



Research Paper

## Massive Costs due to Narcotic Drugs

Prabhakar Deshpande

**Abstract:** While health problems due to alcohol and tobacco have been studied in medical literature extensively and intensively, not adequate discussion happens around health problems including loss of productivity due to narcotic drugs. And that is surprising, because narcotic drug trade is almost 800 billion dollars or 1% of global gdp. Healthcare costs due to narcotic drugs can be easily underestimated because it does not include loss of productivity. This paper hopes to shed light on massive costs due to narcotic drugs.

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### I. Introduction

Narcotic drugs are various substances used for recreation and pleasure and entertainment. These include cocaine, marijuana, opioids, heroin, ecstasy and amphetamines.

Almost 300 million people use drugs and that is nearly 5% of global population. What is as bad is almost 30 million people suffer from drug misuse disorder. It is estimated that nearly half a million people die due to narcotic drugs.

Worldwide revenues from illegal trade are almost 800 billion dollars or 1% of global gdp of 80 trillion dollars. Clearly this much of illegal trade can involve kickbacks to people in government which leads to laxity and permissiveness in drug control.

However if medical opinion on drugs is stringent hopefully it would induce policy changes that will contain proliferation of narcotic drugs.

This paper highlights the massive costs due to narcotic drugs.

### Massive Costs due to Narcotic Drugs

Costs due to narcotic drug misuse can be seriously underestimated. Because health care costs due to narcotic drugs are just a small fraction of overall costs.

Consider United States.

In 2007, the costs imposed due to narcotic drugs were almost 193 billion dollars. Healthcare costs were just 11 billion dollars and 120 billion dollars was lost due to loss of productivity. In addition 63 billion dollars was spent in criminal justice.

Thus the loss in productivity was 120 billion dollars which is 10 times the loss due to healthcare costs. Now that means almost 1% of GDP was lost due to loss in productivity due to narcotic drugs.

So globally if the damage due to narcotic drugs is similar to that in USA almost 1% of GDP would be lost due to loss in productivity which will amount to 800 billion dollars. This is in addition to the actual trade of narcotic drugs that amounts to 800 billion dollars or 1% of GDP.

Hence drugs impose a massive cost amounting to almost 2% of GDP. In this narcotic drugs impose almost the same level as alcohol and tobacco.

Alcohol revenues are around 1 trillion dollars and healthcare costs due to alcohol are another trillion dollars. Similarly tobacco revenues are trillion dollars and healthcare costs due to tobacco are another trillion dollars. Hence narcotic drugs costs almost same as alcohol and tobacco.

The only trouble is with narcotic drugs the massive cost is not in healthcare but in loss of productivity. Hence medical attention to problem of narcotic drugs is inadequate.

However if loss of productivity is also classified as a medical problems, medical community will raise greater alarm on the issue of ill effects due to narcotic drugs.

### Strict Government Action Necessary

If an illegal activity has a turnover of 800 billion dollars, it should be obvious to all but the naïve that there is great deal of corruption induced complicity and malfeasance from government authorities.

However since the healthcare costs due to narcotic drugs are less, hence medical attention to health problems is less.

However if loss of productivity is also classified as a medical problem, then health costs of narcotic drugs will be almost 800 billion dollars and that is as bad as tobacco and as bad as alcohol.

## **II. Conclusion**

It is easy to ignore the health care costs due to narcotic drugs because of most health problems due to narcotic drugs appear in form of loss of productivity. However if loss of productivity is also classified as health care problem then the health costs due to narcotic drugs is a massive 800 billion dollars which is 1% of GDP.

Thus health care costs due to narcotic drugs is in same order as healthcare costs due to tobacco and alcohol and hence merits medical attention.

There should be great deal of discussion on health care costs due to narcotic drugs in form of loss of productivity.

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