



A STUDY OF THE ALCOHOL INDUSTRY IN CAMBODIA

Promoting Regulation and Safe Alcohol Use as a Strategy to Reduce Women's Vulnerability to Violence

BACKGROUND

In the last decade alcohol consumption in Cambodia has dramatically increased. As per capita incomes have risen, so too has alcohol consumption, particularly in Phnom Penh and other urban centres (World Health Organization, 2014). Between 2003 and 2005 Cambodians over 15 years of age drank an average of 4.6 litres of alcohol per person per capita and this rose to 5.5 litres between 2008 and 2010. Consumption rates have remained relatively flat since 2010 (Barron, 2014). Even though levels of alcohol consumption in Cambodia are below the global average of 6.2 litres per person per capita, distinctive gendered patterns of alcohol consumption are evident. Men's alcohol consumption significantly exceeds global averages. Furthermore, the types of alcohol being consumed have changed. Since 2000 spirits had enjoyed the highest rates of consumption per capita, but by 2010 rates of beer consumption surpassed spirits and the consumption of homemade spirits continues to decline. Imported spirits however, continue to be consumed by those in the highest wealth quintile. Wine makes up a small proportion of overall alcohol consumption.

Alcohol consumption has many detrimental effects on Cambodian society, particularly for women. One in five ever-partnered Cambodian women have experienced physical and/or sexual violence by an intimate partner in their lifetime (WHO 2015) and alcohol abuse significantly increases women's vulnerability to violence (TAF 2015). Cambodia has a particularly weak policy framework to regulate the alcohol industry when compared to other international settings. Although a national law on alcohol sponsored by the Ministry of Health attempts to regulate the alcohol industry, the law is yet to be finalised. There is no minimum drinking age and no limitations – such as minimum age and time restrictions – on the sale of alcohol. There are limited laws on alcohol advertising, no laws on alcohol sponsorship or sales promotions and no legal requirements for health warnings to be included on alcohol products and advertisements. Although there is a blood alcohol limit for driving it is poorly enforced. In Cambodia, alcohol is second only to speeding as a major risk factor for road crashes and casualties and features in 14 per cent of road traffic fatalities (WHO, 2012). Moreover, Cambodia has some of the lowest taxes on alcohol products and the lowest advertising costs in the ASEAN region.

OBJECTIVE

In early 2016, The Asia Foundation commissioned this research on the alcohol industry in Cambodia. The research aimed to increase understanding of the taxation, regulation, distribution and consumption of alcohol to enable the development of strategies and interventions to reduce the risk of alcohol related intimate partner violence.

METHODOLOGY

This research consisted of key informant interviews and a survey with stakeholders at different stages of the alcohol supply chain. A variety of secondary Cambodian Government data has been drawn upon to provide insight into alcohol production and government revenue from alcohol product taxes and import duties. Although importers, large producers (see Figure 1) and individuals engaged in the advertising industry were invited to participate in this research they declined.

KEY FINDINGS

This research identified five key findings:

1 - Alcohol consumption patterns are highly gendered: Men's alcohol consumption in Cambodia is equivalent to almost *six times the amount of alcohol consumed by their female counterparts* (Barron, 2014). Cambodian men consume an average of 9.7 litres per person (Barron, 2014). In this study, men reported that they mostly drink for social purposes (43 per cent), medicinal reasons (20 per cent), for energy (18 per cent) and for a range of other reasons (19 per cent). Alcohol consumption is an important component of men's social and professional life. Connections with friends and acquaintances old and new are built and enhanced through the consumption of alcohol (Lee, 2012). In addition, at formal events, government officials and other elites drink alcohol to toast when agreements are signed (Pang, 2015). In contrast, women reported that they mostly drink for medicinal purposes (52 per cent), for energy (22 per cent), socializing (20 per cent) and for a range of other reasons (16 per cent). Although women are not the consumers of alcohol, they often carry the financial and health related impacts of men's alcohol consumption and as the targets of alcohol-related intimate partner violence.

Promoting Regulation and Safe Alcohol Use as a Strategy to Reduce Women's Vulnerability to Violence

