

SMOKING BAN IN THE OFFICE. SOCIO-ECONOMICS ANALYSIS

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Each year on May 31 WHO celebrates the World No Tobacco Day. This annual campaign helps to spread the word of harmful effects and deadly outcome of smoking and, this way, to convince more and more smokers to quit¹.

This year, the 2019, has started with tighter steps in the anti-smoking fight in Singapore and Malaysia. In these countries the lowest legal age for smoking raised from 18 to 19, and it is planned to further raise it to 21, by 2021.

A nationwide ban is applied for smoking in public places, and the smokers who break this law will be fined or may be imprisoned.

The United States first steps anti-smoking fight were made on 1964, when they first found smoking to be harmful to health. By 2015, the smoking rate in the US fall by more than a half.

In Europe as por WHO estimates approximately 41% of men and 22% of women smoke, and this is the highest adult tobacco use among all WHO regions. It is interesting that although smoking has been mainly a male phenomenon, the women smoking rate tends to grow².

And now I propose to view some statistical data.

6.5 seconds: during this time, each 6.5 seconds, one man on average dies in the world from smoking and several smokers get more seriously ill due to the same reason.

4.9 million people: just this much people die annually from smoking.

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¹ World Health Organization. Tobacco. www.who.int/topics/tobacco/en/ Date last updated: 2019.

² **Roberto Bertollini, Sofia Ribeiro, Kristina Mauer-Stender, Gauden Galea**, Tobacco control in Europe: a policy review. *European Respiratory Review* 2016 25: 151-157; DOI: 10.1183/16000617.0021-2016.

5.8million: this is the number of lives that were lost from smoking in recent 20 years in Russia.

And, 332.000 citizens of Russia annually end up fatally from smoking.

10, 20, 30 years: people who died from smoking could live 10, 20, 30 years longer, if they had not been addicted to smoking³.

And finally, 1,7 billion – this makes 23.3% of the total world population, and just this much smokers according to the WHO estimates will be living on the Earth by 2025.

These data above are really worrying. This is why it is not surprising that major antismoking campaigns are held in the whole world which apply more and more tight measures from year to year to stop this really global problem, although that tobacco companies often have significant contribution in the GDP of most countries. Thus, for instance, the tobacco industry provides for 9% of the US GDP. Yet, the huge numbers with which the tobacco manufacturers operate cease being convincing against the policy of many countries, when speaking about fighting smoking. The pool of the most effective and practical strategies to reach the great goal (minimize the harm from smoking) contains the following measures: complete smoking ban in public areas, introducing bans on any kind of advertisements of tobacco products, multiple increase of excises for cigarettes, arranging medical consultations, as well as setting up graphical warnings and notes on the cigarette packs. The countries like Bhutan, Costa Rica, Malaysia are known for very strong measures for fighting against smoking. For example, such a state as Bhutan being not a big state has completely banned smoking⁴.

As to Russia, the splash of activity in fighting against smoking has been in 2008. Just then, the Russian Federation joined the World Health Organization Framework Convention on Tobacco Control (FCTC). This followed with introducing a series of popular and unpopular measures aimed at protecting the citizens from harmful effects of smoking. One of the sew as the 2013 ban of smoking tobacco in the offices⁵. And, this measure was to aimed at solving not only a social, but also an economic problem, as the companies incur con-

³ International Union Against Cancer (UICC) "Deaths from smoking:an electronic resource",Geneva:Switzerland, 2006.

⁴ World Health Organisation: smoking at work and pay.

⁵§ 9, ch. 1, art. 12 of the Federal Law, dated 23.02.2013 № 15-Ф3 (hereinafter, law № 15-Ф3.

siderable costs for their employees' smoking. For example, only treating employees who fall sick due to smoking, requires spending of up to 1% of their GDP of national economies. However, the RFTC norms regulating situations connected with smoking in offices are missing. Thus, the employer decides himself what policy to apply with fighting smoking guided by relevant local normative acts: he may either apply complete ban of smoking on the whole territory under his control or allow smoke breaks for employees. So, how should the entrepreneur act in such situations? This is the question I will try to answer using a socioeconomic approach.

