

Hungry for Tobacco

An analysis of the economic impact of tobacco
on the poor in Bangladesh

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Introduction

This report is a revised version of the earlier report by the same name, which was printed in Dhaka in July 2000. In this version, we have adjusted all taka figures for inflation and converted to year 2000 US dollars. The prices are still from year 2000 and have not been updated. In addition, we have deleted some of the earlier tables and graphs, and added some new information. We hope that this new version of the report will prove useful.

An article based on this report was published in *Tobacco Control* **10**:212-217. The article can be viewed at www.tobaccocontrol.com (free for those from developing countries).

In addition, this report can be viewed at www.pathcanada.org and <http://wbb.globalink.org>

Contributors

The research with rickshaw pullers and poor families discussed in this paper was carried out by a team of Work for a Better Bangladesh (WBB) researchers: Syed Mahbubul Alam, Amit Ranjan Dey, Ronjit Shaha, Biplob Dhar, Aminul Islam Sujon, Kayum Uddin Ahmed, and Aliur Rahman, with further assistance from Apaur Ahamed. Photography by Saifuddin Ahmed and Ronjit Shaha.

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Summary

Poverty in Bangladesh is widespread, affecting half the population and causing daily suffering to tens of millions of people. National development is slowed by the poor health of the population: UNICEF estimates that Bangladesh loses the equivalent of more than 5% of its GNP due to malnutrition. Tobacco consumption worsens poverty both on the individual and national level. Tobacco control policies are essential to improve the life of the poor and for the economic development of the nation.

A reduction in tobacco consumption in Bangladesh would lead to several significant gains as people switched from purchasing tobacco to other goods. If tobacco were no longer consumed in Bangladesh, the following economic gains would be anticipated:

- ◆ Savings in foreign exchange for import of tobacco of almost US\$15 million per year.
- ◆ A potential increase in employment in the formal sector of 18%.
- ◆ Large increases in household investment in housing, education, and health care.
- ◆ 10.5 million fewer children going hungry.
- ◆ 350 fewer deaths from malnutrition of children under age 5 each *day*.

While tobacco will not disappear overnight, its use could decline sharply if strong policies were implemented. Significant declines in tobacco use would translate to significant gains: more jobs, more individual investment in basic needs, and fewer children needlessly going hungry and dying of malnutrition.

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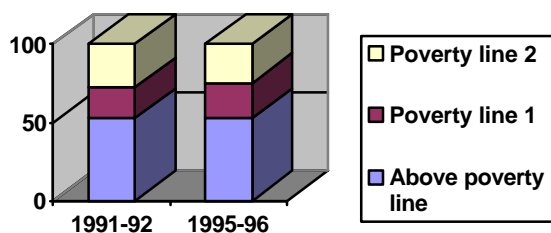
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Section 1

Bangladesh, land of poverty and tobacco

Bangladesh, with a population of about 130 million people, is one of the poorest countries in the world. While life expectancy has increased over the past decade, in 1998 it was still only 60.5 years for women and 60.7 years for men.¹ As shown in Table 1, nearly half the population of Bangladesh in 1995-96 lived below the poverty line (defined as consuming less than 2,122 calories/day), and about half of the poor lived below the “hard core” poverty line (less than 1,805 calories/day). While the situation since 1991 has improved somewhat in rural areas, it has actually worsened in urban areas.

Chart 1. Percentage of population living in poverty (national average)



In 1998, most households spent less than US\$82² each month.³ Thirty percent of families are classified as very poor, 22% as poor, and less than 1% as rich.⁴ While the government and many NGOs are looking for solutions to hunger and poverty, the problem remains: day after day, millions of people do not get enough food for their daily needs. Their troubles are made worse by their lack of resources for housing, education, and health care. For the half of the population that is poor, little hope exists for a

¹ Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999.. Figures are for 1998, the latest year given.

² All figures are in inflation-adjusted year 2000 US dollars.

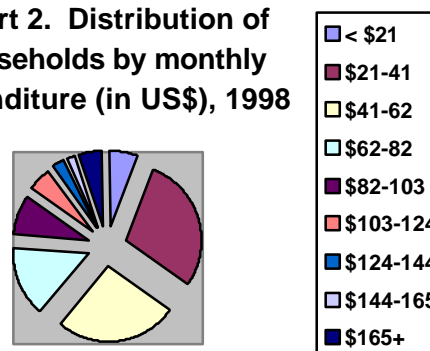
³ Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

⁴ Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume I*. Dhaka: 1995.

better future in which children are adequately fed, clothed, housed, and educated.

Co-existing with the widespread poverty is a thriving tobacco industry. The use of chewing tobacco, bidis (small hand-rolled cigarettes), and manufactured cigarettes is widespread. About 15 local companies compete for the lower end of the cigarette market, utilizing billboards, banners, and newspaper and satellite television ads. British American Tobacco (BAT), which owns the controlling share of Bangladesh’s former tobacco monopoly, is visible everywhere, with its billboards, cigarette display cases, storefront signs, TV concerts and newspaper ads. In 1998, BAT reported pre-tax profits of approximately \$15.9 million, while it spent \$3.4 million on brand promotions and development.⁵

Chart 2. Distribution of households by monthly expenditure (in US\$), 1998



BAT heavily markets its expensive brands through campaigns utilizing images of wealth and sophistication. These have included a contest to win gold coins, and the sailing of a luxury yacht under the name “Voyage of Discovery”, to promote its John Player Gold Leaf brand. Gold Leaf, at about \$0.76 a pack for regular and \$0.94 for light, suggests wealth from its very name. Cheap but colorful signs promoting Gold Leaf cigarettes are displayed all over Bangladesh, even on village stores built only of tin and thatch.

⁵ British American Tobacco Bangladesh, *Reports & Accounts 1998*.

BAT's other high-priced brand, Benson & Hedges, at \$1.55 per pack, is even more expensive than Gold Leaf, and also capitalizes on the image of wealth, from the gold color of the pack to the slogan "Be gold" on billboards in major cities. The use of the image of wealth in promoting cigarettes is ironic given that in most countries around the world, the poor smoke far more than the rich. But irony is particularly appropriate here, since the false hope of wealth, and the unnecessary expenditure on tobacco that results, may remove any hope the poor had of a better life. Perhaps it was in a fit of honesty that BAT chose to use a pair of torn pants to advertise B&H—the only clothing you'll ever be able to afford if you also buy their cigarettes.

How affordable are the heavily-advertised cigarette brands to Bangladeshis? A pack a day of even a relatively inexpensive brand, Navy, would eat up 4% of household income and 6% of household expenditure of the *wealthiest* 5% of Bangladeshis. For the poorest 6%, a pack a day would consume a whopping 46% of household income, or 76% of household expenditure. To purchase a pack a day of Marlboro would require 56% of the average income of a Bangladeshi, or 15% of the average income of the wealthiest 5% of the population.



Table 1. Number and proportion of population below recommended calorie intake and “hard core” poverty lines by residence, 1995-96

	Urban		Rural		National	
<i>Poverty line I: 2,122 calories/day/person</i>						
Year	Absolute number (millions)	%	Absolute number (millions)	%	Absolute number (millions)	%
1991-92	6.82	46.7	44.81	47.6	51.63	47.5
1995-96	9.56	49.7	45.73	47.1	55.28	47.5
<i>Poverty line II: 1,805 calories/day/person</i>						
1991-92	3.83	26.3	26.59	28.3	30.42	28.0
1995-96	5.24	27.3	23.90	25.0	29.15	25.1

Source: Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999.

Chart 3. Distribution of families by wealth classification, 1995

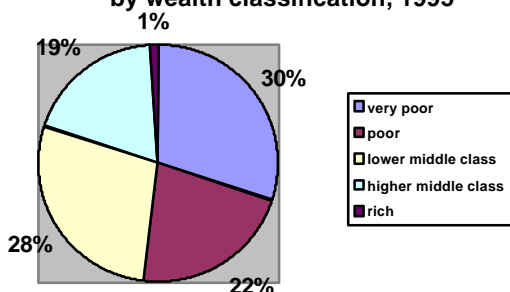


Chart 4. A pack a day of cigarettes as % of household income, 1998

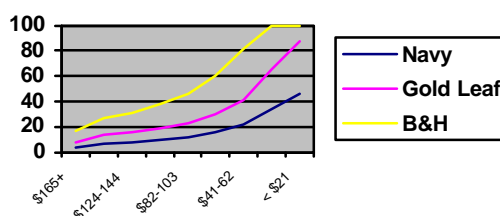


Table 2. One pack a day of cigarettes as percent of household income

Monthly household expenditure	% of population in each category	Average monthly income	Navy (20 pack)	Gold Leaf regular	Gold Leaf light	B&H
\$165+	5%	\$285	4%	8%	10%	17%
\$144-165	2%	\$174	7%	14%	17%	27%
\$124-144	3%	\$153	8%	16%	19%	31%
\$103-124	5%	\$125	10%	19%	24%	38%
\$82-103	9%	\$102	12%	23%	29%	46%
\$62-82	15%	\$79	16%	30%	37%	60%
\$41-62	25%	\$58	22%	41%	51%	81%
\$21-41	29%	\$37	34%	65%	80%	128%
<\$21	6%	\$27	46%	87%	108%	172%
average		\$78	16%	31%	38%	60%

Cigarette prices: Navy: \$0.41; Gold Leaf regular: \$0.78; Gold Leaf light: \$0.97; B&H: \$1.55.

