Research Paper Law

Cost Estimation of Drug Abuse. A descriptive analysis

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ABSTRACT

Globally drug abuse is one of the perennial problems facing by the human society. Drug abuse and its related costs are unimaginable to estimate. Increasing the drug addicts and creating high demand of cost of drugs get more in recent days. Cost of drug abuse gets more impacts in loss of productivity of human resource and creating illegal money transfers. Illegal drug trade is a globally accepted the major organized crime around the world and there is no country is exception of this trade. The illegal productivity of cost of drugs and its illegal trade gets more impacts in both the individual nation's economy and affects global economy. The illegal drug trade affects directly and indirectly to the society. This paper is aim to discuss the estimating the cost of drug abuse and its economic impact of the society.

KEYWORDS cost, drug, abuse, illegal trade

Introduction

Society gets impacts in many ways by the usages of illicit drugs by human being. One group of people addict the drugs and another group of people sale the drugs in the society. According to International Narcotics Control Bureau found that drug addicts are more than 50 million in all over the world and India itself 4 million people are addicted in drugs, it contains 1million of Heroin, 2million of opium and 1million of cannabis. Drugs are banned all over the countries around the world. Drugs are not available and produce all the countries. It has produce from one pole of world and illegally transport to another pole of world. Illegal drugs trade is estimated the second largest trade in the world; it has estimated 800 billion dollars annual turnover of the world market (WHO 2002). Sales and trafficking of drugs mainly depends upon the cost. In this context drugs get high demand and supply. The cost of the illegal drugs differs from place to place and it gets demand in local to international market for illegal sales.

Illegal drugs sales are affect the society both direct and indirectly. Estimating the costs of drug abuse, other types of costs which require definition include tangibles and intangibles. Tangible costs can be defined as those costs which, when reduced, yield resources which are then available to the community for consumption or investment purposes. Intangible costs, which include pain and suffering, when reduced or eliminated do not yield resources available for other uses (Single, Collins, Easton, Harwood, Lapsley, kopp & Wilson, 2001). In general the cost estimates includes the economic costs of substance abuse are described as a type of cost-of-illness in which the impact of substance abuse on the material welfare of a society is estimated by examining the social costs of treatment, prevention, research, law enforcement and lost productivity plus some measure of the quality of life years lost. The definition of abuse, determination of causality, comparison of the demographic and human capital approaches to cost estimation, the treatment and measurement of addictive consumption, the treatment of private costs. The estimation of avoidable costs and budgetary impact of substance abuse all are counted in the cost estimation. In India Narcotic Control Bureau seizure and registering the cases against the illegal drugs increasing every year. From 2006 to 2010 exactly 85,685 were registered. In this 19,720 persons were prosecuted, 9,819 persons were convicted and 4,740 persons were acquitted in cases of Drug -Trafficking. The seizures value made by Customs under Customs Act during year of 2010 581.64 Crore was estimated (INCB 2010).

Aim of the analysis

In the descriptive analysis of cost estimation of illegal drug is a wide one. To estimate the drug abuse and the relative risks to estimates. To analyze the global trade of illegal drug cost estimation.

Cost estimation of Drug abuse

Cost estimation of Drug abuse is not a narrow one. Its focus in the wide area and it covers the sale of illicit drugs to impact of its consumptions of illness. The global trade of the illegal drug is estimated to be around 20 billion USD and is one of the fastest growing grey economies – after the prostitution, terrorism and arms trade (Paul, 2005).Estimation of the cost of legal drugs and illegal drugs is an important issue in now a days. The estimation of cost which include both private cost and social costs "to the extent that the costs are knowingly and freely borne, they are referred to as private costs, but to the extent that they are not so borne but fall on the rest of society they are referred to as social costs" (Markandya & Pearces, 2001). Worldwide cost estimation of substance abuse and its impact were analyzed in the grass root level. Relatively few countries have attempted to estimate the costs of substance abuse. In May 1994 an international symposium was held in Banff, Canada, to discuss the issues involved in estimating the social and economic costs of substance abuse. The purpose of the meeting was to explore the feasibility of establishing an internationally acceptable common methodology for estimating the costs of alcohol and other drugs. The symposium in Banff brought together persons with experience and expertise in dealing with the issues of costs estimation (Single, et al., 2001).

