarettes to anyone under 16 years of age.

This legislation, which was recommended by South Africa's Health Portfolio Committee and unanimously endorsed by Cabinet, is awaiting the signature of President Nelson Mandela to become law. The Bill's policy foundations are partly the result of studies supported by the International Development Research Centre (IDRC) and Research for International Tobacco Control (RITC), a secretariat housed at IDRC headquarters in Ottawa.

**Economics of tobacco control**

In 1996, the South African Medical Research Council (MRC) and the University of Cape Town (UCT) began collaborating on a multi-faceted research program — including a project on the economics of tobacco control in South Africa. According to Iraj Abedian, the project leader and an economics professor at UCT, this initiative was based on the premise that "the debate around tobacco control, both in South African and globally, has to take into account the economic issues surrounding the topic."

"Whilst the public health aspects of smoking remain significant, indeed paramount, economic arguments pose immediate challenges to governments world-wide. Concerns over job losses, loss of tax revenue, and in some instances the loss of foreign exchange earnings are real problems for governments. This is particularly so in the developing countries," Dr Abedian states in his preface to a report entitled: The Economics of Tobacco Control in Southern Africa.

**Cigarette prices**

During their research, Dr Abedian and his colleagues found that the real price of cigarettes in South Africa has dropped over the past 24 years and that the government is earning less than half of its potential revenues from cigarette excise taxes. They also found that if taxes are increased,
any loss of jobs due to a reduction in tobacco consumption will not hurt the economy. In fact, money that is not spent on cigarettes should help to fuel job growth in other industries such as recreation, entertainment, and education.

Moreover, the UCT team showed that, contrary to claims by the tobacco industry, advertising plays a significant role in prompting people to smoke. Econometric models reveal that a 1% increase in advertising expenditures will increase consumer demand for cigarettes by 0.18-0.24%. This suggests that anti-tobacco advertising is becoming a significant factor in people's decisions to smoke less.

**International conference**

In February 1998, the UCT team presented its findings at "Economics of Tobacco Control: Towards an Optimal Policy Mix," an international conference held in South Africa. The conference — the first of its kind globally — was attended by more than 220 people from 27 countries. Sponsoring organizations included RITC, the World Bank, MRC, the Rockefeller Foundation, the Swedish International Development Agency, and UCT.

As a result of such efforts, Dr Abedian and his colleagues believe their work has "added strength to the government's resolve" and the work of anti-tobacco groups. "We think that we have made a humble contribution in shaping the new legislation," he concludes.

*Mogkadi Pela is a writer based in Johannesburg. (Photo: D. Barbour, CIDA)*

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**Contacts:**

**Professor Iraj Abedian,** Economics of Tobacco Control Project, School of Economics, University of Cape Town, Private Bag, Rondebosch 7701, South Africa; Tel: (21) 650-2719; Fax: (21) 488-4717; E-mail: abedian@socsci.uct.ac.za

**Research for International Tobacco Control** (formerly the International Tobacco Initiative), 250 Albert Street, PO Box 8500, Ottawa, Ontario, Canada K1G 3H9; Tel: (613) 236-6163, ext. 2154; Fax: (613) 236-4026; E-mail: rite@idrc.ca

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**Links to explore ...**

*'It's Rude to Say No': Vietnamese Attitudes Toward Smoking,* by Keane Shore

**Lessons from Canada's Tobacco War,** by Lauren Walker

**Smoke & Mirrors: The Canadian Tobacco War,** by Rob Cunningham

**The Global Tobacco War,** by Michael Smith