Figure compares 1998 income with 2000 cigarette prices. However, cigarette prices have remained fairly stable over the last few years.

Source: Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

Section 2

Tobacco's cost to the national economy

Tobacco companies argue that tobacco benefits national economies and individuals employed in the industry. Others argue that tobacco, far from benefiting economies, represents a net drain, and constitutes a further burden on the poor.⁶

The tobacco industry portrays itself as a source of wealth for the government, and its cigarettes as a symbol of luxury. This perception is accepted by at least some in the Bangladeshi government. For example, the mayor of Chittagong, Mohiuddin Chowdhury, attended a celebration when the Voyage of Discovery reached his city. According to one newspaper account, "although cigarette smoking is injurious to health, he welcomed the yacht as foreign investment was welcome to Bangladesh."⁷ In 2000, the Prime Minister awarded a trophy to BAT for its export earnings.

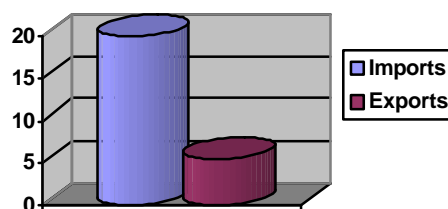
Following are the major arguments that tobacco companies put forward to support their claim that tobacco is economically beneficial, and an analysis of those arguments for Bangladesh:

Generation of foreign exchange through export

Bangladesh produces and exports tobacco, thereby generating much-needed foreign exchange. The earnings for the fiscal year July 1997 to June 1998 were over \$5.5 million. But Bangladesh also imports tobacco: over \$20.5 million worth for the same fiscal year.⁸

Thus in one year, Bangladesh incurred a net loss of almost \$15 million, from a negative balance of trade in tobacco. Rather than making money exporting tobacco, Bangladesh continues to lose huge sums of hard currency through its import.

Chart 5. Import vs export of tobacco, in millions of US dollars, 1997-98



Generation of revenue through taxation

BAT is a major taxpayer in Bangladesh. But an increase in tobacco taxes would actually mean an increase in government revenue, as not enough people would quit to offset the gains from a higher tax level. A tax increase would have a huge beneficial effect, as young and poor smokers are also the most sensitive to price increases.

A portion of the tax could be used for smuggling control measures, such as tax-paid markings that can't be counterfeited, and stronger police control of smuggling. Other measures, such as stronger penalties for smugglers, and better international control of the flow of cigarettes, would reduce smuggling while maintaining government profits and health objectives.⁹

⁶ Mary Assunta, "Tobacco and Poverty" in *Together Against Tobacco*, Proceedings of the INGCAT International NGO Mobilisation Meeting, Geneva, 15-16 May 1999.

⁷ Enamul Huq, "Arrival of Discovery celebrated." *The Independent*, 23 November 1999.

⁸ Bangladesh Bureau of Statistics, *Foreign Trade Statistics of Bangladesh 1997-1998*. Dhaka: 1998.

⁹ Luk Joosens and Martin Raw, "Cigarette smuggling in Europe: who really benefits?" *Tobacco Control* 1998; 7:66-71.

Creation of jobs for farmers, factory workers, shopkeepers and others

Tobacco company executives argue that if people stop consuming tobacco, huge numbers of people will lose their jobs. They fail to mention that cigarette manufacturing grows ever more mechanized, and thus hires ever fewer people, over the years. In their list of those likely to be affected, they neglect to mention firefighters; doctors specializing in cancer, heart disease, and respiratory ailments; and other health care workers. They also imply that the money currently spent on tobacco, and the jobs that are thereby generated, will entirely disappear from the economy if tobacco use ceases.¹⁰

In fact, tobacco consumption will not disappear overnight, nor is it likely to diminish rapidly. Even a decline in the percentage of smokers of a few percent a year would be offset by population growth, so that large changes in the quantity of tobacco consumed are unlikely for any time in the next couple of decades—giving people sufficient time to readjust and find new sources of income. Individuals currently employed in the tobacco industry are thus unlikely to be harmed by any decrease in consumption.

A recent report by the World Bank examines a range of economic issues in arriving at its conclusion that tobacco *control* benefits national economies. According to the report, tobacco only benefits the economies of the handful of countries currently highly dependent on tobacco export. Bangladesh, as the numbers show, is not one of those countries.

Even if tobacco use were to decline sharply, the economy would not suffer. When people stop consuming tobacco, their savings do not disappear from the economy.

Rather, they spend the money on other items, items that involve labor in their production, transportation, and sale. When their money is spent on locally-produced items, it can actually have a greater beneficial effect on the economy than if it were spent on tobacco.¹¹

Tobacco is not a major agricultural crop in Bangladesh, and thus decreasing production would not be likely to affect many people, particularly given the economic viability of alternative crops.¹² Not only could farmers grow other crops, but factory workers could also produce other goods, and shopkeepers and informal vendors could sell those crops and goods. The production, distribution, and sale of food and other items create jobs. Food production remains far less mechanized than does cigarette production, and thus has the potential to employ more people.

The goods that would replace tobacco include food, the purchase of which would have beneficial effects well beyond employment: Planting of more trees to supply an increasing demand for fruit would benefit the environment; and the consumption of more food and less tobacco would greatly benefit public health.

The World Bank has estimated that the extent of this benefit for Bangladesh would be enormous: the potential, within the formal sector of the economy, of “a net gain in jobs of as much as 18 percent if smokers spent their money on other goods and services.”¹³

What is unique about tobacco is not its ability to generate employment, but rather its ability to kill its users.

¹⁰ Kenneth E. Warner and George A. Fulton, “Importance of tobacco to a country’s economy: an appraisal of the tobacco industry’s economic argument.” *Tobacco Control* 1995; 4:180-183.

¹¹ *Ibid.*

¹² Muzaffer Ahmad, “Tobacco and the Economy of Bangladesh.” Bangladesh Cancer Society: Key note speech delivered on the occasion of World No Tobacco Day, 31 May 1995.

¹³ Prabhat Jha and Frank J. Chaloupka, *Curbing the epidemic: governments and the economics of tobacco control*. World Bank: 1999.

What is the value of health?

Even if one believed that tobacco was beneficial to the Bangladesh economy, would the economics override the tremendous health concerns of tobacco use? Even several tobacco company executives—under the pressure of lawsuits and release of formerly private documents—now admit *some* of the dangers of tobacco consumption.

A Canadian tobacco executive acknowledged, “You increase the risks for a list of diseases as long as both your arms if you are a smoker.”¹⁴ A manager for British American Tobacco in New Zealand was equally direct: “You would really have to be sticking your head in the sand to deny [the health risks from smoking]. The evidence is very convincing. If you are going to smoke you are really going to increase your risk of lung cancer, emphysema or heart disease.”¹⁵

The list of tobacco-related diseases is long indeed, and includes not just lung, but many other kinds of cancer as well as other ailments—a total of twenty-five different diseases.

Passive smoking—the inhalation of the tobacco smoke of others—causes lung and breast cancer and heart disease, as well as exacerbating asthma, in non-smokers. Fetuses exposed to smoke in the womb run higher risks of being born underweight; having mental, physical, and psychological development problems; and being miscarried or stillborn. Tobacco smoke is a major cause of Sudden Infant Death Syndrome (SIDS). Would these diseases become tolerable if tobacco were perceived as economically beneficial?

Since 72% of households in Bangladesh have only one or two rooms,¹⁶ in most households many people must share each room. If one person smokes, several people, including infants, young children and women, are likely to inhale that smoke, and thus to be at an increased risk for the diseases caused or worsened by passive smoking.

The two leading causes of death in Bangladesh are diarrhea and all types of heart and cardiovascular disease.¹⁷ Malnutrition increases death from diarrhea. Tobacco is a major cause of heart and cardiovascular disease.