In 1995 a second symposium on estimating the economic costs of substance abuse was held in Montebello, Quebec. Whereas the first symposium had focused on modeling and methodological issues, this symposium focused more on epidemiological and practical issues involved in deriving cost estimates. In 2000 a third symposium was held in Banff, Alberta. This symposium focused on the results of cost studies using the guidelines, as well as special considerations involved in conducting cost estimation studies in developing economies and in drug-producing countries. It was decided to expand the working group to include economists from Europe and from South America (Single, et al., 2001).

Recently in Australia one study estimates the social costs of the abuse of drugs (alcohol, tobacco and illicit drugs) in Aus-

tralia in the financial year 2004/05. It is the fourth in a series of such studies prepared for the Department of Health and Ageing by the present authors. Previous studies of these costs were undertaken for the years 1988, 1992 and 1998/99 (Collins and Lapsley, 2005). The latter, produced after a Health Canada sponsored international workshop on the avoidable costs of substance abuse, represents the first systematic attempt to develop a sophisticated methodology to estimate avoidable as opposed to aggregates cost.

Health cost estimation is one of the ways to analyze the cost impact of drug abusers. It creates the serious economic impact to the society and the drug addicts personally. It covers the treatment expenditure of drug abusers they get health hazarders, then the Government spends the cost for treatment of drug abusers freely, caring their health care, medically prevention and awareness program to the common people for eradicating the menace of the substance abuse and they spent the compensation amount for injuries and death of spurious drugs. Looking at the overall scenario it is found that the total value of $1.1 billion of illicit opium poppy and coca crops at the farm gate level in 2001 is also relatively low compared with other economic aggregates. In US alone the costs related to illicit drugs in 2000 amounts to $161 billion approximately, including $110 billion for loss of productivity and they spend $15 billion for health care purpose of treating the drug abusers (World Drug Report 2002). Nearly 10% of the international trade in Pharmaceuticals is attributed to the fake drug. The counterfeit drug has resulted in tragedies. In 1995, a multinational drug company in Philippines discovered spurious asthma inhaler in the market. In 1995, in Nigeria, fake drug killed 2500 people, which were infected by meningitis. In May 2000, many people died in Cambodia, for the uses of spurious drug. In 1995, 89 people in Haiti died after consuming spurious paracetamol preparation (WHO 2001). The estimated sale of spurious drugs in domestic market is 4000 cores. Therefore even if there are 200 big players, the turn over of each on average would be 20 cores. More over, if on an average a person purchases Rs 100/- worth of spurious drug then a population of 40 corers people annually or about one million day is affected (World Drug Report 2002). The result of the annual cost of a particular illness was $100 million plus 10,000 quality life years lost. That meaning would be that under the counterfactual scenario, there would be $100 million of extra resources for consumption, and 10,000 additional quality life years saved. However the cost of another illness might be $50 million plus 20,000 quality life years. Some may wonder which illness is the more costly, a question that can only be answered by combining the dollars with the quality life years in some way. Whatever way would be equivalent to putting a value on life. Now India is the prominent place for the illegal drug trade for import and export because India located between the Golden cresant and Golden triangle. In India 700 Metric tons of opium and cannabis legally cultivated and illegally 1200Metric tons of opium and cannabis cultivated annually. Through this India gets 50 Million rupees income annually. Apart from the illegal drugs like heroin, cannabis, opium etc, another cost and income source of alcohol and its related drinking substance import , export and sales in India's highly income of 100 million and higher (Paul, 2005). In State of Tamil Nadu alone 20,100 Cores in the year of 2011 annual turnover of alcohol sales by TASMAC. It is one of major sources of income in State. In one side of cost and sales of illegal drugs and alcohol have an income generating and economically source able one, along with the sales of tobacco. Both the smoking (Cigarette, beedi, etc) and non smoking (Supari, Gutka, panparak etc) of tobacco provides sales and tax income of more than 10 cores annually to the India Government exchequer.

Conclusion:

The cost estimation of Drug abuse is an important need now the present global economic inflation era. Illegal sales of drugs create the severe socio economic impact to the society and it's ruled by underworld operators. It's the form of narco terrorism affects all the nations economy. This illegal drugs economy used for illegal trade of weapons by the anti social elements. Its leads to terrorism and antisocial activities in the society. The prevention activity should make to reduce the economic cost of substance abuse. State should make stringent policy of to reduce the availability of illegal drugs. This estimate will useful for create new drug polices and to reduce the related victimization and criminalization of illegal drugs.

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