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## **UCT research explores tobacco and alcohol consumption impact on household spending in South Africa**

New research by the University of Cape Town's (UCT) PhD candidate Zunda Chisha has shown that tobacco and alcohol use in South Africa have profound economic and health consequences at both the household and child health levels. Chisha will graduate on Thursday, 3 April, with a PhD in Economics.

His thesis, titled "Economic and Health Implications of Tobacco and Alcohol use in South Africa: A household expenditure analysis," was supervised by Professor Corné van Walbeek, a professor in economics at UCT and the director of the [Research Unit in the Economics of Excisable Products \(REEP\)](#), and Grieve Chelwa, an associate professor in political economy at the Africa Institute in the United Arab Emirates.

"Tobacco spending diverts resources from essential needs, particularly education, housing, transport and household goods – posing especially severe challenges for lower-income households. Notably, alcohol expenditure tends to rise in tandem with tobacco spending, underscoring the interconnectedness of these substances," said Chisha, a programme director at the [WHO FCTC Knowledge Hub on Tobacco Taxation](#) based at UCT's [School of Economics](#).

The research revealed that parental spending on tobacco and alcohol negatively affects child health outcomes, such as height-for-age and weight-for-age. However, the exact pathways require further investigation.

Chisha analysed household budget shifts from 1995 to 2010-2011 using data from four household Income and Expenditure Surveys. He also investigated the impact of past tobacco and alcohol expenditures on current child health outcomes, using National Income Dynamics Study data from 2008 to 2017.

To understand how cigarette spending affected other household expenses, he compared spending patterns between households that buy tobacco and those that don't. Advanced statistical techniques were then used to confirm which areas – like education, transport and housing – were most affected when households spent money on cigarettes.

The study also examined how these spending patterns changed over time, especially as tobacco taxes went up. It also explored how parental spending on tobacco and alcohol affected children's health, using a large panel dataset that followed families over time.

Chisha said the results deepened the current understanding of the impact of tobacco and alcohol expenditures on household welfare and child development in a dynamic context. The thesis introduced methodological advances, including improved handling of data quality issues, a novel difference-in-differences approach, and mediation analysis to uncover transmission mechanisms. It also highlighted that tobacco tax increases, while reducing smoking prevalence, can cause unintended consequences for households that continue to smoke.

The observed crowding-in of alcohol spending, he said, underscored the need for integrated tobacco and alcohol policy responses. Households that consume tobacco products are more likely to consume alcohol products, and vice versa.

“The findings underscore the importance of well-designed tobacco tax policies that are complemented by strong cessation support and alcohol control measures. Policymakers should also consider the broader developmental impact of tobacco and alcohol use, especially on education and child health, and adopt multi-sectoral policies that address these risks holistically,” he said.

He noted that future research should focus on the intergenerational effects of parental tobacco and alcohol consumption on children’s long-term outcomes, such as educational attainment and income. “It should also explore gender-specific consumption patterns and decision-making processes within households, and examine the interplay between mental health, stress, social networks and substance use behaviour,” he said.

Professor Van Walbeek said: “A lot is known about the harmful impact of tobacco on people’s health. What Zunda Chisha’s thesis shows is that tobacco and alcohol use have detrimental economic consequences, not only on the users themselves, but also on the people in the household. While this is a fairly intuitive outcome, his thesis quantifies these effects and gives us an insight into the various pathways in which this has happened among smoking households in South Africa over the past two or three decades.”



Zunda Chisha

Photo: Supplied

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