Tobacco is clearly harmful – to smokers and non-smokers, to individuals and to the nation – in both the short- and long-term. This report focuses on the economic aspect of tobacco at the household level, as even a few cents spent on tobacco represent a few cents that could have been spent on food and other household necessities. While a few cents may sound trivial, the purchase power in terms of food and other basic needs can be high. The problem becomes even graver when one considers actual tobacco expenses, and multiplies those expenses across the huge number of impoverished tobacco users.

¹⁴ Robert Parker, president of the Canadian Tobacco Manufacturers’ Council, quoted in the Edmonton Sun, 23 April 2000.

¹⁵ Vickie Curtis, corporate and regulatory affairs manager for British American Tobacco in New Zealand, quoted in “Listen up smokers: life is about to get a whole lot harder”, The (NZ) evening Post/B&W Industry Watch, 15 April 2000.

¹⁶ Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

¹⁷ Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999, p. 367.

Section 3

Never too poor to smoke: Dhaka rickshaw pullers

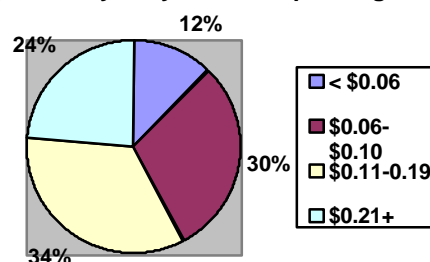
In order to understand the personal side of tobacco economics, we conducted a small survey among tobacco-using rickshaw pullers in Dhaka, and interviewed poor families in Dhaka and in a village near Comilla (a small city about 90km from Dhaka). For the rickshaw pullers, a survey form was developed and pre-tested. The researchers received a brief training in the use of the forms, then gathered the information over a short period in April 2000. The families were interviewed using an open-ended guide. The results were then analyzed by the research team. The stories in boxes are taken from this research. The rickshaw puller survey involved interviews with 123 men aged 15-70, of whom 17 were single and 106 married. Researchers asked the men about their daily income as well as their consumption of and daily expenditures on tobacco.

Half of the rickshaw pullers said they were illiterate. More than half smoked cigarettes alone, while some smoked bidis and a smaller number smoked both. The most popular cigarette brands were Navy and Star. Expenditure on tobacco ranged from \$0.02 to \$0.67 per day, with an average of \$0.15. Fifteen of the men reported spending less than \$0.06 daily on tobacco; 37 said they spent \$0.06-\$0.10 cents a day, 42 said they spent \$0.11-\$0.19 cents daily, and the remaining 29 reported spending \$0.21 cents or more each day. For many, tobacco represented a significant portion of their income. The range was from 1% to 40%, with an average of 12%.¹⁸

The staple diet of the men was rice, vegetables, and to a lesser extent fish and lentils. Men reported eating meat, eggs, and milk rarely if ever—weekly, twice a month, or less. The men also tended to eat better than their families,

so that the high-protein foods they sometimes consumed were less frequently consumed by their wives and children. It was clear that, for this group of low-income men, tobacco expenditure represented a sizeable portion of their income, and a significant diversion of that money from food for themselves and their wives and children.

Chart 6. Distribution of rickshaw pullers' by daily tobacco spending



Slim hopes of marriage

At age 24, Korim* is already thinking about marriage. He earns about \$2 per day as a rickshaw puller, but he must also support his family. His father is retired, and his brothers live elsewhere. Three of his sisters are married, but the family must still find money to marry the other two. Korim explained that he needs about \$95 to marry, a seemingly impossible sum. Meanwhile, he smokes both bidis and Scissors cigarettes, which cost him \$0.15-\$0.19 a day. He was astonished when we pointed out that if he saved his tobacco money, in about a year and a half he would be able to marry.

* All names have been changed.



¹⁸ The four highest percentages were deleted from the analysis.

Section 4

Tobacco or education?

The poor in Bangladesh spend nearly all their money on basic needs, and are still unable to purchase the essentials for themselves and their families. In a situation of dire need, every cent wasted represents a further decline in standard of living. But despite the tremendous poverty in Bangladesh, smoking rates are quite high. Across the age groups, smoking rates are much higher in men than in women.¹⁹ Rates increase with age, though they decline dramatically after age 50 in both men and women. Men aged 35-49 have the highest rate, at 70.3%.²⁰

In terms of income groups, smoking rates are highest among the poorest, as shown in Table 3. The highest rate, 58.2%, is among those with a household income of less than \$24/month. The rates decline proportionally as income increases, with the lowest rate, 32.3%, being for those with a monthly household income of \$118 or more. **Those who can least afford to purchase tobacco are the most likely to consume it.**

Expenditures for tobacco vary greatly depending on the type of tobacco, with men spending far more on tobacco than women. In 1997, tobacco expenditure ranged from a low of \$1.29 a month for women smoking hukkas (water pipes), to a high of \$7.24 a month for men smoking cigarettes. For both sexes, cigarettes are the most expensive form of tobacco consumed, followed by bidis, with hukka, pipes, and other forms the cheapest.²¹ Cigarettes are also by far the most widely advertised tobacco product.

¹⁹ Statistics on smoking prevalence do not clarify whether they refer to smoking only, or to smokeless tobacco use as well. If they do not include smokeless tobacco, then the rates shown for women are far lower than actual rates would be.

²⁰ Bangladesh Bureau of Statistics, *Prevalence of Smoking in Bangladesh*, Dhaka: 1996.

²¹ Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999.

Chart 7. Smoking rates by age and sex, 1997

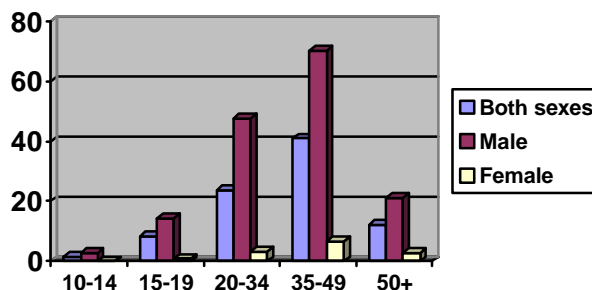


Table 3. Male smoking rates by income group, 1995

Monthly household income in US\$	% smokers
< \$24	58.2
\$24-30	56.7
\$30-35	54.4
\$35-47	53.7
\$47-59	45.6
\$59-71	46.1
\$71-94	38.4
\$94-118	36.3
\$118+	32.3

Source: Bangladesh Bureau of Statistics, *Prevalence of Smoking in Bangladesh*, Dhaka: 1996.

In Table 4, we compare average monthly expenditures for tobacco to those for basic needs. In 1997, average monthly expenditure on tobacco for those who use it (an average over all types of tobacco products) was \$3.45 for men and \$1.89 for women. Per capita expenditure on clothing, housing, health, and education totals was a mere \$2.92 per month, which is only 40% of the average male monthly expenditure on cigarettes.

Chart 8. Male smoking rates by monthly household income group (in US\$), 1995

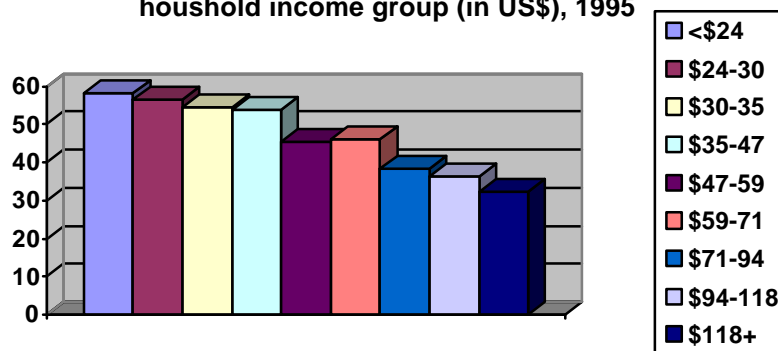


Table 4. Per capita monthly expenditure on basic needs, 1997

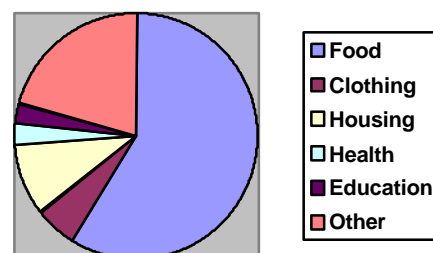
Tobacco spending as percentage of expenditure on basic needs						
Item	Average monthly expenditure (US\$)	Bidis – men: 1.96	Cigarettes – men: \$7.24	Hukkas/pipes – women: \$1.29	Cigarettes – women: 4.61	Monthly per capita expenditure on tobacco: \$0.19
Food	\$8.37	23%	87%	15%	55%	2%
Clothing	\$0.80	245%	904%	160%	574%	24%
Housing	\$1.36	145%	533%	95%	339%	14%
Health	\$0.40	499%	1,807%	321%	1,148%	48%
Education	\$0.36	551%	2,033%	361%	1,292%	55%
Other	\$2.96	66%	245%	43%	155%	7%
Total	\$14.25	14%	51%	9%	32%	1.4%

Note: The second column shows the average monthly expenditure in US\$ for the items listed in the first column. The next five columns show average monthly spending on various forms of tobacco for men and women as a percentage (rounded) of the average monthly expenditures for basic needs. “Total” refers to the percentage of total monthly expenditure that each form of tobacco represents. The percentages are not additive—that is, for male smokers of cigarettes, the full sum of \$7.24 is compared to each item in column one. Columns show rounded figures for tobacco, whereas unrounded figures were used in calculations.

