

ECONOMIC COSTS OF TOBACCO USE IN MONTENEGRO

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Led by

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NON-TECHNICAL SUMMARY

The question we ask in this paper is: what are the economic costs of tobacco use in Montenegro? However, it is very difficult to answer. The argument that tobacco imposes social costs that must be minimized and adjusted for through public policy is the basis of economic policies for tobacco control. It is important to quantify accurately such social costs: low estimated costs can be used by the tobacco industry to argue against the implementation of tobacco control policies, whereas higher social costs can be used to justify further government intervention. The total costs of tobacco consumption to the community as a whole consist of private costs and external (or ‘social’) costs.¹ Costs knowingly and freely borne by the consumer are deemed to be private costs. All other costs are external (social) costs. Thus external costs include costs borne by tobacco users who are not fully informed of the consequences of tobacco consumption.

Montenegro is a state that is still in the process of economic transition. That is the reason why subjects that cover different aspects of economic development were in focus of research and studies done until now. On the other hand the issue of health economics, as very important, was not in the focus of the researches. That is why this research that for a subject has an issue related to the health economics is completely innovative research for Montenegro and will probably have significant value for development of the Montenegrin economic analysis and research area.

Paper mainly focuses on direct and measurable costs. Major part of the paper is based on the results of the survey which was conducted in all Montenegrin municipalities. Survey

¹ Collin D. and Laplsey H., “The Economics of Tobacco Policy”

has clearly shown that smoking causes significant negative costs. Unfortunately, authors were not able to sum up all costs of tobacco use in Montenegro. In some parts they have done it, but in some parts they missed some data for calculation. Therefore, recommendation would be to use this research as a starting point and then cooperate with relevant health institutions (for example: Health Clinic of Montenegro, Health Institute, Institute for Public Health etc.), in order to come up with the estimation of all economic costs of tobacco use in Montenegro.

Furthermore, one of the recommendations would be stricter implementation of the Law on Smoking. Decreasing of smoking at public places would significantly reduce many of the economic costs of tobacco use. Moreover, in order to decrease costs caused by smoking, it is necessary to implement education on this topic as early as in primary school.

Since tobacco use has a particularly severe economic impact on the less developed countries, it is crucial that Montenegrin officials and relevant institutions recognize the significance of this problem, and in accordance to that undertake required tobacco control policies and interventions as soon as possible.

Keywords: smoking, positive and negative costs, measurable and non-measurable costs, anti-smoking policies, Law on smoking;