

PRESS RELEASE for IMMEDIATE DISTRIBUTION

Canadian and Cambodian researchers find beer industry response ineffective: "Toxic" workplace conditions still exist in 2009-10 for women selling all major brands of beer and spirits in Cambodia

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Summary

Two researchers from the University of Guelph, in Canada, Michelle Green and Ian Lubek (currently visiting University of New South Wales, Australia) along with Cambodian colleagues from the NGO SiRCHESI (www.angkorwatngo.com) have reported the results of an ongoing study concerning the workplace health, safety and financial security of over 900 Cambodian women who nightly sell international brands of beer and spirits. The complete study is available at www.fairtradebeer.com/reportfiles/greenandlubek2010.pdf, alongside previous annual reports. The researchers concluded that selling beer in 2009-- no matter which international or local brand-- put women at risk in "toxic" workplaces for HIV/AIDS, alcohol over-use, violence, harassment, and sexual coercion. Company health and safety training were generally "too little, too late", the industry Code of Conduct of some companies had little impact on worker health and safety, but did seemingly increase sales. Women constantly were pressured to drink on the job, only 1% abstained, and the quantities they drank, from 4-8 standard drinks (glasses) or 1.5 litres of beer nightly, put them physically and psychologically at great risk with harmful and hazardous drinking and the possibility of Fetal Alcohol Syndrome for their children. Contracts were unevenly distributed, were not always in conformity with Cambodia's Labor Code, omitted mention of promised bonuses, and threatened firing if divulged (as company secrets). Workplaces featured harassment, violence and sexual coercion, with little recourse to shift supervisors for help. Company transport home at night was not uniform; many women were followed home by customers. A living wage is required. A convergence of monthly salaries within the industry of \$81 in 2009 meant that all women could meet only half of their family's economic needs, and that half felt compelled to infrequently sell sex to make up the difference. This created a further risk for HIV/AIDS, yet the industry's universal response was not to supply HAART anti-retrovirals to keep women beer-sellers alive. More detailed discussion follows, with recommendations to the industry.

The scope of the research questions: Over 900 beer-sellers and restaurant hostesses were interviewed (2004-2010) in Siem Reap, Cambodia, a tourist magnet for up to 2 million annual visitors to the Angkor Wat temples. Out of a rotating annual workforce of 250 beer-sellers, more than 80 are listed as having died during this same period, memorialized at www.beergirls.org. That so many women should die so young -- average age 25 years-- is startling, and weighs heavily on the beer-sellers themselves, who asked that their friends' names and stories not be forgotten. The research examined the beer industry's practices in impoverished Cambodia. Here almost 40 global beer brands¹, mostly headquartered in wealthier OECD and ASEAN countries, compete for market share and shareholder profits, using uniformed women beer-sellers to promote one brand, in competition with other women from other brands (some, unknowingly, owned by the same conglomerate). The researchers questioned:

- i) why this job should be so potentially dangerous and/or deadly for women;
- ii) what has been, and should be, the response of international brewers to independent and/or industry evidence of workplace risks and harm, available since 2002, and
- iii) what is, and should be, the responsibility of these global brewers towards the health, safety and economic livelihood of their women employees?

Toxic workplaces? With western beer sales in decline, global brewers have targeted the Asian and Cambodian beer markets for expansion. In the Cambodian outlets, the women find themselves working, not in a convivial entertainment venue as in other countries, but a sinister, dangerous and sometimes "toxic" workplace, in terms of workers' health and safety. They face: i) forced drinking with customers and nightly alcohol overuse (1.5 litres of beer nightly, 27 days monthly); ii) on-the-job nightly impairment with Blood Alcohol Concentrations averaging almost 0.05g/100ml; iii) the non-provision to beer-sellers of a "living wage" to feed their families, with 50% underpayments, in turn forcing half the women to exchange sex for money 2 to 2.5 times monthly; iv) reduced condom usage after heavy drinking

¹ Heineken and partners Asia Pacific Breweries and Attwood Distributors use beer saleswomen to market 9 brands of beer, 3 spirits; Carlsberg, 7 brands. Together they control over 80% of sales. In addition, AB/INBEV, marketed at least 12 brands in Cambodia, with 6 brands using beer sellers in 2009; SAB-Miller, 2 brands; San Miguel 6; Boon Rawd/Singha 3; Bavaria (NL) 2, and 3-Horses (NL), Asahi, Oettinger, Pax (Belgian), Taiwan and other single brand entries (see www.fairtradebeer.com).

with customers increases the consequent risk of infection from HIV/AIDS (prevalence rates 21.7%, 1995-2003); v) nightly exposure to physical and verbal abuse and sexual harassment, vi) the non-universal access to life saving anti-retrovirals (ARVT or HAART) for HIV+ beer-sellers and industry's refusal to provide free treatment to its women workers, while providing HAART to male brewery workers (since 2003 in Cambodia, and 2002, throughout Africa).

