

Global Tobacco Economics Consortium

Overview of research program

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Consulting Health Economist

Background

- Previous work:
 - National level estimation of tax and poverty consequences
 - Built capacity in Mexico, Colombia and India
- Current program:
 - Strengthen the core team at INSP to manage larger, multi-country projects
 - Deepen the tax and poverty analyses to the sub-national level
 - Methodological work to further develop ECEA model
 - Use ECEA results and other tax tools to better support and engage with decision making
 - New pillar of work ((the Philippines or potentially China)

Theory of change

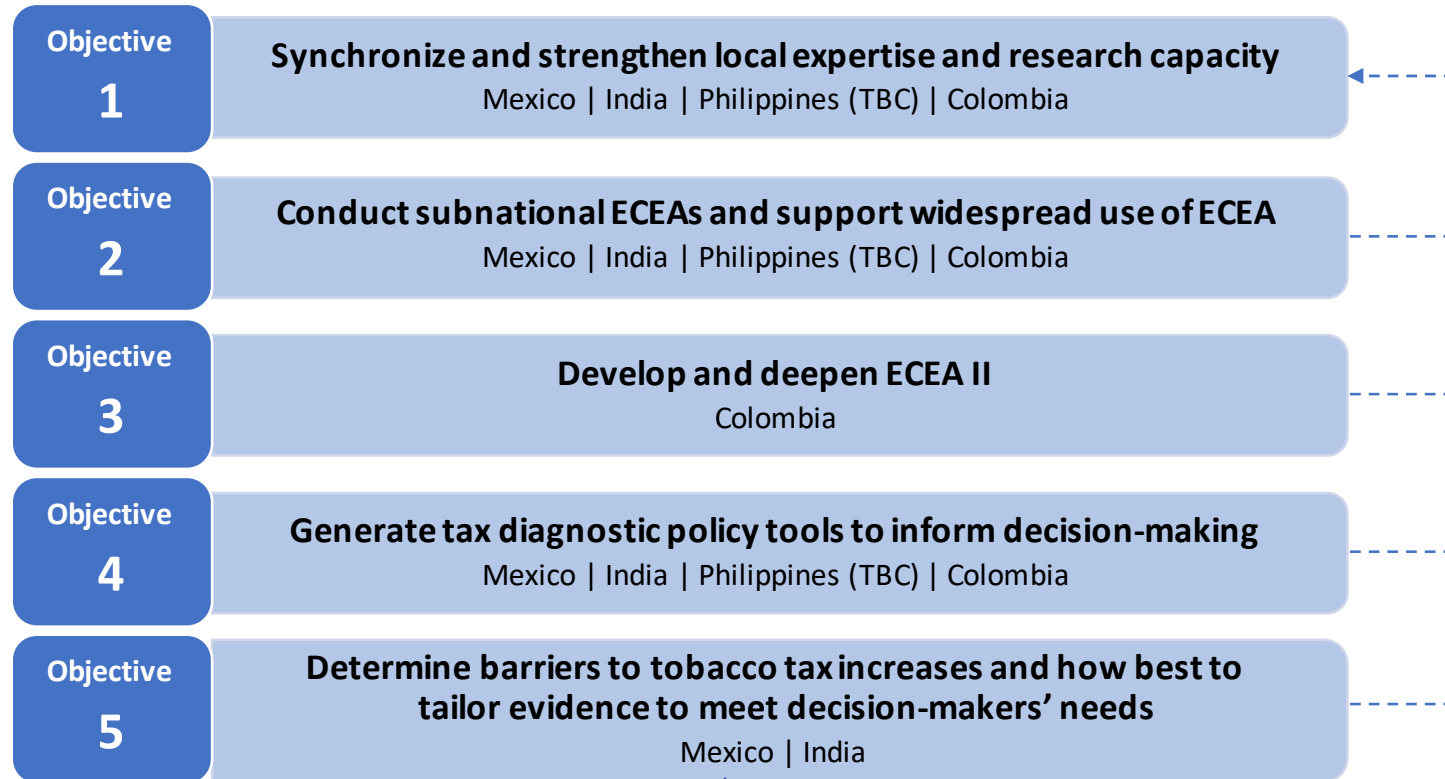
New, local evidence that is brought to decision makers is more likely to attract attention and be used if it is closely tied to end users

Hypothesis 1: A critical mass of stakeholders working on tobacco taxation in each country, integrated with multi-sectoral decision makers, will accelerate progress on the use of substantial tobacco tax increases