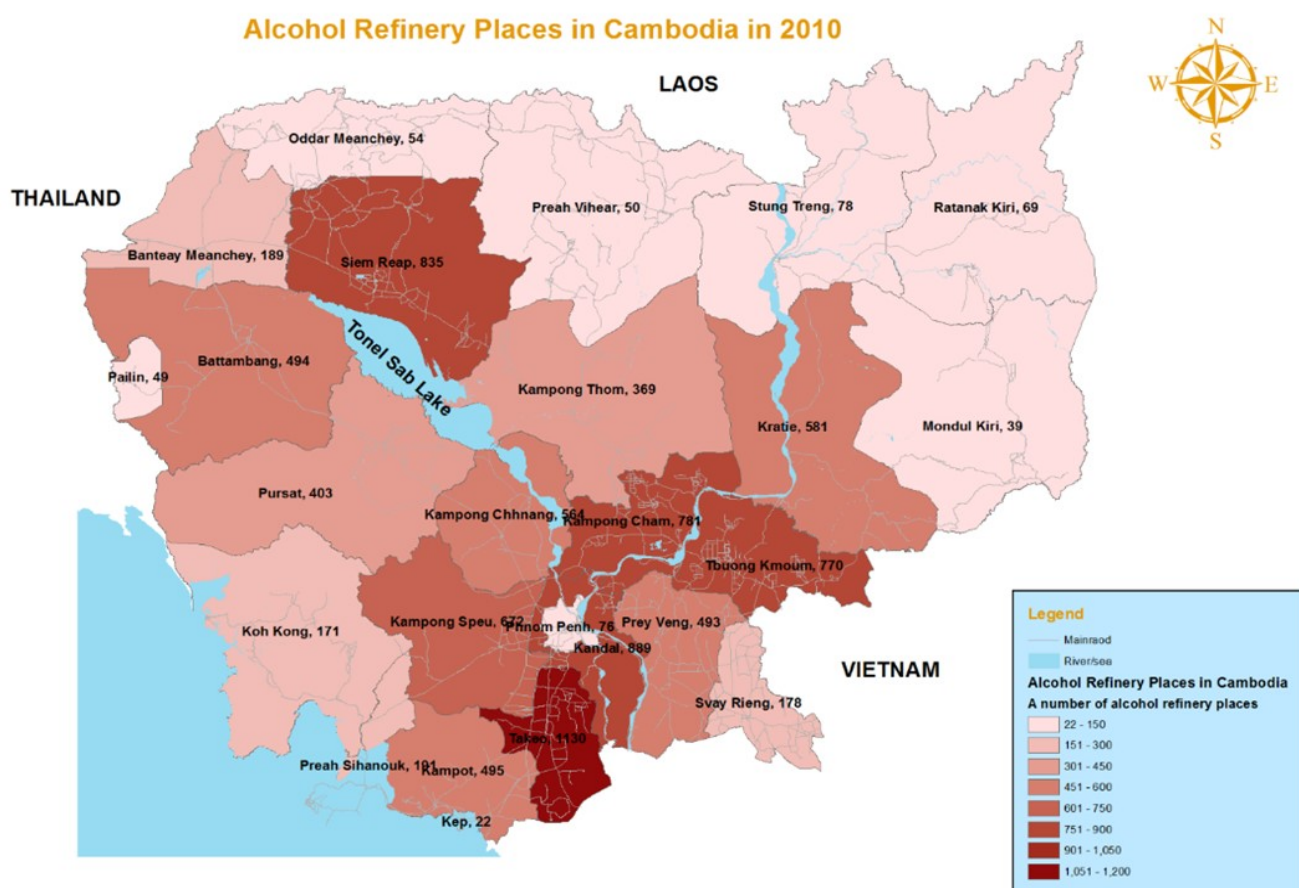


Figure 1: Alcohol Refineries in Cambodia. (Source: Generated using data from the Commune Database 2010)

2 - Large local producers and large importers are the main players in the alcohol industry: Three companies account for 80 per cent of alcohol produced and consumed in Cambodia. The alcohol industry is driven by the interests of large producers and importers who are embedded within the political and economic architecture of the Cambodian government. The largest producers of beer and importers of alcohol products have strong affiliations with the dominant political party - the Cambodian People's Party - through shareholding and influential relationships at the Ministerial level and with senior government officials. In practice this means large producers are involved in various businesses with government officials, including Ministers and family members of high ranking officials. Through these relationship large producers can influence new laws and regulations. Alongside these politically and economically connected enterprises are many small informal producers who run owner operated household businesses that support their livelihoods.

3 - Alcohol advertising is a major source of profit for the advertising industry: National television is the biggest income source in the advertising industry. Beverages including alcohol advertising accounts for half of all advertising and it is estimated that advertising revenues on national television will exceed US \$100 million per year in the coming years. Although in October 2014 a Government directive banning alcohol advertisements during peak night time television viewing was introduced, it was not legally binding and has had minimal impact because it lacks penalties and enforcement measures for non-compliance. Furthermore, there are no restrictions or regulations on alcohol merchandising, promotion and sponsorship. The replacement of alcohol advertisements with alternative advertisements is likely to be difficult to achieve given current Cambodian television viewer preferences, broadcaster's program selection and influence of the alcohol industry.

