



## WHAT MINISTRIES OF LABOUR AND EMPLOYMENT NEED TO KNOW



### Noncommunicable Diseases

#### KEY POINTS

- Noncommunicable diseases (NCDs) decrease the labour force, reduce productivity and reduce economic growth.
- Preventing NCDs makes economic sense.
- Tackling NCDs will not hurt businesses or lead to overall job loss – quite the opposite.
- Ministries of labour and employment must recognize that the right to health is a fundamental responsibility of government and work with employers and other partners to tackle NCDs.
- Ministries of labour and employment have specific responsibilities when it comes to tobacco production.

## 1. NCDs decrease the labour force, reduce productivity and reduce economic growth

- NCDs diminish the quality and quantity of the workforce, reducing productive employment and economic growth. NCDs are amongst the world's biggest drains on economic productivity. Unwell workers who remain on the job with reduced performance, employees taking sick leave, and premature deaths amongst the workforce add up to major losses.
- The economic consequences of NCDs are significant. Under a 'business as usual' scenario, cumulative economic losses to low- and middle-income countries (LMICs) from the four main NCDs are estimated to surpass US\$ 7 trillion between 2011-2025, equivalent to approximately 4 percent of their annual output in 2010.<sup>1</sup>
- NCDs cost employers through increased healthcare costs and insurance premiums. An unhealthy workforce means higher healthcare costs, whether paid directly by the employer, through increased health insurance premiums, or through increased taxes. Such costs have a direct bearing on the bottom-line of the public and private sector.
- Early death and disease from NCDs prevent LMICs from reaping the full socioeconomic benefits of their demographic transition. NCDs threaten to prevent countries from making their transition to sophisticated economies, and jeopardize development more broadly. NCDs negatively impact long-term labour supplies in sectors that require experienced, skilled personnel. They hinder labour market participation for women and girls, who often drop out of school, quit work, or abstain from entering the workforce because they must care for a relative with an NCD.

Sustainable Development Goal 3 on health and wellbeing includes targets on the prevention and control of NCDs. Achievement of these targets would advance full, productive and safe employment as a driver of inclusive economic growth. Good labour outcomes would help address NCDs in turn.

### What are NCDs and why must government work together?

There are four main NCDs: cardiovascular diseases (which include heart disease and strokes), cancers, diabetes and chronic respiratory disease.

38 million people die from NCDs each year, including 16 million people who die prematurely (before age 70). Over 80 percent of premature deaths from NCDs occur in low- and middle-income countries. Most premature NCD deaths are from four main behavioural risk factors – tobacco use, harmful use of alcohol, physical inactivity and unhealthy diet.

Population exposure to these behavioural risk factors for NCDs is determined largely by policies in trade, labour, tax, urban planning, education and other 'non-health' sectors. This means that early death and disability from NCDs are largely avoidable through better policy coherence across sectors.

Given the social, economic and environmental burdens of NCDs, it is possible to identify strategies and approaches that deliver shared gains for all sectors involved.



<sup>1</sup> WHO, WEF (2011). "From burden to 'best buys': reducing the economic impact of NCDs in LMICs." [http://www.who.int/nmh/publications/best\\_buys\\_summary.pdf?ua=1](http://www.who.int/nmh/publications/best_buys_summary.pdf?ua=1)

## 2. Preventing NCDs makes economic sense

The economic burden of NCDs is already enormous and, at current levels of action and investment, is set to grow rapidly. Scaling-up the prevention and control of NCDs is very low cost compared to this burden, and would provide substantial returns to health and productivity.

- Barbados is losing an estimated 2.6 percent of its GDP, through productivity losses and avoidable healthcare costs, from diabetes and cardiovascular disease alone.<sup>2</sup>
- NCDs have depressed Egypt's labour supply by nearly one fifth according to a 2011 World Bank study. As a result, GDP is estimated to be 12 percent below its potential.<sup>3</sup>
- In Namibia, a study of over 7,000 workers from 2009-10 concluded that the greatest cause of absenteeism from the workplace was high blood glucose and diabetes.<sup>4</sup>

### Joined up government: win-win policies

Taxing health-harming products works. It leads to people making healthier choices. Healthier people are more economically productive. Revenue is raised for the government. Revenue can be invested into health, education and/or the labour sector. The Philippines earmarks a proportion of tobacco tax revenue to support alternative livelihoods for tobacco farmers and workers, and a proportion to support the country's universal health care programme.