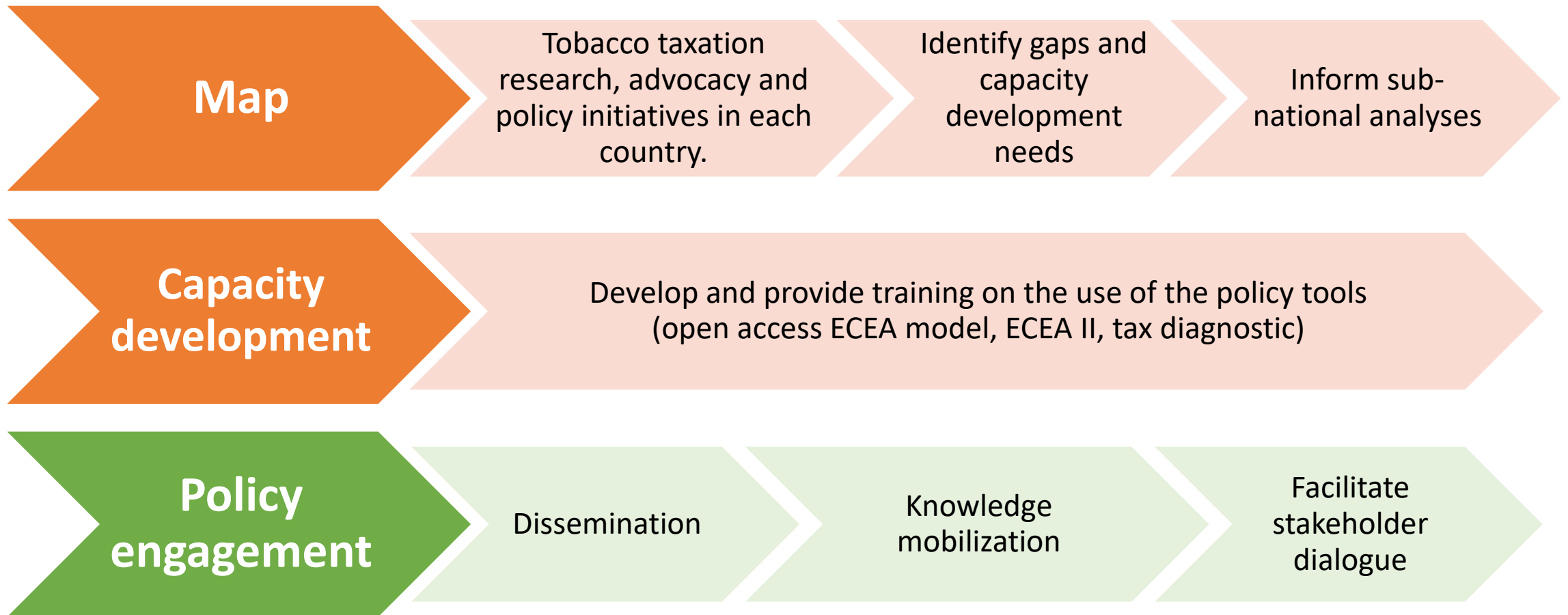
Hypothesis 2: ECEA and the tax diagnostic are tools that provide a status check on key tobacco statistics and are resources that can support decision makers to uptake effective tax interventions to curb tobacco consumption

Hypothesis 3: Understanding the barriers to raising taxes and the value given to evidence generated by ECEA and the tax diagnostic will inform the development of strategic and targeted approaches for researchers, advocates, practitioners and civil society to engage more effectively with decision makers

