3. Strengthening Public Health- Governance

India, the world's second-largest tobacco producer and consumer, continues to face a severe public health burden as cigarette taxes make up only about 53% of the retail price, well below WHO benchmark

I. About Tobacco

Botanical and Chemical Profile

Tobacco is a commercial crop derived primarily from *Nicotiana tabacum*. The leaves contain nicotine, a potent psychoactive alkaloid. Nicotine acts on nicotinic acetylcholine receptors (nAChRs) in the brain, stimulating dopamine release in the mesolimbic reward pathway. Leads to dependence through neuroadaptation and withdrawal cycles.

Forms of Consumption in India

Smoking forms - Cigarettes, cigars, beedis, hookah.

Smokeless forms - Gutka, khaini, zarda, pan masala with tobacco.

India has one of the highest rates of smokeless tobacco consumption globally, unlike many Western countries where cigarettes dominate.

II. Health Burden of Tobacco in India

Mortality and Morbidity

Approx. **1.35 million deaths annually** attributed to tobacco-related illnesses. Major disease categories

1. Oral and lung cancers
2. Chronic Obstructive Pulmonary Disease (COPD)
3. Ischemic heart disease
4. Stroke
5. Tuberculosis aggravation

Tobacco is a leading preventable cause of premature mortality.

Addiction Mechanism

1. Nicotine increases dopamine, serotonin, and norepinephrine.
2. Rapid brain penetration (within 10 seconds in smoking).
3. Withdrawal symptoms include irritability, anxiety, and craving.
4. Additives like menthol increase nicotine absorption and mask harshness, encouraging deeper inhalation.

Economic Burden

WHO estimates that India loses nearly 1% of GDP due to healthcare costs and productivity losses linked to tobacco. Out-of-pocket expenditure increases impoverishment among vulnerable populations.

Environmental Impact

Cigarette butts contain cellulose acetate plastic filters, contributing to microplastic pollution. Tobacco cultivation involves -

1. High pesticide use
2. Deforestation for curing leaves

Environmental degradation indirectly worsens public health.

III. Tobacco Taxation as a Public Health Instrument

WHO Recommendation – Tobacco taxes should account for at least 75% of retail price. High taxes reduce affordability and deter initiation.

Economic Logic of Taxation – Tobacco demand is price elastic among -

1. Youth
2. Low-income populations

Taxation reduces initiation and increases cessation rates. Creates fiscal space for health expenditure.

Indian Scenario

1. Cigarettes - ~53% of retail price as tax (below WHO benchmark).
2. GST structure - 28% GST + 12% Compensation Cess (approx. 40% total effective rate).
3. Beedis - GST reduced to 18%, despite high health risk.
4. Smokeless tobacco taxed inconsistently.

Structural Weaknesses

1. Lack of inflation indexing reduces real tax burden over time.
2. Differential tax structure causes product substitution effect (shift to cheaper forms like beedis).
3. Tax evasion and illicit trade undermine fiscal effectiveness.

IV. Legal and Policy Framework

WHO Framework Convention on Tobacco Control (FCTC) – 2005

India is a signatory. First global public health treaty. Focus areas

1. Demand reduction (taxes, warnings, advertising bans)
2. Supply reduction (illicit trade control, crop diversification)

Article 5.3 mandates protection of public health policy from tobacco industry interference.

COTPA, 2003

1. Regulates production, distribution, advertisement, and sale.
2. Prohibits smoking in public places.
3. Mandates pictorial health warnings.
4. Restricts sale near educational institutions.

National Tobacco Control Programme (NTCP) – 2007

1. Enhances implementation of COTPA.
2. Establishes Tobacco Cessation Centres (TCCs).
3. Focuses on awareness generation and district-level monitoring.

Prohibition of Electronic Cigarettes Act, 2019

Complete ban on -

1. Production
2. Import/export
3. Sale and advertisement of e-cigarettes

Preventive measure to avoid youth nicotine addiction.

V. Governance Challenges

Industry Interference

1. Lobbying against tax hikes and strict regulations.
2. Corporate social responsibility (CSR) used to influence policy narratives.
3. Conflict with Article 5.3 obligations.

Policy Inconsistencies

1. Lower tax on beedis contradicts equity principles.
2. Poor enforcement of packaging norms.
3. Smokeless tobacco compliance remains weak.

Packaging Violations - Studies show up to 92.8% non-compliance in smokeless tobacco packaging warnings.Weak enforcement mechanisms at state level.

Fiscal Constraints - Tobacco generates revenue for states. Political reluctance to impose aggressive tax hikes.

VI. Socio-Economic Dimensions

Employment Concerns - Beedi industry employs large informal female workforce. Policy must balance health goals with livelihood transition.

Poverty Trap – Tobacco consumption disproportionately high among lower-income groups. Health expenditure deepens poverty.

VII. Way Forward

Align Taxation with WHO Benchmark

1. Raise total tax share to 75% of retail price.
2. Uniform taxation across product categories.
3. Automatic inflation adjustment.

Rationalise GST Structure

1. Increase GST on beedis and smokeless tobacco.
2. Remove product-based distortions.

Strengthen Enforcement

1. Strict monitoring of packaging compliance.
2. Digital tracking of tobacco supply chain.
3. Penalise violations effectively.

Implement Article 5.3 Robustly

1. Transparency in policy consultations.
2. Restrict tobacco industry participation in public health policymaking.

Environmental Accountability

1. Extended Producer Responsibility (EPR) for cigarette waste.
2. Sustainable crop diversification programmes for farmers.

Expand Cessation Support

1. Strengthen NTCP.
2. Integrate tobacco cessation into primary healthcare under Ayushman Bharat.
3. Use digital health tools for cessation counselling.

Conclusion

Tobacco control in India is not merely a health issue but a multi-sectoral governance challenge involving taxation policy, regulatory enforcement, environmental sustainability, and socio-economic transition. Despite strong legal frameworks such as FCTC and COTPA, inconsistencies in taxation and enforcement gaps dilute effectiveness. Aligning fiscal policy with public health objectives, strengthening regulatory insulation from industry interference, and adopting a whole-of-government approach are critical to reducing India's tobacco burden and achieving SDG 3 (Good Health and Well-Being).

Source - https -//www.newindianexpress.com/opinion/2026/Feb/05/tobacco-tax-reform-far-from-finished