## 3. Tackling NCDs will not hurt businesses or lead to overall job loss – quite the opposite

Tobacco, food and alcohol companies – and their front groups<sup>5</sup> – seek to influence governments with a number of false arguments as to why they should not transition from tobacco production, ban smoking in indoor public spaces, tax health-harming products, or take other cost-effective measures to reduce NCDs. A common claim is that such measures will hurt businesses and result in job losses. Country experiences have proved otherwise.

- When tobacco farmers in Kenya switched to growing bamboo, the comparative net value of the two crops showed rates of return to be more than 300 percent higher for bamboo farmers.<sup>6</sup>
- In Indonesia, the average monthly income of tobacco farmers has dropped threefold in recent years. Today less than one in five tobacco farmers in Indonesia say that tobacco farming is profitable.<sup>7</sup>
- In 2003, Mayor Michael Bloomberg enacted a smoke free ban in New York City to protect the health of all workers at their workplaces. Industry responded with dire predictions about businesses being harmed and jobs being lost. One year later, employment in restaurants and bars had risen and business receipts were up 8.7 percent.<sup>8</sup>
- A number of countries are starting to tax sugar-sweetened beverages to improve health while generating significant revenue for government. Industry and workers' unions can be counted on to predict job loss from such taxes, but such claims are proving severely exaggerated or outright wrong.<sup>9</sup> A recent study found that a

2 Nation news (2016). "Barbados losing GDP to NCDs." <http://www.nationnews.com/nationnews/news/81654/barbados-losing-gdp-ncds>

3 World Bank (2011). "Chronic Diseases and Labor Market Outcomes in Egypt." <http://documents.worldbank.org/curated/en/925961468021862909/pdf/WPS5575.pdf>

4 Guariguata, L, et al. (2012). "Diabetes, HIV and other health determinants associated with absenteeism among formal sector workers in Namibia." *BMC Public Health*, 12:44-44.

5 The tobacco industry has frequently used tobacco growers' associations to represent their interests, such as the tobacco industry-supported 'International Tobacco Growers' Association', which subverts local growers' groups to promote industry goals. The labour sector must carefully examine the nature of organizations that claim to represent the interests of growers.

6 Omari, MP (2009). "A cost-benefit analysis of substituting bamboo for tobacco: a case study of South Nyanza, Kenya." <http://www.tobaccotobamboo.org/Publications/Publications%20in%20Journals%20and%20Book%20Chapters/My%20Thesis-examinable%20draft.pdf>

7 Anindita, E (2015). "Tobacco farming no longer profitable, survey finds." *The Jakarta Post*, 30 October 2015 <http://www.thejakartapost.com/news/2015/10/30/tobacco-farming-no-longer-profitable-survey-finds.html>

8 New York City Department of Finance, New York City Department of Health & Mental Hygiene, New York City Department of Small Business Services, and New York City Economic Development Corporation (2004). "The State of Smoke-Free New York City: A One-Year Review." <http://www.tobaccofreekids.org/pressoffice/NYCRreport.pdf>

9 Politifact Pennsylvania (2016). "Teamsters say soda tax would cost thousands of jobs; that doesn't add up." <http://www.politifact.com/pennsylvania/statements/2016/may/20/daniel-grace/teamsters-say-soda-tax-would-cost-thousands-jobs-d/>

20 percent tax increase on sugary drinks in Illinois and California would have no significant impact on employment in those states (and would in fact yield a small *net gain in jobs* after factoring in changes in demand, income effects and new employment in non-beverage industry and government sectors).<sup>10</sup>

#### Wins for health are not always won on health grounds

In consultations for what was then called the “post-2015” sustainable development goals, stakeholders from India and Brazil expressed a desire to move away from tobacco production – not just for health gains but also for safer working conditions and to reduce dependence on tobacco, diversify their economies and improve food security.