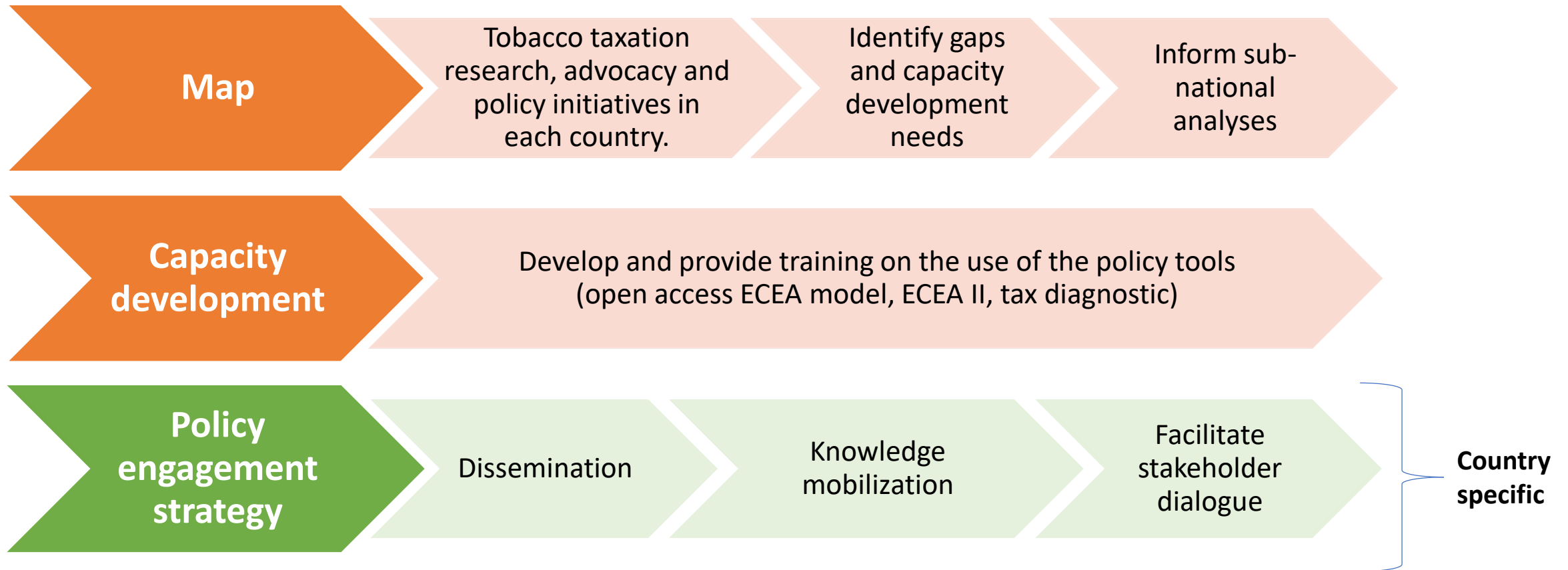
Global Tobacco Economics Consortium



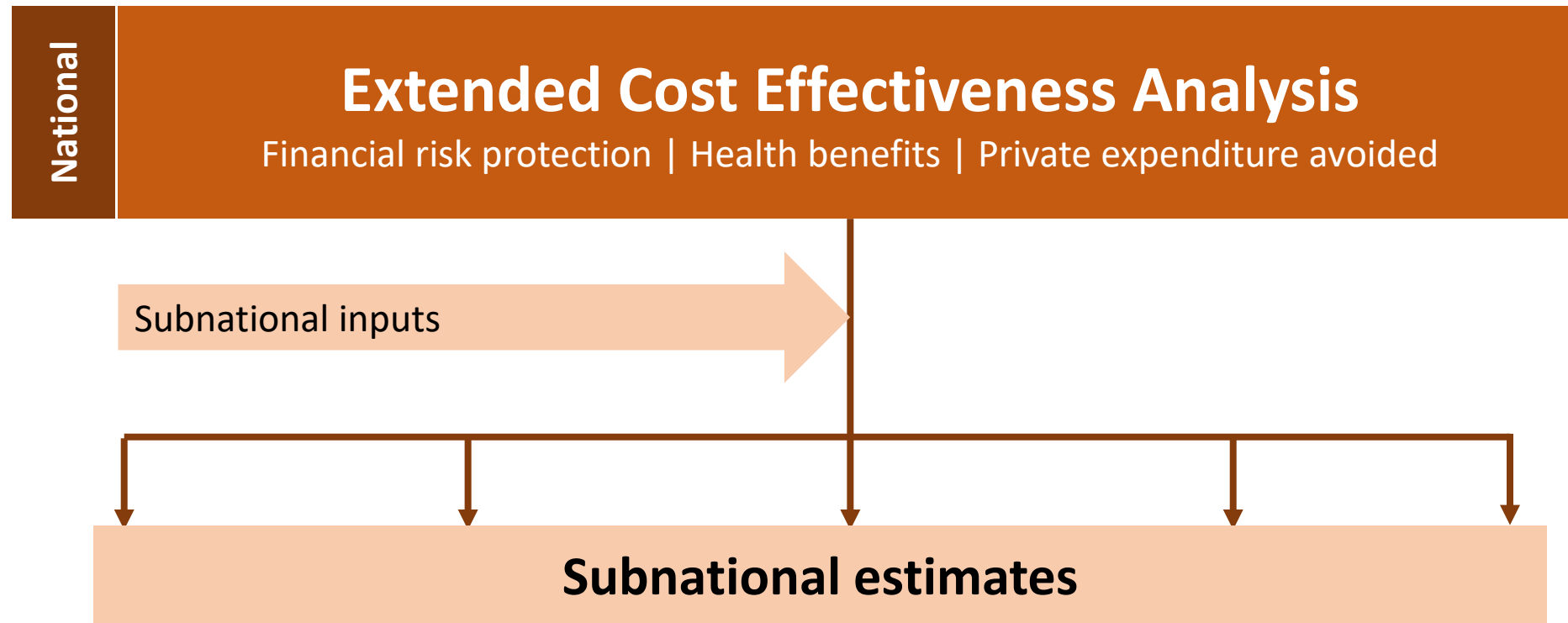
Objective 1: Synchronize and strengthen local expertise and research capacity



