

Smokers Transparency Operation Protocol (STOP)

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Silver Medal in Economics Category ICYSS 2019

Introduction

Smoking has been one of the most prominent problems in Indonesia. In fact, the increasing trend of smokers has brought the number of under-aged smokers to 9.1% of 40.6 million within the age group of 10-18 years old by 2018. This proposed program aims to obliterate under-aged smokers as the Governmental Instructions no.109/2012, the prohibition of under-aged smokers, is not enforced.

Methodology

This quantitative research was conducted by using literary review obtained from the internet and an economic book. In addition to a primary research conducted through questionnaires, we instead use data on latest statistics of smokers, funds needed for the proposed program, and the benefit of this program if it was to be implemented as opposed to the current situation.

Result

In an effort to take the first step, we are proposing the STOP Program. In this program, there would be a smoking license embedded in the E-KTP, only available for people of the legal age. Data on cigarette purchases will be recorded in a designated database that is accessible to the government, making purchases transparent. In addition, there would also be a limit of a pack a day for each license, considerably limiting purchases on cigarettes. As this program needs investment in early stages, the government would need to invest funds of approximately USD 111.7 million. In addition, this approximate amount of funds calculated for only Surabaya already includes the major costs for the program as start-up costs. However, the program would not need to invest as much funds if it were to become nationwide. This program would only result in a loss of USD 54.7 million/year due to start-up costs and would minimize welfare loss of USD 57 million/year, excluding potential welfare benefit from the health of smokers. Therefore, this program would reach its break-even point within less than a year, making this program a recommended choice as opposed to the current situation.

Conclusion

The proposed STOP program is made in hopes of reducing the number of smokers in Indonesia. The program minimizes the welfare loss from cigarettes that may otherwise be used for other goods and services that promote potential welfare benefit. Therefore, the program is a more ideal approach in terms of handling the problem of smokers in Indonesia.

References

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For further details on the calculation you may visit the link below:

https://docs.google.com/document/d/1DuHhDvE04Pu5nnxj-ZtQJP2U_0S29E4dhH5Gn305A8/edit?usp=sharing