Cigarete Consumption and Poverty
Case Study: Poor Smoker Households in Bangka Belitung Islands

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Abstract

Amongst the compositions of poverty line in Bangka Belitung Islands, cigarette consumption expenditure had the second largest percentage for the poverty line, while rice as staple food only occupied the fourth position. Cigarettes do not contain calories, so it is possible for someone who has an expenditure above the poverty line to remain poor because a lot of expenditure are spent to consume cigarettes. The purpose of this study was to analyze the impact of cigarette consumption on poverty status, with a simulation of converting cigarette expenditure into spending on other foods containing calories. In particular, it was to study whether there is a change in poverty status after conversion of cigarette expenditure and analyzing the influence of social, economic, and demographic characteristics on changes in poverty status. This study focused on poor households that consumed cigarettes. This study used 7,080 household data from all regencies and cities in Bangka Belitung province, which was collected from the field study by students of Polytechnic of Statistics STIS in 2017. The simulation results showed that there is a significant change in poverty status when converting cigarette expenditure. Furthermore, the results of binary logistic regression analysis showed that households with a higher level of education, status of head of household as employee or having a business, non-agricultural employment, and an increase in per capita income have a greater tendency to change the poverty status of the households. Thus, cigarette expenditure can change poverty status if it can be used for better needs.

Keywords: Basic needs approach, Binary Logistic regression analysis, poverty line, poverty status