
The Problem Of Tobacco Use In Turkey: Health Aspects And Governmental Ban For Public Smoking

The article that I choose is about the government policies for tobacco in Turkey which causes addiction problem, but at the same time it causes health problems such as lung cancer, and increases the risk of heart attack and death.

As my article support, the government ban for smoking in many public areas, surveillance and monitoring deter people from smoking in Turkey. Also, health warnings on cigarette packs and advertisements decrease the popularity of smoking, so D_1 will shift to the left which is D_2 as the graph 1. 1 shows. When tax increases, the supply of tobacco will decrease. The government has limited revenue for public services such as schools, hospital series and road making. With an indirect taxation taken from tobacco, the government can gain revenue for hospital expenditures, so the government also can give subsidy to hospitals to support the people who want to quit smoking, and encourage them, but it can cause a decrease in using the hospital services because over the time the number of smokers will decrease so number of people to use hospital services for quitting smoking will also reduce. In addition to that, education will help people to understand harm behind the smoking, and reduce the demand of tobacco and D_1 shift to the left, D_2 .

Furthermore, the government want to intervene because tobacco also causes air pollution which is a market failure called as negative externality which can be also controlled by imposing taxations to factories or users in the public places because externality has a negative effect for people who are not part of a transaction and whose interest not taken into consideration, and market fails when marginal social benefits is not equal to marginal social costs. (Tragakes,2015).

In the graph 2. 1, it shows the effect of taxation on tobacco market. Turkey increased the taxes for tobacco from 62 percent to 65 percent. The taxation that government applies for tobacco is indirect tax, and it will cause increase in cost of production so the supply of tobacco will decrease. The indirect tax is taxes that paid indirectly to the government thorough to the sellers when you use good and services. (Tragakes,2015) The market equilibrium will be like at the first diagram so the equilibrium price and quantity will be at P_1 and Q_1 before a tax is imposed. The supply curve will shift to the left which is from S_1 to S_2 as the 2. 2 diagram shows after the taxation that government applied for tobacco. For this reason, when the price will increase from P_1 to P_2 , the quantity supplied will decrease from Q_1 to Q_2 . In addition to that, when the consumer will pay for the tax, the demand will decrease because of the amount of tax from D_1 to D_2 . The price is more expensive with taxation than without taxation, so the price and quantity will decrease from P_1 to P_3 and Q_1 to Q_3 . It affects both producer and consumer unfavorable.

To evaluate, the tobacco is inelastic that changes in price cause small change in the quantity demanded and quantity supplied because the tobacco is demerit good and it causes addiction problems. People who smoke cannot find substitute good for it, so the curves are steeper, and it makes harder to solve the addiction problem for the government. Government may not be reach immense success in short term, but in the long term, the changes in price cause large change in the quantity demanded and quantity supplied, so demand curve, and supply curve can be more

elastic. When government increases taxes day by day, the prices will get too high for both of consumer and producer, so extremely expensive prices and will decrease the usage of tobacco. In addition to that, Turkey's income distribution is irregular, but government cannot impose progressive tax where a lower income earner will be paying less tax than to a higher income earner to redistribute income, so implying taxes will not affect lower income owner and higher income owner at the same proportion. Government should put a ban for tobacco usage in especially public places to be able to affect higher income owner as well. Besides that, increase in taxation can lead smokers to black markets and tobaccos which are coming from abroad. To avoid this, government should increase the customs for abroad tobaccos.

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