Source: Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume II*. Dhaka: 1997 and *Statistical Pocketbook Bangladesh 1998*.

The typical male cigarette smoker spends over 5 times as much on cigarettes as the per capita expenditure on housing, 18 times as much as for health, and 20 times as much as for education. For women, the figures are only slightly less striking; women who smoke hukkas spend almost as much on tobacco as the per capita expenditure for housing, and over three times as much as the per capita expenditures for health and education. Men spend almost 2½ times as much per month to smoke bidis as the per capita expenditure for clothing.

Chart 9. Distribution of monthly expenditure for basic needs, 1997



Monthly per capita expenditure on food was \$8.37. Women smokers on average spend more than half that figure for cigarettes. **Men spend more than 86% as much on their cigarettes as the average per capita expenditure on food.**

quite low, at just \$0.19 per month. But even that figure is significant when compared to other per capita expenditures. **The average monthly per capita expenditure on tobacco is almost half the per capita expenditure for health, and more than half for education.**

Since the figure for *per capita* expenditure on tobacco is an average over the whole population, not just for those who use tobacco, it seems

Chart 10. Men's monthly bidi costs vs. per capita monthly expenditure for basic needs (in US\$), 1997

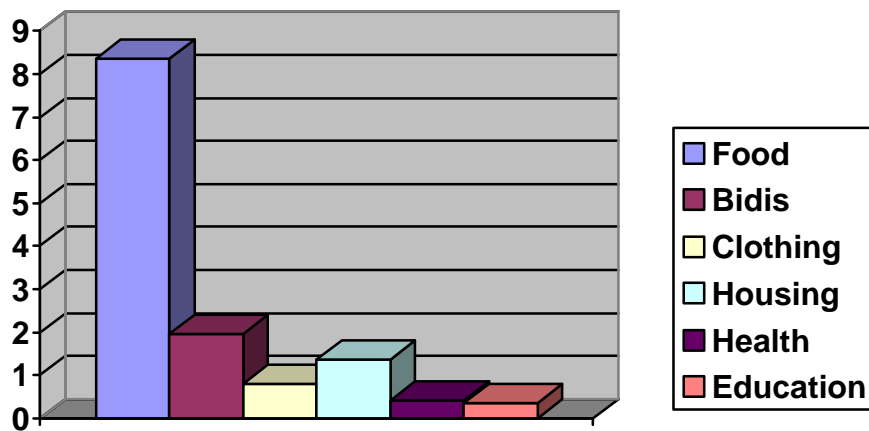
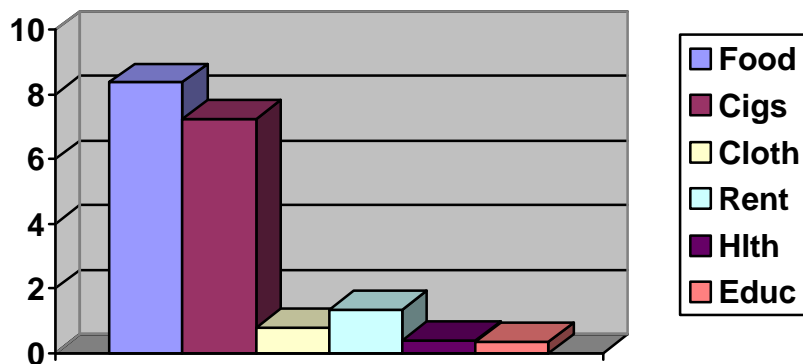


Chart 11. Men's monthly cigarette costs vs per capita monthly spending for basic needs (US\$), 1997



Although we would not label various electric appliances as basic needs, it is interesting to compare the price of luxury items to that of cigarettes. Table 5 shows the percentage of households possessing various consumer goods, and the price of those goods in packs of cigarettes.

Only a quarter of Bangladeshi households own a radio, an item which could be purchased for the price of 12 packs of Gold Leaf or 6 packs of Benson & Hedges. Only one-tenth of households have an electric fan, which costs the same as 29 packs of Gold Leaf or 16 packs of Marlboro. For those who aspire to various consumer goods, quitting smoking would be one way of achieving those goals.

Who can afford an education?

Kanailal lives with his wife and two girls in a slum in Dhaka. His income is \$48-67 a month, of which he spends over \$14 to rent a house of tin and bamboo. He spends about \$1.30-\$1.50 a day on food for his family: mostly rice and vegetables. Kanailal explained that his two daughters can't go to school, because they live in a slum and there is nowhere to send them. Neither can he afford their other basic needs. Kanailal smokes bidis and chews tobacco, spending \$0.20-\$0.30 per day to maintain his habit. How much better would his family live if he spent the \$6-9 a month for tobacco on a better home, food, or education for his daughters?

Table 5. Price of consumer goods relative to cigarettes in year 2000 prices.

Consumer item	% of households owning item in 1998	Price	Number of packs needed, by brand, to buy each item in column one:		
			Gold Leaf regular (\$0.73/pack)	Marlboro regular (\$1.34/pack)	B&H (\$1.43/pack)
radio	24%	\$9	12	7	6
black and white TV	9% (includes color)	\$124	170	93	87
color TV		\$334	458	249	234
cassette player	8%	\$48	66	36	34
electric fan	10%	\$21	29	16	15
electric iron	6%	\$7	10	5	5
refrigerator	2%	\$354	485	264	248

Source for ownership of items: Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998. Prices of consumer items and cigarettes obtained in Dhaka.



Section 5

More cigarettes, fewer eggs

The poorest households spend the highest proportion of their income on food: 66-73% in 1997 (see Table 6). They are also the most likely to have malnourished children in their household. As spending on food increases, malnutrition decreases.²² Thus, they would benefit the most by shifting their tobacco expenditures to food.

Table 6. Percent of spending going to food by monthly household expenditure group, 1997

Monthly household expenditure group	Percent of monthly expenditure spent on food
<\$45	73%
\$45-111	66%
\$111-223	52%
\$223-334	39%
\$334+	26%
Rural	61%
Urban	48%
All groups	58%

Figures not available for monthly household income group. However, for the poor, monthly expenditure is nearly as much as monthly income.

Source: Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume II*. Dhaka: 1997.

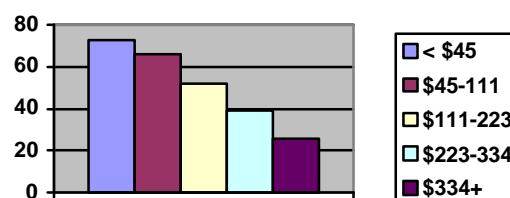
In Bangladesh, most of the calories consumed come from rice.²³ The minimum daily calorie requirement varies by age and sex, from 1,094 for children aged three and under, and 1,405 to children aged 4-6, to over 2,000 for those over age 10 (see Table 7). A significant portion of those calories could come from a re-allocation of tobacco expenditures.

Table 7. Daily calorie requirement by age and sex

Age group	Calorie requirement	
	Male	Female
0-3	1,094	1,094
4-6	1,405	1,405
7-9	1,784	1,784
10-12	2,413	2,172
13-17	2,671	2,327
18-29	2,782	2,544
30-59	2,707	2,297
60>	2,349	2,054

Source: Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

Chart 12. Percent of total expenditures spent on food by monthly household expenditure group, 1997



As shown in Table 1, poverty worsened in urban areas from 1991-1996²⁴, improved slightly in rural areas, and worsened slightly in the country as a whole. It is possible that hunger in Bangladesh could have declined if people had consumed less tobacco and more food. If rising incomes among the poor are matched by rising expenditures on tobacco, then how will malnutrition decrease?