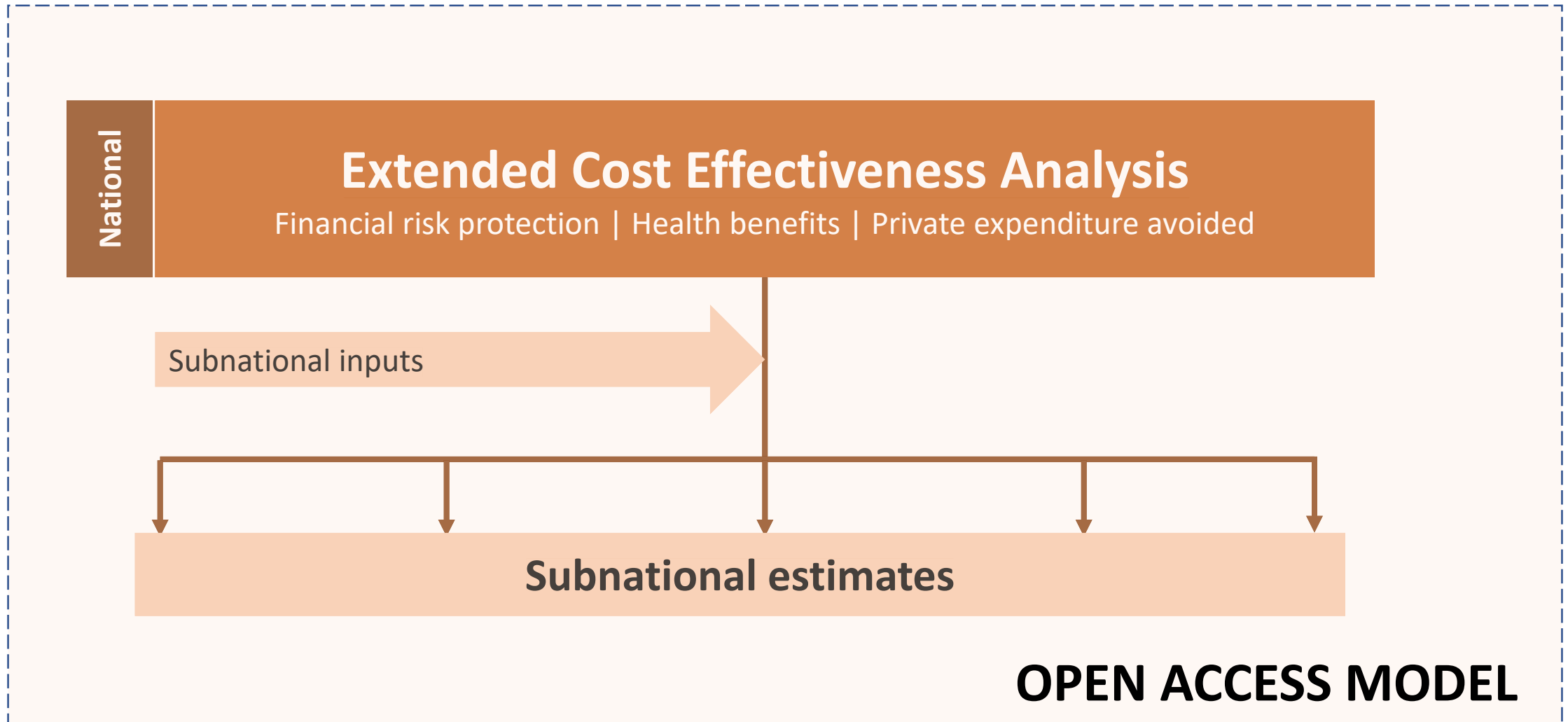
Objective 1: Synchronize and strengthen local expertise and research capacity



Objective 2: Conduct subnational ECEAs



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Objective 3: Deepen, evolve, expand ECEA (ECEA II)