Promoting Regulation and Safe Alcohol Use as a Strategy to Reduce Women's Vulnerability to Violence

4 - Government revenues from the alcohol industry are substantial: This study attempted to calculate government revenues from the import of alcohol but limited data were publicly available. Conservative estimates based on available data put government revenue at between US \$30 – 40 million dollars from import and related taxes annually. This revenue has increased each year and is likely to continue.

5 – Regulation of alcohol consumption through price and availability: A comprehensive global assessment of the effectiveness and cost-effectiveness of policies to reduce alcohol-related harm found that policies that regulate the environment in which alcohol is marketed (particularly its price and availability) are effective in reducing alcohol-related harms, as are brief interventions targeting people who drink at risky levels and legislation to reduce drink driving (Doran et al, 2010). This study found that the three most cost-effective strategies for alcohol-related harm reduction were making alcohol more expensive and less available and banning alcohol advertising (ibid). Furthermore, the study suggests that the optimal package of interventions in order of cost effectiveness are taxation on the volume of alcohol produced, advertising bans, an increase in minimum legal drinking age to 21 years, a drink driving mass media campaign and then random breath testing (Cobiac et al, 2009). At present Cambodia does not have any regulations to control price and availability or advertising. Any efforts to control the price of alcohol in Cambodia are likely to encounter resistance from the alcohol industry as they seek to protect their commercial interests and push for 'self-regulation' of the alcohol industry (Anderson, 2009).

CONCLUSIONS AND RECOMMENDATIONS

This research found that in Cambodia men are the big consumers of alcohol and women largely carry the costs of their alcohol consumption. Alcohol abuse is a risk factor that increases women's vulnerability to violence. There is little regulation of the alcohol industry, particularly the advertising of alcohol products and very few, if any measures are in place to protect consumers. Although an alcohol draft law is currently under consideration, it is yet to be finalised. The regulations that do exist are non-binding and their enforcement is largely ineffective. The Cambodia government and alcohol industry need to align with international practice. The Cambodian Government can consider a tiered volumetric system of taxation (Commonwealth of Australia, 2009).

Such a system would include a stepped increase in taxation rates to provide economic incentives for the production and consumption of lower strength alcohol products, and disincentives for the production and consumption of the highest risk alcohol products. In this way, taxation would reflect the negative social costs attributable to certain alcohol products (Doran et al, 2010). Joint public-private partnerships between government and peak industry representatives would also be appropriate. Health messages that include consumer warnings could be integrated into current television advertising as a means to provide consumers with the information and knowledge to enable them to make more informed decisions regarding alcohol consumption. Each of these interventions requires that Government and industry partners take an engaged, proactive role to ensure a responsible alcohol industry where consumers are legally protected from the negative impacts of an unregulated advertising industry. Acceptance of the new Alcohol Law is a critical step to make these guidelines legally binding and enforceable.

REFERENCES

- Anderson P. (2009) Global alcohol policy and the alcohol industry. *Current Opinion in Psychiatry*, Vol 22: 253-257.
- Anderson P, Chisholm D, Fuhr DC. (2009a) Effectiveness and cost-effectiveness of policies and programmes to reduce the harm caused by alcohol. *Lancet*, 373: 2234-2246.
- Barron, L. (2014, May 16). Cambodians Drinking More. Accessed <http://www.phnompenhpost.com/national/cambodians-drinking-more>.
- Cobiac L, Vos T, Doran CM, Wallace A. (2009) Cost-effectiveness of interventions to prevent alcohol-related disease and injury in Australia. *Addiction*, 104: 1646-1655.
- Commonwealth of Australia (2009) *National Preventative Health Taskforce. Australia: The healthiest country by 2020 — National Preventative Health Strategy — the roadmap for action*. Canberra: Commonwealth of Australia.
- Doran, CM., Hall, WD., Shakeshaft, AP., Vos, T., and Cobiac, LJ. (2010) Alcohol policy reform in Australia: what can we learn from the evidence? *Medical Journal of Australia*, Vol 192(8):468-470.
- Pang, C. (2015, July 27). *For Many, Alcohol Has Become a 'Communication' Tool*. Retrieved from <http://www.voacambodia.com/a/for-many-alcohol-has-become-a-communication-tool/2880192.html>
- The Asia Foundation (2015). *Intimate Partner Violence and Alcohol Abuse in Cambodia; Targeting Brief 1*.
- WHO (2012). *Cambodia launches campaign against drunk driving*. Accessed <http://www.wpro.who.int>
- WHO (2014) *The Global Status Report on Alcohol and Health*. Switzerland: World Health Organization. Retrieved from http://www.who.int/substance_abuse/publications/global_alcohol_report/en/
- WHO (2015) *Addressing violence against women in Cambodia: The health system response*. Accessed <http://apps.who.int>.