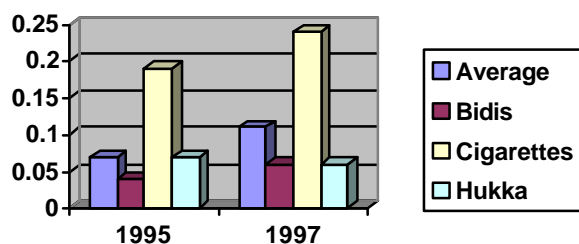
The trend has been towards consuming more tobacco rather than more food. Comparing average tobacco expenditures in 1995 (Table 8) with those for 1997 (Table 9) demonstrates that the general trend is towards increasing expenditures for tobacco.

²² Bangladesh Bureau of Statistics, *Child Nutrition Survey of Bangladesh 1995-96*. Dhaka: 1997.

²³ Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

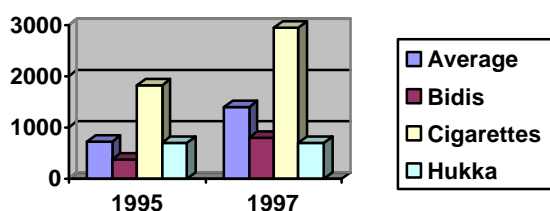
²⁴ Figures are not available for more recent years.

Chart 13. Men's average expenditure on tobacco (US\$/day)



Meanwhile, the price of rice fell. While the average male smoker could have purchased an additional 1,837 calories of rice each day with his cigarette money in 1995, the figure rose to 2,942 calories each day in 1997.

Chart 14. Equivalent in rice calories of men's daily tobacco expenditures



For women smoking bidis (women are about 6 times more likely to smoke bidis than cigarettes²⁵), the figure tripled, from 302 calories in 1995 to 907 in 1997. The potential in calories of rice for the average tobacco user nearly doubled for both men and women, from 721 and 419 respectively in 1995, to 1,402 and 770 calories in 1997.

Table 8. Average daily expenditure on tobacco and equivalent in calories of rice, by sex and type of tobacco, 1995

Type of tobacco	Average expenditure on tobacco (US\$)		Equivalent in calories of rice	
	Male	Female	Male	Female
Average for all types of tobacco	\$0.07	\$0.04	721	419
Bidi	\$0.04	\$0.03	372	302
Cigarettes	\$0.19	\$0.29	1,837	2,837
Hukka	\$0.07	\$0.02	698	233

Source: Bangladesh Bureau of Statistics, *Prevalence of Smoking in Bangladesh*, Dhaka: 1996. Price of rice over time from Bangladesh Bureau of Statistics, *Statistica Pocketbook Bangladesh 1998*. Dhaka: 1999.

Chart 15. Women's average expenditure for tobacco (US\$/day)

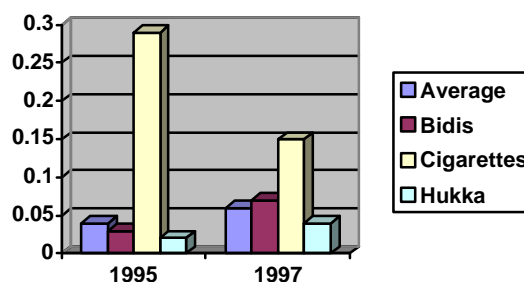
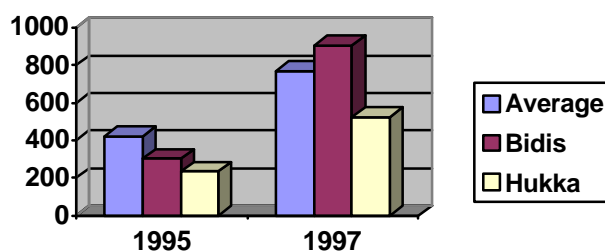


Chart 16. Equivalent in rice calories of women's daily tobacco expenditures (cigarettes excluded)



²⁵ Bangladesh Bureau of Statistics, *Prevalence of Smoking in Bangladesh*, Dhaka: 1996.

Table 9. Average daily expenditure for tobacco and equivalent in calories of rice, by sex and type of tobacco, 1997

Type of tobacco	Average expenditure on tobacco (US\$)		Equivalent in calories of rice	
	Male	Female	Male	Female
Average for all types of tobacco	\$0.11	\$0.06	1,402	770
Bidi	\$0.06	\$0.7	797	907
Cigarettes	\$0.24	\$0.15	2,942	1,869
Hukka, pipe etc.	\$0.06	\$0.04	715	522

Source: Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999.

While spending on tobacco—and the food value of the money thus spent—increased, consumption of many major food items decreased over several years, as shown in Table 10. One of the biggest increases in the period was in cigarettes—a 33% increase over the 3-year period. A similar increase occurred in the consumption of cabbage (though only from 0.6 kg/person/year to 0.8) and to a lesser degree of milk and fish, while consumption of many other items increased only slightly, or declined.

Rice, the staple of the Bangladeshi diet, increased by only 1% over the period, while banana consumption dropped by six percent and eggs by 29%.

What if over the same period, cigarette consumption had remained at 100 sticks/capita? What if cigarettes had not been purchased at all? If cigarette consumption per capita in 1994-1995 had remained the same as in 1992-1993, and the money that was spent on cigarettes in that year had gone to food, Dhaka residents could have consumed almost 15% more meat, 14% more milk, or 79% more eggs.

Reallocating all expenditures just from the *increase* in cigarette consumption to eggs would have increased egg consumption in 1994-95 from 12 eggs per person per year to 21.5, whereas reallocating *all* cigarette expenditures to eggs would have raised the total to 42.6 eggs/person/year.

Chart 17. Change in per capita consumption of cigarettes and various foods, 1992-96

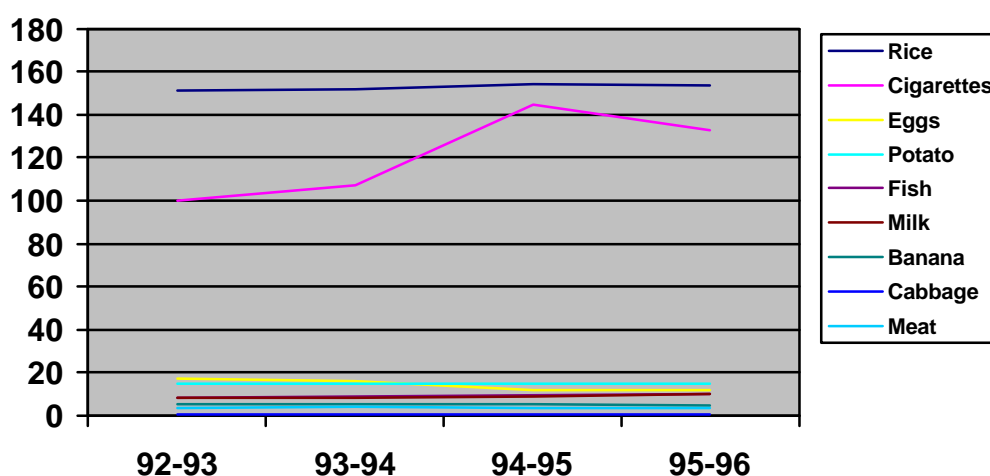


Table 10. Per capita consumption of selected food items and tobacco

Item	Unit	1992-93	1993-94	1994-95	1995-96	Percent change 1995-96
Rice	kg	151	152	154	153	+1%
Potato, sweet potato	kg	15	15	15	15	0%
Meat	kg	3	4	4	4	+9%
Fish	kg	8	9	10	10	+19%
Milk	liter	8	8	9	10	+25%
Eggs	no.	17	16	12	12	-29%
Banana	kg	5	5	5	5	-6%
Cabbage	kg	0.6	0.7	0.7	0.8	+33%
Cigarettes	sticks	100	107	145	133	+33%

Source: Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999.

The average male tobacco user in 1997 could easily have purchased 750 additional calories each day from his tobacco money.

Possible purchase for men's 1997 tobacco expenditure: \$0.11+/day (\$0.80/week):

750 additional calories/day

2750 calories of rice = \$0.26

1200 calories of oil = \$0.16

500 calories of lentils = \$0.10

500 calories of greens = \$0.07

300 calories of eggs = \$0.21

Total: 5,250 calories for \$0.80

Where will the money come from?

Hasan, a rickshaw puller, estimates that he spends about \$0.20/day on cigarettes and bidis. When asked if his three children ever eat eggs, he exclaimed, "Eggs? Where will the money come from to buy them?" If Hasan didn't buy tobacco, each of his children could eat an egg a day, or other high-quality foods, and the whole family would be healthier as a result. The unattainable could become a reality for this poor rickshaw puller's children.

