

Professor criticizes international beer companies for not being proactive enough in Cambodia (2008-9) to protect their women beer sellers from hazardous, harmful, and potentially mortal workplace health and safety risks: Citing recent research, he urges company executives, brand consumers and shareholders to implement immediate changes.

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In a series of lectures in 2009, Professor Ian Lubek has reported to audiences in the UK, Spain, Switzerland, New Zealand and Australia, the latest research findings from a study begun in 2000 on the health and safety of women selling international beer brands in Cambodia. These data, collected by international researchers and by local interviewers from SiRCHESI, Cambodian NGO #704 (www.angkorwatngo.com), are cumulatively reported in academic publications and conferences, made available on relevant websites, and disseminated directly to concerned union groups, the press, beer company executives and shareholders. A background paper, paralleling this report but with greater detail and statistics, is entitled: **“AB-INBEV, Carlsberg, Heineken and other inter-national brewers are yet again, in 2008-9, behaving badly to women beer sellers in Cambodia”**. (Download now from sites such as: www.fairtradebeer.com#April09backgroundinformationforpressrelease)

Despite reassurances from brewers, the SiRCHESI data confirms that **in 2008, the major beer brands in Cambodia have again not succeeded in improving the dangerous, unhealthy and potentially mortal workplace conditions for women beer sellers**. They however continue to compete nightly to sell their flagship and partner brands, and for some brands such as Heineken, Tiger and Carlsberg (and their partners), this has produced increasing profits for shareholders in 2007 and 2008. **Increasing profits for some, but worsening health and safety for all beer sellers**. (In fact, our data cover over 30 major brands that “behave badly” to their Cambodian beer sellers; listed at www.fairtradebeer.com).

From the patterns of data, a series of 8 urgent questions arise for the beer companies, their consumers, executives and shareholders to answer. And we offer 10 constructive, proactive, evidence-backed suggestions for problem-solution and improvement in Cambodia.

1) Why are beer sellers at risk for HIV/AIDS and sexually transmitted infections(STIs)?

Data suggest that it is the compounding of the HIV/AIDS pandemic, poor wages, heavy nightly drinking on the job, and propositions from customers to help beer sellers pay their increasing family costs, which make the job of beer-selling risky. At www.beergirls.org there is a memorial list to over 50 beer sellers who have recently died and are remembered by their colleagues, a core of about 250 beer sellers in Siem Reap who continue their nightly sales in beer gardens, restaurants, bars, kariokes, etc. Since 1995, the Cambodian government, its NCHADS

HIV/AIDS research unit, the WHO, UNAIDS have tracked the beer sellers as one of the high risk groups for HIV/AIDS. Similarly, the international and local Cambodian press has regularly reported on the precarity of beer sellers from 1998 onwards. NCHADS (2003) reported prevalence varying around 21.7% for beer sellers and other entertainment workers (1995-2003). **Yet, steadfastly, since 2002, the major brewers have all refused to match their remuneration to the women's monthly expenses, i.e., have refused to pay a "living wage". This, according to our research, would immediately remove the need for any part-time sex work, and this would reduce the risk for HIV/AIDS and other STIs.**

With their full-time jobs paying only half of their monthly needs, some are forced to accept propositions from customers to sell sex in exchange for money or gifts, when economic necessity dictated. 38%, in 2005, reported being coerced to have sex right in the workplace, itself. In the midst of an HIV/AIDS pandemic, a number of factors continue to put these women at increased risk: having sex with multiple partners; working in entertainment establishments with contact with tourists (over 2 million in 2008); coercion by customers to sit and over-drink; alcohol overuse impairing judgement and leading to risky sexual practices, e.g., forgetting condoms; excessive drinking of WHO-defined "hazardous" and "harmful" amounts nightly; chronic alcoholism; impaired driving and accidents, etc. For some beer-sellers and entertainment workers, we have measured more than 9 standard units (drinks) being drunk nightly, up to 27 days monthly. Both the HI Virus and alcohol during pregnancy (Fetal Alcohol Syndrome) pose threats to newborns, as well. Although some beer companies (Heineken, SAB-Miller) have well formulated HIV/AIDS policies to supply life-saving anti-retroviral therapy (ARVT or HAART) for their seropositive workers, no beer sellers in Cambodia to this day receive the life-saving from their companies, and few are eligible for government programs.