## 4. Ministries of labour and employment must recognize that the right to health is a fundamental responsibility of government and work with employers and other partners to tackle NCDs

This means strongly considering workplace wellness<sup>11</sup> and other efforts to:

- Ensure that their employees are informed and aware regarding the harms of tobacco, alcohol, and unhealthy foods and beverages;<sup>12</sup>
- Ensure that tobacco use is banned on premises, and that the ban is enforced.<sup>13</sup> Workers worldwide confront exposure to second-hand smoke. Employees should have access to tobacco cessation services;
- Develop internal guidelines on alcohol use, including the banning or restriction of the use on premises by staff and during working hours. Provide confidential intervention services

to staff who have alcohol use disorders or hazardous drinking patterns;

- Ensure that a range of healthy foods and beverages are available on premises, including in vending machines, and offer counselling for overweight staff and their families;
- Review and adjust work processes to increase physical activity (including walking and cycling) to an adequate level (with a weekly target); provide opportunities and easy choices for physical activity for staff and their families;
- Implement appropriate standards, regulations, and safeguards to ensure workers are protected from air pollutants and other hazardous conditions;<sup>14</sup>
- Consider workplace screening programmes, such as for blood pressure/hypertension;
- Encourage and support broader government action on NCDs, such as taxation of tobacco and alcohol, and other cost-effective measures.

#### A call to action

Through the 2030 Agenda for Sustainable Development, entire governments – not just health ministries – have committed to support national NCD responses.

The labour sector is an essential part of the government’s response to NCDs. It can empower vast numbers of people with information to make healthier choices while providing an environment which helps to make the healthy choice the easy choice.

*“Addressing NCDs is critical for global public health, but it will also be good for the economy; for the global public good in the broadest sense. If we come together to tackle NCDs, we can do more than heal individuals – we can safeguard our very future.”*

Secretary-General Ban Ki-moon, United Nations General Assembly, 19 September 2011

10 Powell, LM, et al. (2014). “Employment Impact of Sugar-Sweetened Beverage Taxes.” *American Journal of Public Health*, 104(4): 672-677.

11 John Hopkins Bloomberg School of Public Health in collaboration with Transamerica Center for Human Studies (2015). “From Evidence to Practice: Workplace Wellness that Works.”

12 Consistent with Objective 1 of the WHO Global NCD Action Plan 2013-2020.

13 Consistent with Article 8 of the WHO FCTC and the WHO Global NCD Action Plan 2013-2020.

14 In 2012, 12.6 million people died as a result of living or working in an unhealthy environment, with 8.2 million of these deaths from NCDs caused by air pollution. See WHO (2016). “An estimated 12.6 million deaths each year are attributable to unhealthy environments.” <http://www.who.int/mediacentre/news/releases/2016/deaths-attributable-to-unhealthy-environments/en/>

## 5. Ministries of labour and employment have specific responsibilities regarding tobacco production

Tobacco production has been associated with unlawful and exploitative labour, including unpaid child labour as well as low-cost and bonded adult labour. Tobacco growers often endure nicotine poisoning from harvesting the tobacco leaves. Cigarette manufacturers and leaf buying companies often exploit farmers to obtain profits from below-cost leaf.<sup>15-16</sup> Parties to the World Health Organization Framework Convention on Tobacco Control have committed to securing alternative livelihoods for tobacco farmers (Articles 17 and 18). Agenda 2030 includes commitments to strengthen implementation of the WHO FCTC, and to promote decent work for all.<sup>17</sup>



## 6. Getting started...

In the first instance, ministries of labour and employment should:

- Get involved in coordination and dialogue across government to tackle NCDs, especially with ministries leading on health, hospitality, agriculture, planning, and the environment;
- Bring together key partners in the employment sector – for example chambers of commerce, employees, employers, government, employees' unions, employers' organizations, and investors – to identify and incentivize collective NCD responses;
- Work with other parts of government to safeguard the independence of regulatory authorities.

Premature deaths and avoidable suffering from NCDs are the scourge of the 21st century. But with the right policies, the right investments, and the right support from all partners, the tide can be turned on NCDs.



15 McKnight, RH, and Spiller, HA (2005). "Green Tobacco Sickness in Children and Adolescents." *Public Health Rep*, 120(6): 602-606.  
16 Hu, T, and Lee, A (2015). "Tobacco Control and Tobacco Farming in African Countries." *J Public Health Policy*, 36(1): 41-51.  
17 The Framework Convention Secretariat takes the lead in coordinating global implementation of target 3.a under the guidance of the Conference of the Parties. COP7 (7-12 November 2016) will discuss target 3.a implementation under the umbrella of international cooperation.



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Development of this brief was coordinated by a joint WHO and UNDP team. This brief is for advocacy purposes and provides a set of options for action. It does not represent an official position of WHO or UNDP and has not been shared with their respective governing bodies. References to Member States and partners do not constitute or imply any endorsement whatsoever of this brief.

WHO/NMH/NMA/16.90