Chart 18. Potential change in annual per capita egg consumption, Dhaka

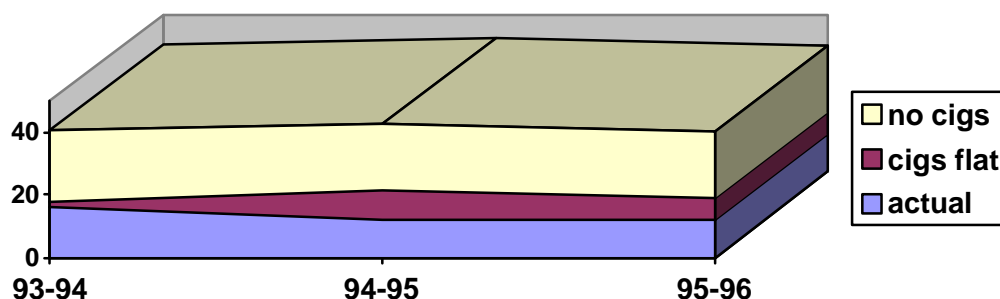


Table 11 compares 1997 per capita monthly expenditure for tobacco to that for lentils, meat, leafy vegetables, oil/fats, and milk. Lentils (dal) are the second most important contributor of protein in the Bangladeshi diet after fish and meat.²⁶

Per capita expenditure for tobacco—averaged over the whole population, not just those who use tobacco—is \$0.18/month in rural areas and \$0.33/month in urban areas, with a national average of \$0.19/month. Per capita monthly expenditure for tobacco is higher in both rural and urban areas than that for milk, and higher in urban areas than for leafy green vegetables.

People spend nearly as much in cities on tobacco as on lentils. **Nationally, for each of the high-nutrient foods shown, tobacco expenditures represent more than half the expenditures for food.**

As the economy of Bangladesh improves, people cannot afford to spend their additional money on tobacco rather than food. If the country is to show strong gains in nutrition and health status, then people must be encouraged to spend their money in positive ways, and tobacco companies must not be allowed to advertise their products freely to an uneducated public.

Chart 19. Monthly per capita expenditure of tobacco vs food items (in US\$), 1997

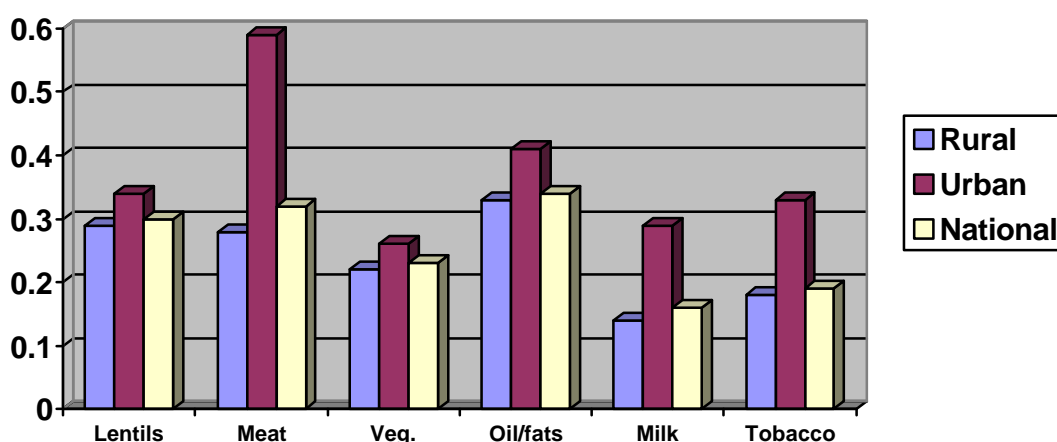


Table 11. Per capita monthly expenditure on tobacco and selected foods, 1997

	Tobacco	Lentils		Meat		Leafy greens		Oil/fats		Milk	
	US\$	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
Rural	\$0.18	\$0.29	60.3%	\$0.28	62.9%	\$0.22	78.0%	\$0.33	53.6%	\$0.14	122.7%
Urban	\$0.33	\$0.34	95.6%	\$0.59	55.3%	\$0.26	123.4%	\$0.41	80.6%	\$0.29	113.3%
National	\$0.19	\$0.30	65.3%	\$0.32	61.2%	\$0.23	84.4%	\$0.34	57.5%	\$0.16	120.6%

Note: Under each food item, the first column represents per capita monthly expenditure for that item. The second column represents per capita tobacco expenditure as a percentage of that food item. As elsewhere, unrounded figures used in calculations. Source: Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume II*. Dhaka: 1997.

²⁶ Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

Section 6

Marlboro or milk?

For about half the population of Bangladesh, life is a daily struggle to survive. Any waste of money will further reduce living standards, and further increase the chances of children going hungry. What we have been describing elsewhere remains true: tobacco is simply not affordable for most Bangladeshis.

Cigarette prices in Bangladesh vary considerably, from (in year 2000 prices) \$0.08 for a pack of Sun Moon to \$1.43 for a pack of Benson & Hedges. By comparison, a pack of bidis costs \$0.06.

Even the cheap cigarettes are expensive when compared to foods. In Tables 12 and 13, we compare the price of food to that of cigarettes. A pack of Gold Star costs more than an egg. **A pack of Navy costs almost as much as a liter of milk. Less than two packs of Scissors would pay for a kilogram of lentils.** One and a half packs of Senor Gold would purchase a dozen bananas, and 1.6 packs would buy one kilogram of rice. Less than two packs of Navy would pay for a liter of soybean oil.

Table 12. Food that could be bought for one pack of Marlboro, 2000

<i>Marlboro regular</i> (<i>\$1.34/pack</i>)	<i>Marlboro light</i> (<i>\$1.72/pack</i>)	<i>Marlboro menthol</i> (<i>\$1.91/pack</i>)
23 eggs	30 eggs	33 eggs
9 kg potatoes	11 kg potatoes	13 kg potatoes
3 liters milk	4 liters milk	5 liters milk
2 kg lentils	3 kg lentils	3 kg lentils
1 kg beef	1 kg beef	1 kg beef
4 kg bananas	5 kg bananas	6 kg bananas
10 kg spinach	13 kg spinach	14 kg spinach
2 liters soybean oil	3 liters soybean oil	3 liters soybean oil
5 kg rice	6 kg rice	7 kg rice

A smoker of a pack a day of Star or Scissors spends \$0.38 each day, or over \$11 each month. If he spent 70% of that money on food instead, he could easily add 800 calories *each day* to his family's diet, in the form of lentils, potatoes, fish, beef, and dark leafy greens.

70% of the cost of a packet of Star a day: \$0.38+ x 30.5 days*0.7 = \$8.16/month (year 2000 prices)
800 additional calories/day

10,600 calories of lentils = \$2.13

6,300 calories of potatoes = \$1.08

5,600 calories of fish = \$3.06

1,400 calories of beef = \$1.64

500 calories of greens = \$0.25

Total: 24,400 calories for \$8.16

One pack of Marlboro (regular) costs \$1.34. That sum could purchase 23 eggs, 3 liters of milk, 1 kg of beef, 4 dozen bananas, 2 liters of soybean oil, or 5 kg of rice. A pack of Marlboro light is the same price as 30 eggs or 4 liters of milk; Marlboro menthol would purchase 33 eggs or 6 dozen bananas.