National

Extended Cost Effectiveness Analysis

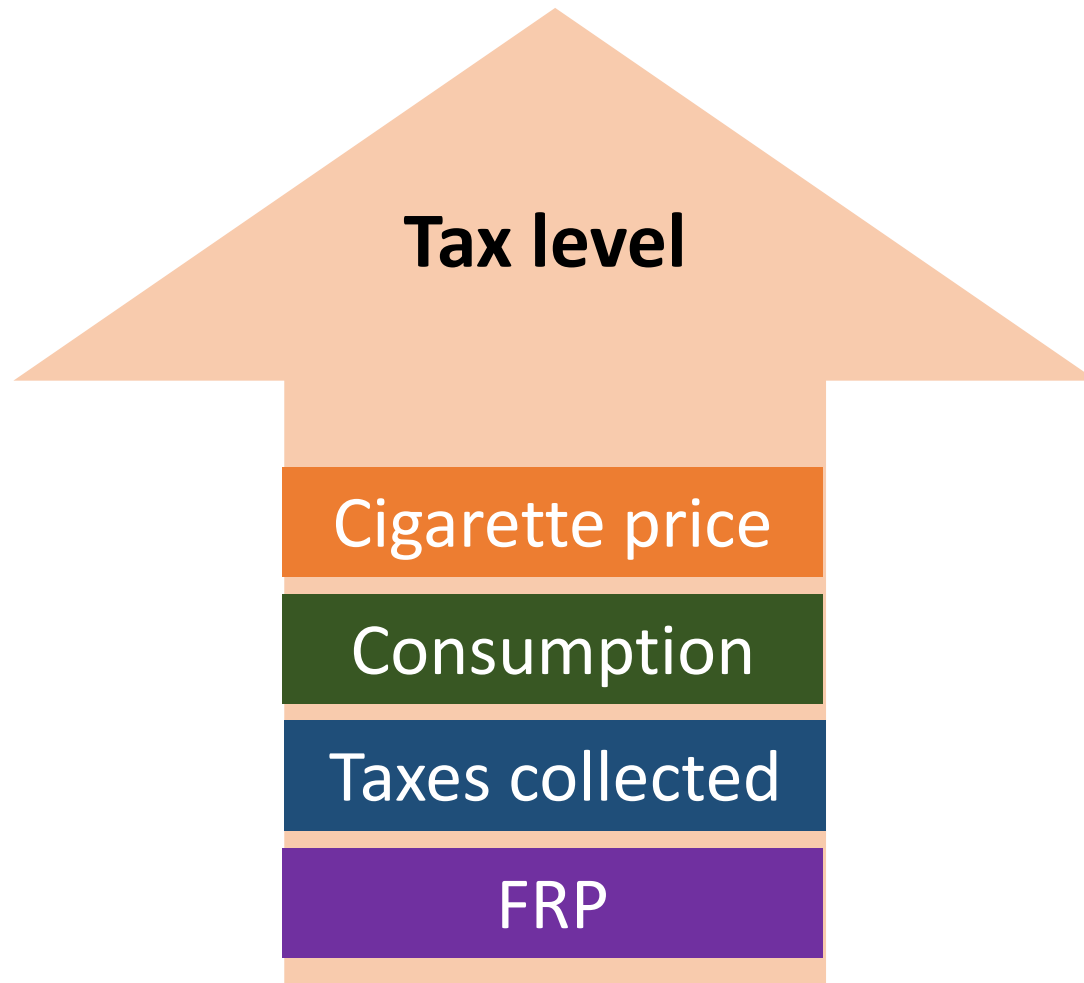
Financial risk protection | Health benefits | Private expenditure avoided

Deepen: health-related costs, caregiving costs, lost productivity, impact on the household of pre-mature tobacco-related mortality (i.e. gender impacts)

Evolve: time-varying parameters
(e.g. income, poverty levels, substitution rates)

Expand: CEA, CBA, budget impact analysis, benefit incidence analysis and cost comparisons on alternative scenarios

Objective 4: Generate tax diagnostics for use as policy tools



Considers:

- existing tobacco tax structures
- Substitution effects
- market share of tobacco products
- price per stick of each type

Objective 4: Generate tax diagnostics for use as policy tools

Tax impact calculation for India Calculator 2017

Please input the CGST (%) and the additional excise tax/ 1000 cigarettes

INPUTS

Step 1

Enter CGST %

28.00%

Step 2

Enter Basic Excise (BED) as additional tax in Rs.

4000

/1000 Sticks

Proposed CGST + Uniform BED in 2018

Cigarette category	Base price, before tax/stick in 2015*	Proposed CGST (%)	Proposed CGST tax (in Rs.)	BED/ Stick (in Rs.)	Proposed Tax /stick (in Rs.)	Final price/ stick (in Rs.)	Tax as percent of final price
Non- filter	>=65 (Average)	0.6	0.3	0.2	4.0	4.8	87%
	65 - 70 mm	2.0	0.3	0.6	4.0	6.6	69%
Filter	> =65mm	2.6	0.3	0.7	4.0	7.3	64%
	65 - 70 mm	3.8	0.3	1.1	4.0	8.9	57%
	70- 75 mm	4.0	0.3	1.1	4.0	9.2	56%
	75- 85+ mm	5.2	0.3	1.5	4.0	10.7	51%
Average Filter Only		4.3	0.3	1.2	4.0	9.5	55%

*Base price are calculated from Market PriceNeilson's Data (Jan 2014-Nov 2014) and is adjusted for inflation @ 5.9% in 2015. No increment in raw material prices are considered in 2015 & 2016.