System appreciation of the problem

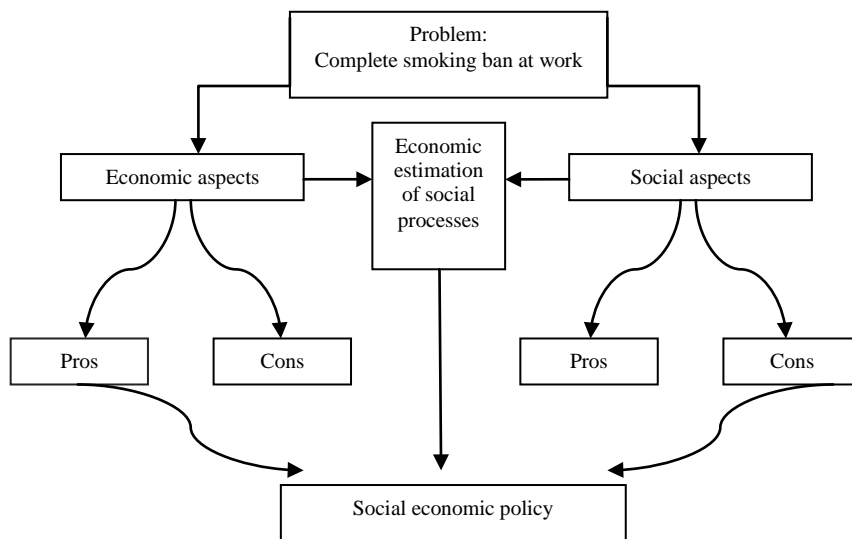
The main idea of this work is to answer the question: is it worth for employers to apply complete smoking ban on the territories under their control? To make logical conclusions and make correct decisions we will work by the following scheme.

It is logical to assume that such question as the smoking ban and especially a COMPLETE ban supposes not only economic but also social aspects. The company cannot make decisions for this problem guided only by analysis of economic costs from smoking. It is absolutely inevitable that the of employees' opinion and their position after introducing any measures is also important. Thus, for our task the economic and social aspects are as two sides of the same coin. After detailed consideration and evaluation of all the aspects, it will be possible to determine what policy would be more beneficial to apply for a company from the point of view of increasing its productivity and a fair approach to employees.

We will develop our reasoning from contradiction. That is, we will consider the situation when smoking at work is allowed.

We will start with what comes to the mind first, when speaking about smoke breaks for employees. This means the need to create special room in the working space for smoker employees. And this in its turn is an unquestionable disadvantage as an economic aspect regardless of what kind of specially equipped areas will be considered. So, for example, creating a special room inside the building (which would of course save time and consequently resources of the company for employees exiting to smoking area on the street) is related with incurring significant costs, as comfortable rooms require installa-

tion and maintenance of special powerful ventilation systems and some, although not high, cleaning costs.



Economic and social aspects

Besides, one of the *cons* of economic aspects is also the minor property damage caused by unscrupulous employees who may burn the documents, table or a table cloth by cigarettes. Such a negligence may result in more serious problems, which will be difficult to eliminate for the company: fires during work time originated from burning of not extinguished cigarettes.

Let us view another negative social aspect of smoking, which directly affects the economic costs of the company, and this is absenteeism expressed in the form of smoke breaks. The employee not only damages his health by regularly smoking cigarette one after another, arising a negative social aspect, but also generates indirect material costs for the company. These are expressed in the waste of the work time by employees and consequently in the loss of business profit. Thus, 30 smokers, receiving on average 60 000 rubles monthly, who take 4 smoke breaks per 5 minutes each, receive about 300 000 rubles per month for doing nothing⁶.