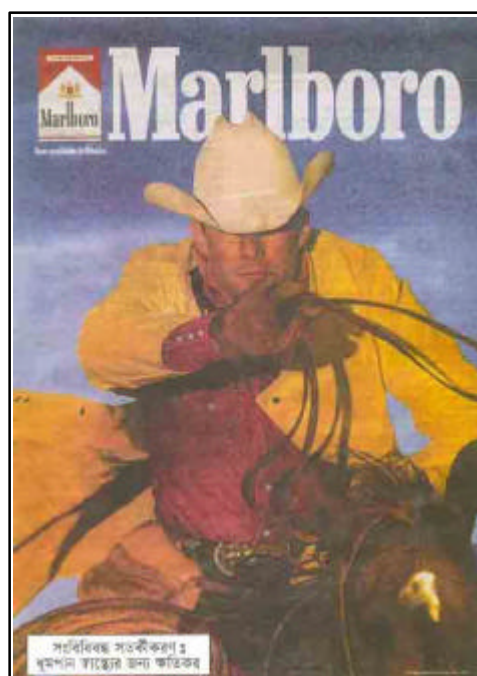
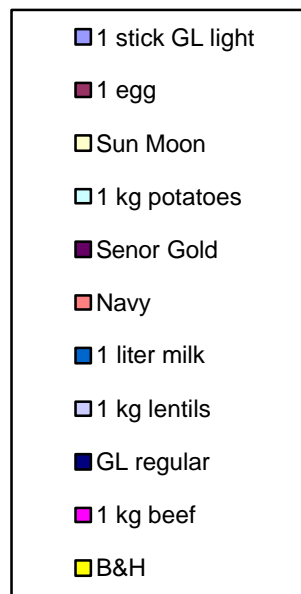
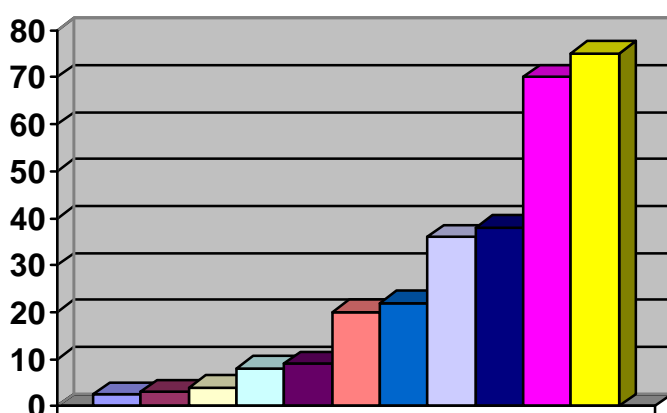


Chart 20. Food vs cigarette prices, 2000

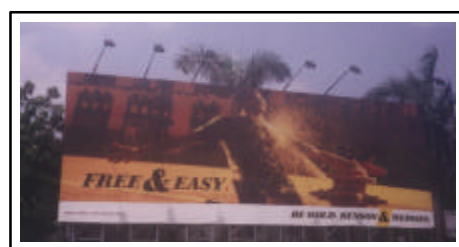


GL = Gold Leaf

Table 13. Food for cigarettes, in year 2000 prices

Food that could be bought for one pack of various cigarette brands	Food that could be bought for one pack of Gold Leaf	
	<i>Gold Leaf Regular</i>	<i>Gold Leaf Light</i>
2 packs Sun Moon = 1 kg potatoes		
4 packs Senor Gold = 1 liter soybean oil	12 eggs	15 eggs
1 pack Scissors = 12 bananas	4.8 kg potatoes	5.9 kg potatoes
1 pack Senor Gold = 1 kg spinach	1.7 liters milk	2.1 liters milk
3 sticks Gold Leaf regular = 2 eggs	1.1 kg lentils	1.3 kg lentils
3 sticks Gold Leaf light = 1 kg spinach	0.5 kg beef	0.7 kg beef
4 sticks Gold Leaf regular = 1 kg potatoes	2.7 dozen bananas	3.4 dozen bananas
7 sticks Gold Leaf regular = 12 bananas	5.4 kg spinach	6.7 kg spinach
9 sticks Gold Leaf light = 1 liter milk	1.1 liters soybean oil	1.3 liters soybean oil
1 pack Benson & Hedges = 1 kg beef	2.7 kg rice	3.4 kg rice

*Calculated as price/stick as sold in stores, rather than as a fraction of the pack, as many people buy cigarettes one stick at a time. Prices collected at New Market, Dhaka. Food prices in rural areas would be lower.



Section 7

Tobacco and malnutrition

The consequences of malnutrition are manifold. Malnutrition contributes to more than half of all deaths of children under age five in developing countries. For those who survive, lifelong impairment can result, including poor physical and mental ability, more illness, and little ability to be economically productive. UNICEF estimates that Bangladesh loses the equivalent of more than 5% of its gross national product in lost lives, disability, and lowered productivity caused by malnutrition.²⁷ Malnutrition is blamed for the deaths of over 700 children under age 5 *each day* in Bangladesh.²⁸ In 1995-96, more than half (59.7%) of Bangladeshi children aged 6 months to 6 years were malnourished.²⁹

Nearly twenty years ago, a researcher suggested that if the condition of malnourished children deteriorated “as a result of income being used for smoking rather than for food, then each year the prospects of survival of some 18,000 children would be halved. Should these estimations be anywhere near correct, the nutrition-mediated effects of smoking, in terms of chronic undernutrition as well as survival, are likely to be far more important than the direct consequences of smoking on health.”³⁰

As shown above in Table 6, in 1997, those with a monthly expenditure of less than \$45/month spent 73% of that money on food, whereas the figure for those with a monthly expenditure of \$45-111 was 66%. This averages out to over 69% of household monthly expenditure going to food.

Nearly 78% of calories in the Bangladesh diet are supplied by cereals, while 6% come from vegetables, over 4% from oil, 7% from lentils, fish, meat, fruits, and milk combined, and 4.6% from other foods.³¹ We can therefore assume that the poor would spend most of their increased food budget on rice, while smaller numbers of calories of less commonly consumed foods could have a huge impact on children’s diet.

As shown above, the average male tobacco user in 1997 could purchase 750 calories/day of various foods with his daily tobacco expenditure, or 1,400 calories each day if he spent the money on rice alone. Even if he used only 69% of his tobacco money—that is, allocated the money previously spent on tobacco according to the typical pattern of the poor—in 1997 he could still purchase 517 calories worth of various foods, or over 960 calories of rice. The average female tobacco user could purchase 770 calories of rice with the full sum, or 530 calories with 69% of it.

As we saw in Table 1, half of the poor consume between 1805 and 2122 calories per day. For this group, 400 additional calories or less per day would bring them into sufficiency. For those consuming less than 1805 calories, more than 400 additional calories are needed. In either case, the average tobacco user could provide sufficient calories to cross the poverty line as measured by caloric intake. This means that each poor tobacco user represents one or more people—whether the smoker or his or her child—who is needlessly going hungry.

²⁷ UNICEF, *The State of the World’s Children 1998*. Oxford and New York: Oxford University Press for UNICEF, 1998.

²⁸ “Over 700 children dying everyday, claims NFB study.” *The Bangladesh Observer* Saturday, April 29, 2000.

²⁹ Bangladesh Bureau of Statistics, *Child Nutrition Survey of Bangladesh 1995-96*. Dhaka: 1997, p. 26.

³⁰ Nicholas Cohen, “Smoking, Health, and Survival: Prospects in Bangladesh.” *The Lancet* May 16, 1981.

³¹ Bangladesh Bureau of Statistics, *Analysis of Basic Needs Dimension of Poverty Volume III*. Dhaka: 1998.

Calculations of the number of poor smokers in Bangladesh are shown in Tables 14 (men) and 15 (women). To calculate the number of poor males in each age group, the figure from Table 1 of 47% for rural poverty is used (rounding down from the national figure of 47.53%).

The percentage of poor men by age group who smoke utilizes the rates for those with a monthly household income of less than \$70—the category into which 40% of Bangladeshi households, and presumably most poor families and malnourished children, fall. The calculation is slightly different for women, as breakdowns of the percent of poor women who smoke by age group is not available, but as with men, the rates are likely to be even higher among poorer women. The figures include smokers only, and are thus a significant underestimate, as so many tobacco users use smokeless tobacco.

The figures yield a total of 9.87 million poor above, 700 children under age five are estimated to die each day in Bangladesh from malnutrition. The rates of smoking among the poorest are over 50%. An additional 500 calories per day could easily be enough to save a malnourished child from death.

If the poor stopped using tobacco and re-allocated their tobacco expenditures to other items, following the typical pattern for the poor, then almost 10.5 million fewer people would be malnourished, about half of whom had been below the “hard-core” poverty line.

What about deaths averted? As mentioned above, 700 children under age five are estimated to die each day in Bangladesh from malnutrition. The rates of smoking among the poorest are over 50%. An additional 500 calories per day could easily be enough to save a malnourished child from death.

We estimate that over 350 young children per day could be saved from death by malnutrition, if their parents redirected some of their tobacco money to food. This translates to 127,750 fewer deaths of children under age 5 per year.

*I can't afford good food
for my children*

Mahmud Ali is a 40-year-old rickshaw puller living in Dhaka. His wife, three sons, and daughter reside in the countryside. He sends them money home out of his daily income of \$2.30-2.90. Since he has little money, his family eats only rice and vegetables. Meanwhile, he smokes 6-7 Star cigarettes a day, at \$0.02 per cigarette, and spends an additional \$0.08-0.10 per day on chewing tobacco, or a total of \$0.20-0.24/day—almost 10% of his income. Mahmud said that he would like to quit, and spend the savings of \$5.70-\$6.90 a month on his children.