Source:<http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG>

Change in average price of filtered cigarettes/stick (%) **45%**

Change in average tax of filtered cigarettes/ stick (%) **86%**

Ratio of price difference between 75+ & 65-70mm cigs in 2017 **1.6**

Ratio of price difference between 75+ & 65-70mm cigs in 2018 **1.2**

Objective 5: Engage more effectively with decision makers

Speak to decision makers

- Qualitative methods (interviews; deliberative dialogues)
- Focus: targeted discussion of tobacco tax evidence; barriers and facilitators to uptake and use of the evidence

Identify strategies for effective engagement

- Data analysis: determine barriers and facilitators and identify relevant strategies

Develop case-studies

- Country specific guidance
- Facilitate learning between countries

Timelines

YEARS

1

2

3

4

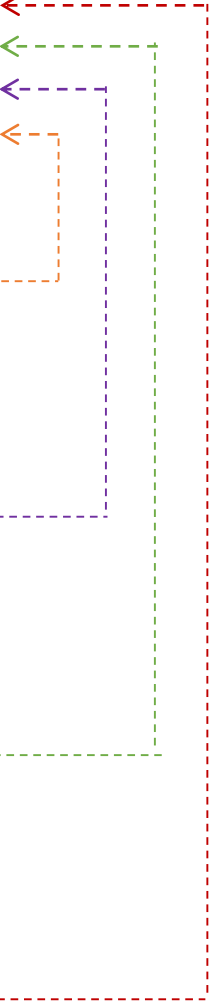
OBJECTIVE 1
To synchronize local expertise and strengthen research capacity on tobacco economics

OBJECTIVE 2
Conduct subnational ECEAs

OBJECTIVE 3
ECEA II

OBJECTIVE 4
Generate tax diagnostics for use as policy tools

OBJECTIVE 5
Engage more effectively with decision makers.



Milestones

Year 1	<ul style="list-style-type: none">✓ Refined proposal re-submitted to IDRC✓ Establish research teams and trainees in each country and finalize country specific work plans✓ 1st global research team meeting (Mexico, July 2018)<input type="checkbox"/> Framework for ECEA II – aim to get technical working group together (Dean, Stephane, gender specialist – for a brainstorm meeting)<input type="checkbox"/> Policy engagement strategy developed
Year 2	<ul style="list-style-type: none"><input type="checkbox"/> Sub-national ECEAs completed<input type="checkbox"/> Testing and validation of ECEA II model<input type="checkbox"/> Mid-term review of grant completed, revisit policy engagement strategy
Year 3	<ul style="list-style-type: none"><input type="checkbox"/> Tax diagnostics for each country implemented<input type="checkbox"/> Symposia<input type="checkbox"/> Symposium / capacity development
Year 4	<ul style="list-style-type: none"><input type="checkbox"/> Case studies on behavioural aspects of decision making for tobacco control<input type="checkbox"/> Symposium<input type="checkbox"/> Academic outputs

Publications and outputs

Policy toolkits

Academic papers

- Subnational ECEA results
- ECEA II – validation and tutorial
- Barriers to implementation of fiscal policies for tobacco control
- Symposium reports

Policy briefs

- Country specific summaries of potential tax scenarios and expected outcomes using tax diagnostic tool
- Country specific summary of results
- GTEC position statement on links between fiscal policies for tobacco control, poverty

User guides

- Open access ECEA model
- ECEA II
- Tax diagnostic
- Support for more effective engagement with decision makers

Presentations

- World Conference on Tobacco or Health
- IHEA WHO Global Conference on NCDs
- International Conference on Sustainable Development
- Global Symposium on Health Systems Research
- WHO Global dialogue on financing for prevention and control of NCDs
- Asia Pacific Conference on Tobacco or Health
- International Public Health Conference
- Canadian Conference on Global Health
- Spring and Fall meetings of the International Monetary Fund and World Bank Group
- Regional WHO meetings (PAHO, WPRO, SEARO)

Proposal for authorship – for discussion

- Writing team with an identified lead author
- All papers either include:
 - GTEC as the author
 - “...on behalf of GTEC”
- GTEC acknowledgement

Objective 5

Understand barriers to implementing tobacco tax increases and how best to tailor evidence to meet decision makers' needs