The following are also negative social aspects which are not less significant:

⁶ **Dmitriy Yanin** "Smoke breaks "rob" the business"//Parliamentary newspaper, 30.03.2012 , № 12 (2552).

- ✓ lower concentration of smokers on their work from the constant desire to smoke

- ✓ conflict between smoker and non-smoker employees, where the latter do not want to stand the smell of cigarettes from the colleagues. Some of them may be allergic to such smells. As a result, such allergic employees will take sick days regularly as passive smoking is unbearable for them;

- ✓ smokers have much more absentees for being sick as they are always in the risk group. This brings up another negative economic aspect: medical insurance coverage by the company for smoker employees.

All the indicated social aspects are indirect material costs from smoking. In other words, they generate only negative economic aspects.

But, are there any positive social or economic aspects if the employees are allowed to take smoke breaks at work? I think we can name the following although not quite inevitable, but anyway a positive social aspect: the smokers relax and rest well during the smoke breaks if these happen regularly, and so in a favorable ambiance for him, a smoker employee may benefit not only himself, but be beneficial also for the economic activity of the company, turn up with a good idea. Besides, the employees' joint visit to smoke rooms may promote friendlier atmosphere in the staff. Although the same thing, as described above, may be the reason for conflicts within the staff.

Economic estimation of social and economic aspects

In this part I will try to offer methods for estimation of these or other social or economic aspects, related to allowing the smoke breaks at work. This way we can reach a possible instrument which will help to see the costs incurred by this or that aspect. And this means that in the end we will be able to understand which policy is more advisable to follow and answer the question whether it is worth for a business to completely ban smoking by employees, wherever or whenever it happens.

a) Calculating the costs incurred from fires/accidents during work time initiated from burning from non-extinguished cigarettes.

Smoking by employees increases risk of fires and accidents. Increases the insurance costs for the company. To understand how much it is increased, we

may compare several companies of similar structure and type of activity, only one of them following a smoke-free policy.

b) Costs from minor harm to the company property caused by smokers (burnt table cloth, spoilt, documents etc.)

Mode 1:

Step 1. The company may make a study viewing two indicators: the percentage of the number of smokers in the company and the equipment which has been written off before expiration of its life (for example, blankets or tablecloth).

Step 2. Thus, we will identify the regularity and the damage rate.

Mode 2: Run a very detailed inventory control. But not everything may be recorded, that is why identifying the relation as shown in Mode 1 is more optimal.

c) Costs from the absenteeism effect:

Absenteeism is the total number of the lost work days (or hours) or the frequency of the cases of missing the work.

How to calculate

d) Costs incurred from decrease in the employee productivity:

[The productivity is decreased as the employee may focus poorly from the constant desire for smoking)

Step 1. It is determined that non-smoker men earn more than the smokers, according to RLMS data, 10154 rubles and 9280 rubles monthly respectively, with a difference of 8.6%.

! It would be advisable for each particular company to calculate this indicator for its employees.

The indicator 8.6% shows how much lower is the productivity of a smoker employee as compared to that of a non-smoker.

Step 2. Likewise, to calculate the business costs, this indicator should be multiplied by the average employee productivity.

[The methodology of evaluating the human capital of companies exists and is well studied.]⁷

e) Costs incurred from sickness of smoker employees.

The costs from underproduction due to temporary disability.

⁷ **Tuguskina G.** The Methodology for estimating human capital of enterprises // magazine on "personnel management", № 5, 2009.

[Smokers get sick more often than non-smokers. Roughly estimated this figure will equal 2879 additional sick days per annum⁸].

Step 1. Calculate the days when the smokers were missing due to being sick.

Step 2. Step 1 *average daily productivity of the employee

Step 3. The result will show the loss of money by the company due to additional days of disability.