Table 14. Estimated number of poor male smokers, 1996

Age	Male population by age group	Number below poverty line (previous column*0.47)	% of poor who .smoke, by age group	Number of poor smokers (applying % shown in previous column)
15-19	5,979,000	2,810,130	18.1	508,165
20-34	14,695,000	6,906,650	57.3	3,958,662
35-49	9,620,000	4,521,400	72.4	3,274,247
50+	8,028,000	3,773,160	56.5	2,131,207
total 15+	38,322,000	18,011,340		9,872,281

Statistics are broken down into income categories, with the highest income given as 5,000+. We averaged the figures for the six income categories representing less than \$70 (3000 taka)/household/month.

Male population by age group from Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999. Percentage of poor who smoke by age group from Bangladesh Bureau of Statistics, *Prevalence of Smoking in Bangladesh*, Dhaka: 1996.

Table 15. Estimated number of poor female smokers, 1996

Age	Female population by age group	Smoking rates (%)	Number of smokers	Number of poor smokers (previous column *.47)
15-19	5,826,000	0.9	52,434	
20-34	14,161,000	3.3	467,313	
35-49	8,853,000	6.6	584,298	
50+	7,079,000	2.8	198,212	
total 15+	35,919,000		1,302,257	612,060

Source: Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998*. Dhaka: 1999.

Section 8

Conclusions and Recommendations

More research on the issue of tobacco and poverty in Bangladesh could help define the scale of the problem, and update the figures for the current year. However, the evidence presented here is already sufficient to take action. Future research could focus on understanding the effects of various tobacco control policies, after they are enacted, in achieving their desired aim of reducing tobacco use. Research could also focus on understanding what is needed to help the poorest to quit smoking, and in understanding how best to reach groups in which consumption is not declining.

Why focus on tobacco? Certainly it is not the only way in which people waste money. Many other activities also eat into the scarce resources of the poor, such as lottery tickets and other forms of gambling; alcohol and other drugs; and prostitution. Some of those other activities, particularly alcohol and prostitution, can have other, serious effects on the health and wellbeing of the individual and his family.

What is different about tobacco? Unlike the other items mentioned,³² tobacco is heavily advertised in Bangladesh. The tobacco companies are given free rein to target the poor, with no more by way of warning than the tiny message on the side of the pack and similarly small warnings on billboards, newspapers, and satellite television ads.

The warnings merely state that tobacco harms the health. Even if the more than half the population that is illiterate have absorbed the message, as research indicates they have, what

do they understand by it? While over 90% of men and about 85% of women say that “smoking is bad for health” (the same message as on the pack), less than half of smokers know that smoking causes cancer, and less than 17% of smokers know that it causes heart disease. For other diseases, the figure was 4.6% for male smokers and 3.2% for female smokers.³³ So much for informed choice.

The study did not ask about addiction, but we can only assume that the addictive nature of tobacco is not well understood either, particularly by young smokers. The difficulty with addiction is that what began as a choice—though by no means an informed one, given the lack of basic knowledge of the harms caused by tobacco—becomes a behavior that is difficult, often extremely so, to stop.

Tobacco is sold and consumed almost everywhere. It is a drug of easy availability and social acceptability. By not passing strong legislation to control it—to make it more expensive, to greatly reduce the number of places in which it can be consumed, and to stop the promotion of it—the government is seen to condone it

Is there an argument for keeping tobacco prices low, so that people will waste less money on their habit? If the price of anything is to be kept low, it should be of food, education, or other essential goods. Low prices encourage more people to consume tobacco. The poor rarely eat meat, because it is expensive. Tobacco is perceived as cheap, and users may become addicted before they discover its actual cost. High prices discourage people from starting and encourage others to quit. One of the best ways to keep the young from becoming addicted, and to help the poor to quit, is thus to raise the price of tobacco products.

³² The sale of alcohol in Bangladesh is extremely restricted, and alcohol is not advertised. In other countries, certain tobacco control policies—such as high taxes and a comprehensive ban on promotion/sponsorship—could be applied to alcohol as well, and thus further reduce the diversion of income for the poor away from food to addictive drugs.

³³ Bangladesh Bureau of Statistics, *Prevalence of Smoking in Bangladesh*, Dhaka: 1996.

The tobacco companies argue that high taxes are regressive; that is, that they disproportionately target the poor. It is true that rates of tobacco use are higher in the poor. It is also true that they can least afford to pay more for their products. However, a tax rise that causes the highest-priced cigarettes to rise significantly more than the lower-cost ones would decrease the “unfairness” of the tax.

Meanwhile, the goal of the tax is for tobacco to become less affordable to the poor. The young and the poor are most responsive to price changes, and thus most likely to avoid tobacco if the price increases. It is no service to the poor to continue to encourage them to become addicted to tobacco products, by allowing advertising and maintaining a low price. When the poor—those most likely to smoke—smoke less, industry profits decline. That is why the tobacco companies balk at any move that will discourage the poor from purchasing cigarettes.

There is a cause of concern about harming the poor, given both the addictive nature of tobacco, and the fact that it is often the non-consumers of tobacco—the wives and children of users—who suffer most when income is diverted from their basic needs. But since wives and children also suffer when they are exposed to tobacco smoke, and are already suffering due to income diversion, the solution is not to make the product cheaper and thus encourage people to smoke more. We have already seen the tremendous increase in per capita consumption of cigarettes from 1992-1996.

As living standards increase, if tobacco products remain the same price, then they actually become more affordable, and thus more popular, over the years. Despite—or in fact due to—tobacco prices remaining fairly stable in Bangladesh, per capita expenditure on tobacco has actually increased significantly. A tax increase would have the effect of reducing expenditures as more people quit, while maintaining government revenues.

A few simple measures can address any concerns about harming the poor through raising tobacco taxes. These include using a portion of the tax for:

- 1) Public education campaigns which target the poorest (most of whom are illiterate), using radio and television to communicate about the economic as well as health effects of tobacco consumption;
- 2) Offering free services to the poor to help them quit; and
- 3) Subsidizing other services for the poor, such as health or education. This could include providing nutritional supplements to young children and pregnant women, or subsidizing a food that is consumed only by the poorest.

While the tobacco companies argue for the right to smoke, we wonder who will argue for the rights of people—children and adults—to eat. **We have shown that, among poor smokers, about 70% of what they spend on tobacco is money they would otherwise have spent on food.** Men are far more likely to smoke than women. Men who use tobacco spend far more money on it than do women. Men also purchase most of the food for the household, and usually eat before the children and women. It is likely that men suffer the least from the diversion of their income to tobacco. This is a gender issue. This is a children’s rights issue. This is an issue of poverty, of malnutrition, of human rights. This is an issue we cannot afford to ignore.

We do not wish to suggest that other, underlying causes of poverty do not need to be addressed. Issues such as land ownership, employment, and access to education and credit are critical in improving the status of the poor in Bangladesh. However, while addressing those areas, it is important not to forget an issue that could have an immediate and large impact on the lives of the poor: access to significantly larger amounts of money if tobacco consumption declined.

We strongly urge all organizations working on child survival, health, nutrition, food security, and poverty, to support efforts for tobacco control in Bangladesh. We encourage them to promote both public education and sound policies that can result in lower consumption of tobacco, and hence more money spent on food and other basic needs. Bangladesh needs a healthy, educated population in order to develop soundly. Better nutrition and more money invested in health and education will contribute greatly to the development of individuals, and

hence of the nation. While the government bears responsibility for investment in these sectors, it can also have a huge influence on individual investments. Strong policies in tobacco control would encourage individuals to shift their expenditures from tobacco to essential goods. **What neither the government nor the population of Bangladesh can afford is to continue to choose tobacco over basic needs.** The health and survival of our children, and the economic development of the nation, demand strong action.

Policy options	Benefits
<i>Higher taxes on all tobacco products.</i>	Higher prices keep the poor and youth from becoming addicted to tobacco, and help motivate them to quit.
<i>A portion of the tax going to support programs on the electronic media to inform people about the harms to economy, health, and appearance from active and passive tobacco use.</i>	Those who consume tobacco, and those who are affected through exposure to tobacco smoke, have the right to understand what tobacco does to their and their family's health and economy.
<i>A comprehensive ban on all forms of promotion (including advertising and sponsorship) of tobacco products.</i>	This helps keep youth from starting to smoke, and makes it easier for adults to quit.
<i>Protection of non-smokers in public places (transportation, workplaces including restaurants, universities, etc.).</i>	Not only does this protect the health and rights of non-smokers, but it leads to large reductions in tobacco use.