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Background and rationale

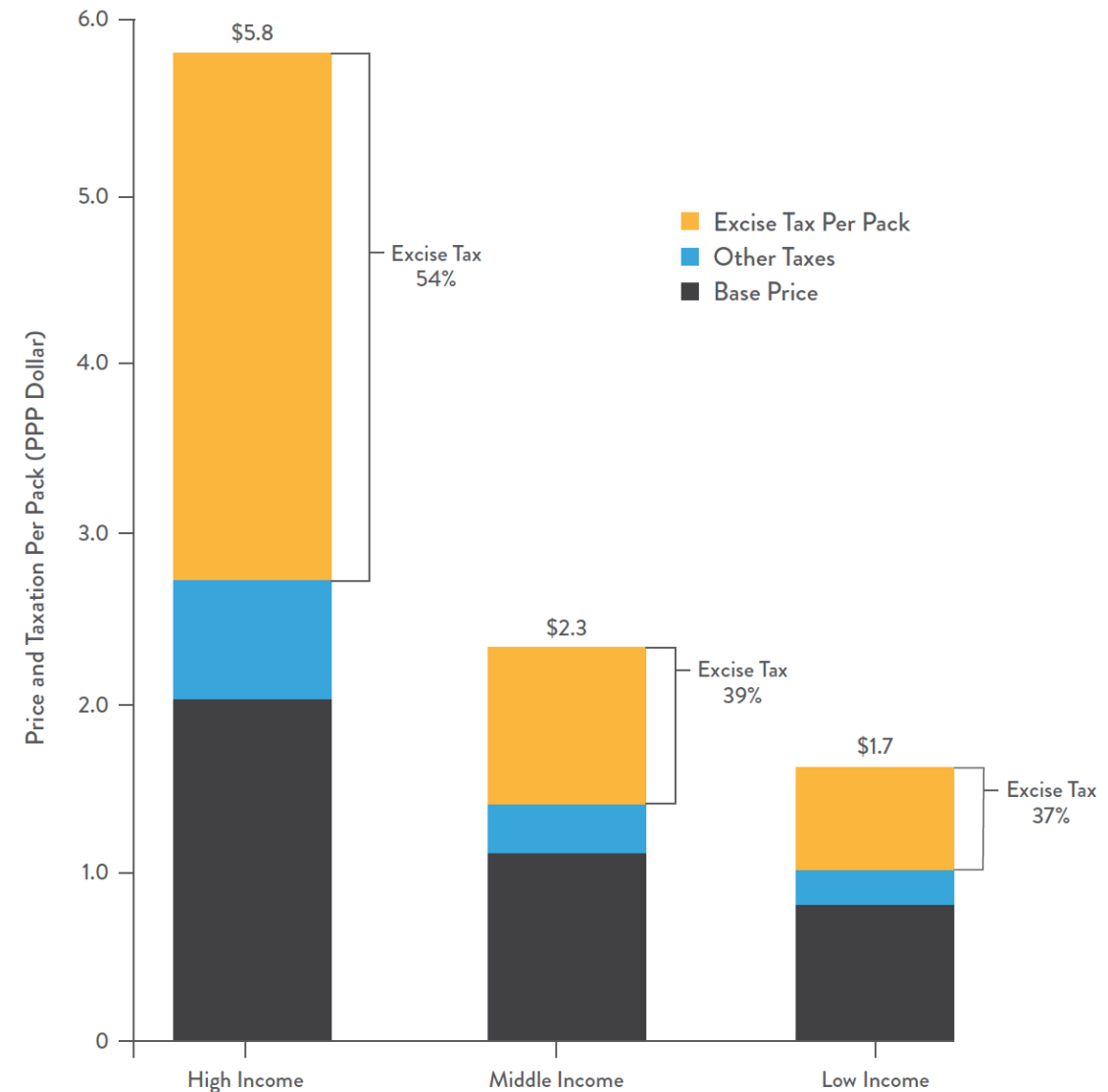
INCREASING TOBACCO TAXES

A **“WIN-WIN”** FOR HEALTH AND THE ECONOMY

Higher taxes on tobacco products reduce tobacco consumption and improve public health, while also increasing government revenues that can be used to fund priority investments and programs that benefit the entire population.

Background and rationale

But... tobacco taxes in most countries are still too small to lead to substantial declines in cigarette consumption



Background and rationale

“If we do not want to be passive spectators to the unhindered growth of this threat to global health, then political will at the highest levels of government needs to be galvanized, coupled with sustained support from civil society and international organizations”

Patricio Marquez

What we know: perceived barriers

S – Smuggling & Illicit Trade

C – Court & Legal Challenges

A – Anti-poor Rhetoric

R – Revenue Reduction

E – Employment Impact

What we know: evidence on how to engage more effectively with local decision makers

- Understand local and context specific system and policy constraints
- Set realistic goals and reasonable expectations
- Have available relevant and targeted evidence
- Frame evidence as solutions to issues they are facing
- Establish active and sustained engagement with decision makers to increase the likelihood of influencing policy decisions and capitalize on policy opportunities

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Methods

Sampling

- National and sub-national decision makers: Ministries of Health, Finance, Agriculture, as well as the main planning authorities.
- Senior and middle-level managers, senior administrators, and advisors

Recruitment

- Identified through the networks of the local investigators as well as snowball sampling

Interviews

- In-depth, semi-structures key-informant interviews
- Interviews will be conducted until saturation is achieved, which we estimate at 15-20 interviews in each country

Analysis

- Content analysis, identify emergent themes on barriers and facilitators
- Secondary analysis: strategies to support more effective engagement