2) What has been done about workplace health and safety in Cambodia, and why should any of this take 7 years to organize?

In late 2006, Cambodian industry leaders Heineken and Carlsberg and their partner brands – e.g., Angkor, Guinness, Tiger, ABC, Anchor– and breweries, controlling 70-80% of the market, formed BSIC (Beer Selling industry Cambodia), a professional association to deal with such industry issues as "pirate beer brands" and to regulate the health and safety of their beer sellers with a Code of Conduct. But **since the introduction of the CODE in October, 2006, the data show no major significant changes in health and safety indicators during 2007, nor during 2008.** While some cosmetic improvement in company supplied uniforms did occur rapidly, **workplace hazards have not been significantly reduced in the past 3 years.**

Despite the goals of the Code of Conduct, we found that i) health education is not sufficient, timely nor efficient to prevent harm and reduce risks; ii) women still drink nightly, iii) women still drink excessively; iv) women are still sitting and drinking with customers; v) copies of employment contracts are not provided, vi) almost half are not provided safe transport home late at night; vii) job satisfaction and self esteem have decreased, viii) salaries remain (since 2002) still at half the beer sellers' cost of living; ix) the "fixed salary" system adversely deprives BSIC sellers of about 90% of potential income (compared to non-BSIC commissions for sales).; x) Heineken's 2008 Annual Report states that "Our employees are our most important asset and we dedicate significant amounts of time and resources to their growth, development and well-being". Yet no beer sellers have been offered HAART in Cambodia, despite this being since 2002 part of Heineken's own international policy. It is ironic that an estimated 2/3 of the beer-sellers who died in Siem Reap since 2002 worked for Heineken and BSIC partner brands, yet had no company-supplied access to free HAART. Beer-sellers, at risk in their workplace, continue to be chronically ill, from alcohol and HIV/AIDS as well as other endemic factors, and die in Siem Reap. Eight 8 deaths were reported in 2007-8 (www.beergirls.org), possibly preventable.

3) Why are Health Intervention Programs Ineffectively Implemented?

NGOs such as SiRCHESI have been providing health education free to beer sellers since 2001, and in 2003, Heineken (with partner Tiger) was the first to announce an ambitious health education program (Selling Beer Safely) and research studies, all designed by CARE international. But by 2008, these efforts, according to our data, seem to have become diluted, with many beer sellers receiving only a short 1-2 hour workshop in the workplace, sometimes up to 6 months or more after they start work. This delay in learning about how HIV/AIDS is transmitted and the effects of alcohol on job performance and judgment, may nullify any preventative health benefits. Less than 10% received this on or before the first day of work. Excessive alcohol intake and unprotected sex on the second night at work may, for some, prove a fatal combination.

4) Can a professional association (BSIC) ensure that its Code of Conduct is being implemented in the workplace and that contracts are provided to workers transparently ?

The BSIC Code of conduct requires companies to sign contracts with their salaried employees, under the Cambodian Labor Code. But no copies are provided after the signing. Without seeing these contracts, neither the workers themselves, nor outside agencies, nor a brewer's Human Resources Department can evaluate how well the contract respects employment policies, clearly gives conditions of remuneration and bonuses, and adheres to all the clauses in the Cambodian Labour Code (e.g., paid public holidays and annual leave

maternity leave, severance pay), to the international companies' own policies on health coverage, and to OECD regulations for foreign companies doing business in developing countries such as Cambodia. A short, optimistic 3-page assessment of BSIC achievements in 2008 is posted on their website. Our data, however, seem to contradict much of the industry's audited views about their progress in 2007 and 2008.

5) Why are there still no 'living' wages for beer sellers? BSIC workers are paid less well than non-BSIC sellers!

Since 2004, overall average remuneration has been \$70.55 (N=256), but BSIC salaries averaged 66.97, almost \$10.00 significantly lower than the non-BSIC sellers, who received \$76.25. Of course, **none of these salary amounts has ever been sufficient to cover the actual monthly needs of the women of \$141.25 (N=303) for the period 2007-9.** These women on average are supporting 3.5 dependents, A fair or "living wage" can be determined by an HR department assessment which compares the monthly expenses and needs to the monthly salary for full-time work. "Doubling" the beer sellers' salaries would help remove all economic pressure to sell sex, in order to make up the perpetual income gap. Pollock (2008) found that when 25 Cambodian beer sellers were removed from beer restaurants, given "living wages" and trained for jobs in the Hotel industry, nightly drinking and selling sex stopped immediately, and self-esteem rose.

