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**The Economics of Tobacco in Vietnam:  
Tobacco Expenditures and Their Opportunity Costs**

**SURVEY REPORT 2003 to PATH**

**Canada**

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## Contents

<b>LIST OF TABLES .....</b>	<b>3</b>
<b>LIST OF FIGURES .....</b>	<b>4</b>
<b>SUMMARY .....</b>	<b>5</b>
<b>SUMMARY .....</b>	<b>5</b>
2.1. OVERALL OBJECTIVE.....	10
2.2. SPECIFIC OBJECTIVES .....	10
<b>3. METHODOLOGY .....</b>	<b>10</b>
3.1. SAMPLING RATIONALE .....	12
3.1. SAMPLING RATIONALE .....	13
3.2. SURVEY QUESTIONNAIRE DEVELOPMENT .....	14
3.2.1. <i>Introduction and consent form</i> .....	15
3.2.2. <i>Household roster and screening for tobacco consumption</i> .....	15
3.2.3. <i>Expenditure for tobacco</i> .....	16
3.2.4. <i>Household expenditure for basic needs</i> .....	16
3.2.5. <i>Household expenditure priority</i> .....	17
3.2.6. <i>Household income</i> .....	18
3.2.7. <i>Child labour</i> .....	18
<b>4. SURVEY ORGANIZATION.....</b>	<b>18</b>
4.1. COORDINATION AND TECHNICAL TEAM.....	18
4.2. FIELDWORK ORGANIZATION.....	19
<b>5. DATA MANAGEMENT .....</b>	<b>19</b>
5.1. MANAGEMENT OF QUESTIONNAIRE IN THE FIELD .....	19
5.2. DATA ENTRY AND CLEANING .....	19
<b>6. DATA ANALYSIS .....</b>	<b>20</b>
<b>7. ETHICAL REVIEW .....</b>	<b>20</b>
<i>Part 1- General description of the study sample</i> .....	21
<i>Part 2- Household expenditure for basic needs, household expenditure priority, household income, child labour, and household wealth index</i> .....	25
<b>EXPENDITURE FOR EDUCATION.....</b>	<b>28</b>
<b>EXPENDITURE FOR CLOTHES.....</b>	<b>29</b>
<i>Part III- Pattern of smoking and tobacco expenditure analysis</i> .....	37
<i>Part IV- Detailed data analysis by province</i> .....	45
<i>Part V- Comparison among provinces</i> .....	46

## LIST OF TABLES

Table 1- Sample size estimates for two groups comparison of means .....	13
Table 2- Distribution of sample of households investigated by province and by smoking status.....	21
Table 3- Transition from smoking to non-smoking and versa during the period between the Young Lives survey July-November 2002 and Tobacco survey ended in December 2003 among the household study samples.....	22
Table 4- General characteristics of the interviewees by household study group.....	23
Table 5- Distribution of age, sex, ethnic, education level and occupation among 5611 people of the 1158 surveyed households by smoking status of households .....	24
Table 6- Household expenditure for food by household group with and without smokers ....	27
Table 7- Household expenditure for clothes and education by household group with and without smokers .....	28
Table 8- Household expenditure for inpatient hospital services.....	30
Table 9- Household expenditure for outpatient services during the 4 weeks prior to the survey by the household study groups.....	31
Table 10- Household expenditure for self-treatment during the 4 weeks prior to the survey by household study group .....	31
Table 11- Distribution of people's ranking their preferences for spending one 1 million Dong as results of saving .....	33
Table 12- Distribution of household income from all household members by household with and without smokers .....	34
Table 13- Child labour and their income by households with and without smokers...	35
Table 14- Distribution of households with and without smokers by wealth index .....	37
Table 15- Main characteristics of 804 persons who smoke during the previous 6 months by type of smoking.....	38
Table 16- Patterns of smoking among 804 smokers.....	41
Table 17- Average expenditure for tobacco by smoker group (Dong).....	42
Table 18 - Distribution of the most commonly purchased cigarette brand names by province.....	44
Table 19- Distribution of the most commonly purchased <i>thuoc lao</i> brand name by province.....	44
Table 20- Socio-economic status and per capita expenditure for basic needs and smoking of the survey population by province.....	46
Table 21- Odd-ratios for comparison expenditure per person per year on tobacco and other basic needs relative to expenditure for education.....	49
Table 22- Main characteristics of smokers by province .....	51

## LIST OF FIGURES

Figure 1- Sampling design for the survey on tobacco expenditure and opportunity costs.....	12
Figure 2- Comparison of expenditure per person per year by type of basic needs.....	32
Figure 3- Average tobacco expenditure per year by smoker group.....	42
Figure 4 - Tobacco expenditure in a smoker relative to other basic needs (in 1000 dong/ person/year) .....	43
Figure 5- Absolute number (in thousand dong) of household expenditure/person/year for basic needs relative to tobacco expenditure/person/year .....	48

## **SUMMARY**

This report describes the survey on Tobacco expenditure in relative to other household expenditure for basic needs. The research was conducted in part by a grant from the Research for International Tobacco Control (RITC) and was implemented in Vietnam by PATH Canada in collaboration with the Hanoi Research and Training Center for Community Development (RTCCD).