Mostly the companies have tourniquets installed, besides, the companies have special systems allowing to watch who enters or exits, when and how many times.
Identify the smoker employees
Calculate the time for which the smoker employee has been outside (considering the smaller breaks only)
Reduce the number of minutes which were held outside the building the non-smore employees during the work day (this may include also the time required for transfers from one building to another or for lunch at cafe, etc.)
Add the approximate time required for the smoker to reach the exit
Multiply the resulted average time by the average business profit per hour per employee
So here is the result for costs from smoke breaks

The costs of covering the employee's costs for medical services

The number of days the smoker has been absent due to illness multiplied by the incurred costs.

Social economic policy

So, let us sum up. We have analyzed the pros and cons of the social and economic aspects, and moreover, have made their possible economic estimation. Thus, on the basis of the abovementioned we can make the following conclusions as to which policy would be more advisable to apply for a company.

It is evident that in total, allowing smoking at work would have much more negative than positive effects. Therefore, it would be more beneficial for a company to totally ban smoke breaks. Doing so it will save much costs (direct or indirect) related to smoking. Consequently, the company will become more profitable.

⁸ **Berdnikova A.V., Zasimova L.S., Kolosnitsin M.G., Lukinikh O.A.** Economic evaluation of the factors affecting the social health (on the examples of smoking and overweight).

However, there remains the issue of the smokers who will be banned to smoke at all during work. This means that without a smoke break they will have to carry on for quite a long time. It is clear that this kind of solution will be critical for smokers. But in order to keep the talented employees (though causing problems to the company related to incurring additional costs), a part of the saved resources may be spent on introducing measures aimed at quitting the nicotine dependency of smoker employees. These costs will pay off in full in the long run, as the company will gain a productive employee who has quit the bad habit and does not require any additional costs to “serve” his fatal addiction.

Thus, the company may introduce the following services which would not require higher costs to arrange:

- ✓ Medical consultation
- ✓ “hot lines”: for instance, 12% of people who received such consultation quit smoking during 6 months in China
- ✓ Provide medication to employees required to fight against addiction: nicotine patches, chewing gums, special sprays, etc.

Their efficiency has been already proved, and the result is about 16% of those overcoming the dependency⁹.

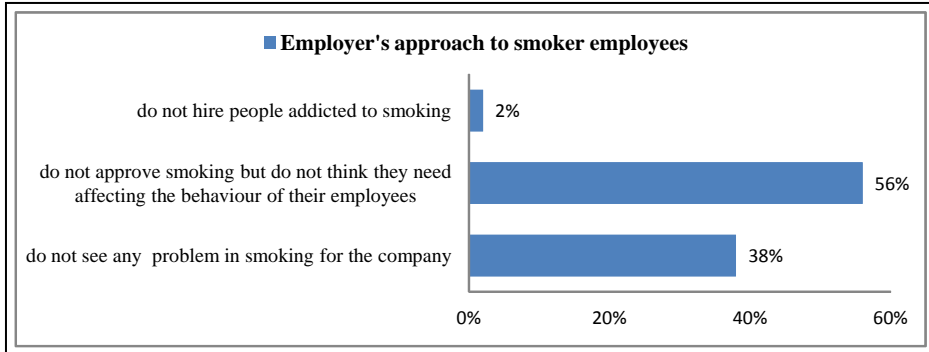
Taking up series of similar measure is better than tolerate certain flaws in the company efficiency. The figures are really quite big. In 2012, for example, business in Krasnoyarsk region lost 12.18 billion rubles due to smokers.¹⁰

In conclusion, we will view what the relation of employers to smoker employees currently is. A survey of 500 representatives of the Russian enterprises has been held.¹¹ As the diagram below shows, the business mostly does not acknowledge that complete ban of smoking at work could result in saving much costs. These firms could be advised to carry out a social economic analysis of the smoking costs and would bring to the abovementioned solution.

⁹ **Zasimova L.S.** The state policy on limiting smoking: what measures are more effective? (Issues of the state and municipal administration, 2010, № 4, page 72).