6) Why do HIV-AIDS prevalence rates still demand urgent action and who can pay for HAART?

Although the Heineken African free-HAART program is described as a model of corporate innovation, to be emulated, by 2009, no beer sellers had been offered HAART by any beer companies in Cambodia, nor was this a part of BSIC's program. And how could this be financed, alongside a "living wage"? **Doubling salaries would alter the economics of beer selling, changing the cost to Heineken and Tiger and Carlsberg from 2.5% of the sales price to about 6.25% of sales, with consequently less profit for shareholders. INBEV and other non-BSIC brands paying \$8.00 per case in 2009 were actually paying close to 10 times more, per sale, i.e., 25% of the sale price to the beer seller.** If the Heineken/Tiger beer sellers would have worked at the same commission rate as the non-BSIC beer-sellers, they would have earned \$8.16 (2008) per case or \$716.45 monthly, almost 10 times what the BSIC companies offer to their effective sales staff. A beer-seller earning \$70 per month cannot afford to pay for HAART each month. But if she earns over **\$2600 in sales for her company** each month, the company surely can. But perhaps by keeping salaries and medical costs low in Cambodia, a better return can be promised to shareholders? But is this the ethical and sustainable result wished?

7) Drinking on the job, banned by BSIC in October 2006, is still very much a part of the problem

The nightly drinking of beer sellers, paid for by the customers, increases beer sales by about 7.4% overall (N=502 -we include abstainers as drinking 0.0 litres).. Beer sellers are frequently forced to drink with their customers, for fear of losing sales. This happens even if they have a fixed salary which would be received no matter how much they sold. Only a few find it possible to abstain from drinking. Overall (2004-2009) 8.5% of the BSIC sellers (N=269) compared to 3.5% of non-BSIC sellers (N=258) reported abstaining from drinking in the workplace, i.e., having drunk no beer or alcohol (0 litres) on the previous 2 nights when they worked. All other beer sellers— over 90%— reported that they currently drink on the job, and this holds for 2008.

8. BSIC vs non-BSIC BRANDS— ANY DIFFERENCES for THE BEER SELLERS?

Has the institution of BSIC helped the beer-sellers?. On almost all measures, no improvements were found for the BSIC brands from the pre-BSIC period (2004-2006) to the post BSIC period (2007-2009). On some measures, **the non-BSIC brands** (including AB-INBEV, SAB-Miller and others) actually did better, e.g. regarding monthly income. There was little change up to 2009 in the amount of hazardous nightly drinking (5-8 standard drinks, 27 nights monthly) in which 93% of the sellers (2007-9) still engaged. For example, SiRCHESI found that the mean alcohol drunk per shift is actually higher for BSIC sellers in 2008 (1.48 litres nightly or 6 standard drinks, N=103) than before the BSIC CODE prohibited drinking on the job. **All of these levels, regardless of the statistically significant differences, are above the WHO guidelines for both harmful and hazardous drinking for women, with dangers of organ damage, cognitive impairment, mental illness, social problems, impairment, etc..**

SiRCHESI also took BAC (blood alcohol concentration) level readings in 2006 (before the Code of Conduct) and again in April and August 2008, after the Code had been introduced, banning workplace drinking. There were no significant differences among BSIC or non-BSIC sellers (N= 86) and the levels were identical, over time, hovering at the near-universal level for impairment of .05 mg/ml (BAC). SiRCHESI's other questionnaire data are much less optimistic than the CAS internal audit for BSIC in 2008, and SiRCHESI suggests that all companies be wary that their employees may well be unhappy, feeling particularly unsafe, insecure, and vulnerable to threats and intimidation, have low self-esteem, empowerment and social reputation when selling these international brands of beer.

PROACTIVE SUGGESTIONS TO IMPROVE THE SITUATION OF BEER SELLERS:

Specifically directed at the upcoming Heineken AGM (April, 2009); similar suggestions could also be formulated for BSIC partners and non-BSIC brands.