Outcome

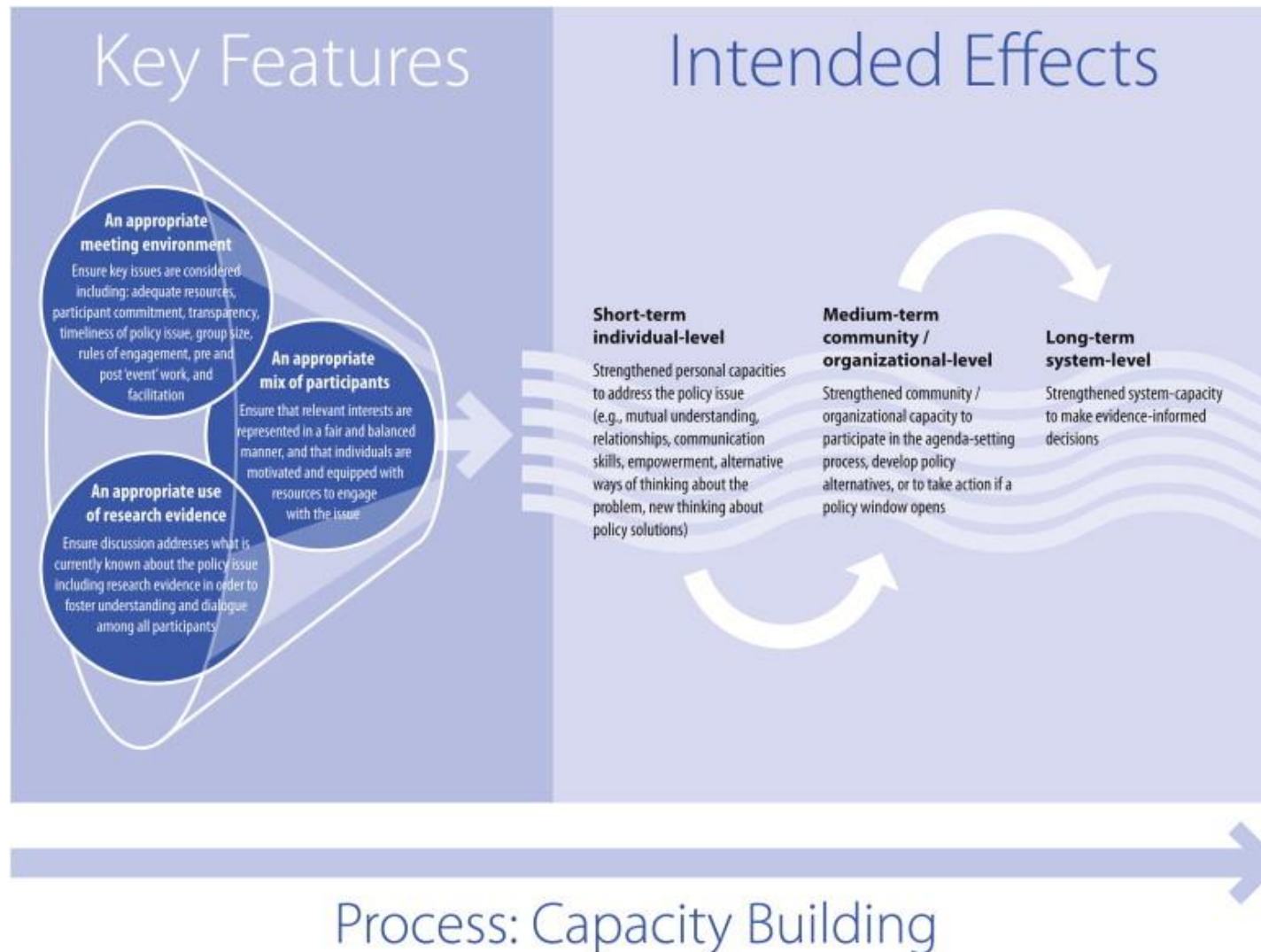
- Case studies and recommendations to support more effective engagement with decision makers (Toolkit)
- Published papers

Deliberative dialogues

A group process that emphasizes transformative discussion and may be informed by research evidence

- Research evidence is an input to discussion
- Creates opportunity for strategic engagement between decision makers, stakeholders and researchers
- Equips decision makers with policy-relevant evidence and knowledge that is timely and in a form they can use
- Unlikely to directly lead to policy change but designed to ensure decision makers have access to the necessary evidence for action

Deliberative dialogues



For discussion

- Policy context in India and Mexico:
 - Value given to economic evidence; tobacco economics
 - Existing networks and relationship with decision makers
 - Anticipated 'policy windows'
- Understanding of the barriers and strategies for more effective engagement
- Local capacity to lead this research
- Link this objective to policy engagement strategy (end-users as participants of research)

Next steps

- Revise proposal
 - Focus on Mexico, India, Colombia; capacity development
 - Milestones
 - IRB details (ethics)
- Document policy engagement strategies for each country
- Confirm the sub-national areas for ECEAs
- Quarterly global team meetings: October/November 2018
 - Teams in place
 - Sub-national analyses initiated
 - Mapping of related and relevant work in each country
 - Plan for meeting re: ECEA II with other technical experts