¹⁰ **Melnikova A.** “The scientists have calculated how much money has lost the Krasnodar region due to smokers”// [the official site of the municipal newspaper of Krasnoyarsk “City news”], 22.03.2013, URL: <http://gornovosti.ru/tema/sphere/uchenyye-podschit-ali-skolkodeneg-poteryal-krasnoyarskiy-kray-iz-za-kurenia38490.htm>.

¹¹ Research center of superjob.ru portal.



I would like to finish the work with the question that was brought up by the of the US Center of Disease Control (CDC) report on how a business can save the lives of employees and its own money:

«If you could have a safer workplace, a cleaner workplace, a healthier workplace, a more productive workplace-and it wouldn't cost you a dime... If you could save thousands of dollars a year... Would you? Making your business smoke-free»¹².

ԾԻՆԵԼՈՒ ԱՐԳԵԼՔԸ ԱՇԽԱՏԱՎԱՅՐՈՒՄ. ՍՈՑԻԱԼ-ՏՆՏԵՍԱԿԱՆ ՎԵՐԼՈՒԾՈՒԹՅՈՒՆ

ՈՍԿԱՆՅԱՆ Վ.Ս., ՄԱՆՈՒԿՅԱՆ Ա.Ա.

Ամփոփում

Ողջ աշխարհում ծխելը մնում է լրջագույն խնդիրներից մեկը՝ մարդկանց առողջությանը վնաս հասցնելու և մահվան ելքով դեպքերի տեսանկյունից: Համաձայն ԱՀԿ գնահատականների, ծխողների թիվը շարունակելու է աճել մոտ ապագայում: Թեպետ համաշխարհային տնտեսությունում ՀՆԱ-ն խիստ կախված է ծխախոտ արտադրողների ցուցանիշներից, սակայն շատ երկրներ բավական կոշտ միջոցներ են կիրառում ծխելու դեմ պայքարում: Աշխատատեղում ծխելն ամբողջովին արգելելը առավել խիստ միջոց է՝ ուղղված ծխելու դեմ:

¹² CDC: Save Lives, Save Money. make your business smoke-free//Safer. Healthier. People// June, 2006.

Բանալի բաներ՝ ծխելը աշխատավայրում, ծխելու արգելք, տնտեսական գնահատական, սոցիալական հայեցակետեր, տնտեսական հայեցակետեր, առողջություն, ծխախոտ:

ЗАПРЕТ КУРЕНИЯ НА РАБОЧЕМ МЕСТЕ: СОЦИАЛЬНО-ЭКОНОМИЧЕСКИЙ АНАЛИЗ

ВОСКАНЯН В.С., МАНУКЯН А.А.

Резюме

Курение остается одной из самых серьезных проблем во всем мире по степени вреда, причиненного здоровью человека и по показателям летального исхода. Согласно оценкам ВОЗ, в ближайшем будущем число курящих людей будет расти. Независимо от того, что ВВП в мировой экономике сильно зависит от показателей производителей табачных изделий, во многих странах вводятся довольно жесткие меры против курения с целью искоренения проблемы. Полный запрет курения на рабочем месте, ставший предметом исследования данной статьи, являет собой одну из жестких мер, направленных на борьбу против курения.

Ключевые слова – курение на рабочем месте, запрет курения, экономическая оценка, социологические аспекты, экономические аспекты, здоровье, табак.

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Abstract

Smoking remains one of the most worrying problems in the world due to the harm caused to people's health and the fatal outcome rate. According to WHO estimates the numbers of smokers will keep growing in the near future.

Although the world economy GDP's are much dependent on tobacco manufacturers' indicators, many countries introduce quite tight measures against smoking to stop the problem. In this work we will review complete ban on smoking at work as one of the tight measures to help the situation.

Key words – smoking at work, complete ban on smoking, economic estimation, social aspects, economic aspects, health, tobacco.