PATH Canada and RTCCD are the institutions that have high commitment in Tobacco Control in Vietnam. Therefore, the tobacco expenditure research was designed in connection with the Young Lives study (YL), an international 15-year-follow-up study on childhood poverty conducted in Vietnam that RTCCD take a role of principal investigator. By this way, we aimed to improve quality of data collected, to increase survey efficiency through maximizing utilization of available information needed for the research from the YL baseline survey 2002, and to set up a baseline database on tobacco field research for further studies on tobacco control in the coming years in Vietnam which we expect to repeat in the same reference population of the tobacco survey 2003.

This research consists of five independent surveys conducted in five provinces of Lao Cai, Hung Yen, Da Nang, Phu Yen, and Ben Tre, with an average of 240 households in each province divided into 120 households with smokers and 120 households without smokers. All the five surveys used the same method of household interview using the pre-coded questionnaire designed by the PATH Canada-RTCCD technical team. Survey team consists of 12 data collectors from RTCCD who are the members of the YL research team, and those people were also conducted data entry and cleaning after returning from fieldwork.

This report presents results from all five surveys in 5 provinces, and was written by Tran Tuan, Tran Thi Thu Ha and Nguyen Cuong to send to PATH Canada to prepare a project report to RITC and for our internal use only.

## **1. Findings**

### *1.1. Increase of utilization of tobacco*

A total of 1158 households selected randomly from the two strata of households with and without smokers by the YL survey results 2002 in the three provinces. Compared with YL survey 2002, there was 18.7% households without smokers in the YL survey 2002 become households with smokers in the survey tobacco 2003, while there was only 4.2% of households without smokers in the survey 2002 become with smokers in the survey 2003.

### *1.2. Two household groups had equal expenses for healthcare and clothes, but significant difference in food and education*

No significant differences found between the households with and without smokers on expenditure for clothes. However, households without smokers spent significantly higher for food (2,482,000 vs. 2,684,000 with  $p < 0.005$ ) and education (144,000 vs. 214,000 with  $p < 0.05$ ) than households with smokers did (see Table 7).

### *1.3. Similar wealth index, but lower household income reported in households with smokers*

The two household groups had a similar patterns of wealth index distribution. But total income per person per year was around 3 million dong for households without smokers, statistically higher than that for households with smokers (2.5 million dong;  $p < 0.05$ ) (Table 12)

### *1.4. Tobacco expenditure exceed education expenditure from 1.3 to 3.4 times*

For the whole study sample, household expenditure for tobacco per person per year ranged from 57 thousand dong (Lao Cai) to 689 thousand dong (Da Nang). Only in Lao Cai tobacco expenditure is lower than that for education. In other provinces, the tobacco cost is from 1.3 to 3.4 times higher than household expenditure per person per year for education (see Table 20- 21 & Figure 5). Tobacco expenditure (per person per year) in Da Nang exceeded the expenditures for all other basic needs, except for food (Figure 5).

*1.5 A cigarette smoker spent for cigarettes at 3.6 times more than others spent for education*

In average, a cigarette smokers spent 709 thousand dong in a year for purchasing cigarettes. It was around 4 times more than the amount of expenditure that a person spent in a year for education (173 thousand dong), 2.4 times more for clothes (292 thousand dong), 1.9 times more for health care, and was equal to 28% of the total expenditure for food in a year (Figure 4).

*1.6. Almost all of smokers were male aged over 18 year old*

Among 804 smokers investigated in this study, 41 are women (5%). Only one under 18 year old was.

*1.7. Smokers started smoking at around 20 years old and 43% of them ever quit smoking*

Age of starting use of tobacco was 20, with one-year difference by province. Most of smokers consumed 5-20 cigarettes per day, less than 5% of them consumed more than 20 per day. The percentage of ever quitting smoking ranged from as low as 36% (Ben Tre) to as high as 54% (Hung Yen).

## **2. Recommendations**

*2.1. Multivariate analysis is needed*

Results reported in this report will be confirmed after controlling for confounding factors. Therefore, multivariate analysis needs to be performed in the second phase of analysis.

*2.2. Qualitative study is needed on those ever quit smoking*

About 200 persons who failed to quit smoking are a good sample for a small research project to explore reasons of fail that will provide useful information for the Tobacco Control Program in Vietnam.

### *2.3. Introducing more tobacco study on the same population base*

The YL study has been collecting various information on different dimension of poverty but tobacco. Therefore, if we introduce tobacco study into the YL research, it will gain a very high cost-efficiency and allow to monitor trends of tobacco smoking as well as causal factors of these trends. RTCCD are happy to collaborate with PATH Canda for a long-term project on Tobacco research in Vietnam.

### *2.4. Publishing the study findings in international and local media*

PATH Canada and RTCCD should discuss on a plan of disseminating research results to wider international and local audiences. RTCCD is strong in data analysis using multivariate techniques and have some remarkable experience in writing papers published in local and international peer journals. In addition, we have YL data base that is a rich source of information for controlling confounders when conduct analysis on tobacco expenditure and opportunity costs in Vietnam.