- 1) Heineken and its BSIC partners and the non-BSIC brands should all **pay a “living wage” that better reflects its industry-leading sales and reflects the actual cost of living for its sales force (about \$140.00 monthly)**. BSIC sellers get about 2.7% of their sales as salary; non-BSIC get about 25% of sales as commission (but sell less). A part of the profitability from Cambodian sales is based on the beer sellers nightly consumption of about 6% of sales, which adds harm and risk to their working situation. **As SiRCHESI has done for 8 years, ask your workers how much they need to support their families and tailor remuneration packages to fit.**
- 2) Heineken and partner brands should immediately provide, as in Africa, **free HAART for their HIV+ beer sellers**. Most beer-sellers are currently excluded from the Government ARVT programs due to lack of transportation, while Heineken’s HIV/AIDS policy has promised coverage to all its workers. Other companies should emulate.
- 3) Heineken and partner brands and all other brands should also provide more effective workplace health and safety education about HIV/AIDS, reproductive health and alcohol risks **before employment begins. All beer sellers need timely information about the the risks and harm possible for themselves, damage to the fetus during pregnancy, or contraction of HIV/AIDS or a sexually transmitted infection.** . Only 9.8% received a timely, preventative message. While 54.5% had training more than 18 months after joining or not at all (122 or 54.5%).
- 4) Heineken and all companies should provide to the beer sellers **copies of their work contracts specifying working conditions, and benefits** such as severance pay and maternity leave, and exact earnings– all, transparently.
- 5) Heineken and all companies should **end all workplace drinking with revocation of brand sales where outlets continue to permit sellers sitting and drinking with clients;**
- 6) Heineken and all companies should be aware that **each time one of its beer sellers now follows the BSIC Code and refuses to drink with the customers**, in many restaurants, a restaurant-employed hostess is picked by the customer to continue drinking all night. The

alcohol-abuse buck is being passed to another woman, unaware of the potential workplace health and safety risks. In 2008, we interviewed 63 hostesses, earning about \$2.00 per night. **They were drinking even more than the beer sellers, over 2.04 litres nightly, over 8 standard drinks. These substitutes for Heineken's employees should also be offered alcohol and health education.**

7) Heineken and all brands should insist that **outlet security and safety supervision occur to reduce violence, harassment and unsafe working conditions in restaurants** serving Heineken and other brand products. This should not be left to the independent restaurant owners and managers, as they are not the real employer of the beer seller. Transportation home late at night, part of the BSIC CODE, was provided to only 52% of workers (N=254) overall. All women need safe transport.

8) Some brands should receive **compliments for the progress towards one of the BSIC goals, to create more conservative uniforms.** This cosmetic improvement has been successfully implemented by Heineken and other BSIC brands.

9) Heineken and all brands should provide **training for alternate career pathways for women who find the beer-selling environment unsafe, but who feel trapped because of illiteracy and lack of skills for other work.** SiRCHESI over a three year period was able to arrange for 25 women to leave beer-selling, and with daily literacy and English language training, they found safer, healthier and better-paying jobs in the hotel industry. The women ceased taking sexual risks, had stabilized family incomes on "living wages", stopped drinking, and improved on various self-esteem and motivation indicators (Pollock, 2008) The beer industry, rather than capitalizing on the women's lack of education and keeping them at the bottom of the economic ladder, could again be a vanguard, by providing educational opportunities that actually permit graduation from the world of beer selling.

10) Heineken should improve its new **Khmer a website on Cambodian responsible drinking. But recommended drinking for women must be proportional to their smaller size compared to American women**, i.e., less than 2/3 glass (one half small can) nightly, and no more than 5 days weekly, after eating, and no drinking during pregnancy. This site, or the www.BSIC.com.kh site could also have a model beer-seller's contract, a summary of the Labour Code, a copy of Heineken's HIV/AIDS policy in Khmer, a copy of the BSIC Code of Conduct (in Khmer), etc. Other brands should create sites with health and safety information, in Khmer.

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For information about NGO SiRCHESI, please visit www.angkorwatngo.com (See [Newsletter,2008.](#)) For specific information about the health and safety risks faced by Cambodian "beer selling women" and our health outreach and Hotel Apprenticeship programs, please visit www.beergirls.org , www.ethicalbeer.com , www.fairtradebeer.com and see also www.bsicambodia.com, www.bsicambodia.org .