Industry response: Green and Lubek, examining these dangerous and potentially mortal workplace conditions, reported a continuous jeopardization of women's health, and their data for 2009 showed that **the industry response as a whole has been minimal, untimely, cosmetic, and largely ineffective in promoting a safer, healthier life for these workers, and in providing a proper living wage to sustain them, and life-saving HAART as required.**

Although ethical shareholders' groups have taken interest in the Cambodian situation since 2006, the annual reports for 2009 of major corporations say little or nothing about Cambodia and the sales profits realized from that country. AB/INBEV, with multiple flagship and international brands sold in Cambodia, has no mention of Cambodian sales in its 2009 Annual Report, or 2008 Corporate Citizenship Report. Heineken, makes no mention of the sales of its own flagship brand through Attwood, its distributor, but mentions the performance of the brands and local brewery of Asia Pacific Breweries (of which it has 42% ownership). In an accompanying Sustainability Report for 2009, Cambodia is mentioned briefly, with an incomplete, and less negative, portrayal of the situation of the Cambodian beer-sellers, compared to the current 2009 report. Carlsberg's Annual Report (2009) only mentions in passing its 100% ownership of the Cambrew Brewery, which produces the largest selling Cambodian brand "Angkor". Carlsberg suggests it is in 2nd position in Cambodian sales, and has 41% market share (p. 15), although elsewhere on its website, it claims a 26% market share for the "Angkor" brand, also marketing 6 other local and imported bands. Carlsberg's website page on "Labour and Human Rights" reviews progress with the "Sales Promoters" in Cambodia.

Will BSIC help the industry?

In 2006, market-leaders Heineken and Carlsberg and their associates formed a professional industry organization "Beer Selling Industry Cambodia" (BSIC),

complete with a Code of Conduct for beer-sellers.² One major accomplishment thus far has been the 4-fold increase in nightly beer-sales over their non-BSIC rivals, whose sales remained flat since 2004. BSIC's Code of Conduct for beer-sellers, introduced in 2006, set 7 goals to improve the lot of their estimated 1800 beer-sellers (of 4000 overall). Green and Lubek noted that one goal, a cosmetic change to more respectful uniforms, had been met. However, almost 4 years later. Green & Lubek evaluated the non-adherence to 6 of the 7 Code of Conduct standards, and also re-challenged the industry about the need for free HAART for HIV+ workers and for living wages to support families, expressed concern about Fetal Alcohol Syndrome among the children of beer-sellers who unknowingly drank during pregnancies, and requested proactive assistance for the hostesses substituting for beer-sellers in drinking with customers.

How well have all beer brands done in 2009? For 2009, Green and Lubek portray a job situation that would never be recommended to the reader's friends or family, although selling the same brands outside of Cambodia may be seen as a glamorous, safe, rewarding profession. The authors found that 63% of women interviewed said they were in constant fear that they will contract HIV/AIDS, 15% of the women in the BSIC family are still being touched sexually against their will, and 9% of BSIC sellers reported that they had been coerced to have sex against their will in the workplace. Across the board, in 2009, about 28% of beer-sellers have been intimidated or threatened at work, primarily by customers, 92% of BSIC sellers felt "looked down upon" by others because they served alcohol; 83% of BSIC women felt their jobs did not give them good self esteem and self image; over 94% of all women said that the job did not give them a good social reputation in the

2 . BSIC members are Heineken, Carlsberg (part-owner of the major local brand, Angkor Beer) , Asia Pacific Breweries (APB, owned 42% by Heineken, and producing Tiger, ABC and Anchor brands locally) and Guinness (brewed under licence from Diageo by Asia Pacific Breweries), as well as the two major Cambodian breweries, Cambrew Ltd. [with a majority owned by Carlsberg] and Cambodia Breweries Ltd. [CBL, owned 80% by Asia Pacific Breweries], with Attwood Import/Export (exclusive distributors of Heineken, Johnny Walker, Crown Royal and Hennessy) joining later. With Heineken(APB/CBL) related brands estimated to control 50% of the Cambodian market and a possible declining 26-41% market share to Angkor (Carlsberg/Cambrew), more than 80% of the market may be accounted for by BSIC brands, with 20% or less to be divided amongst non-BSIC brands. BSIC would be the professional association speaking for the industry, to deal with government on issues involving sales and import taxes and unfair competition from "contraband" beers. BSIC also announced in October, 2006, a Code of Conduct for beer sellers, setting industry standards of health, education, and safety for their "beer promoters" (Beer Selling Industry Cambodia [BSIC], 2006).

town in which they lived, and over 96% said that their jobs did not empower them or make them feel independent and strong.

Contracts to safeguard employment rights and bonuses?

In 2009, fewer than half of BSIC brand sellers reported signing a contract and having a copy to help define their terms of employment, entitlements and rights. Contracts demonstrated inconsistencies with the Cambodian Labour Code, and contained a threat of firing if "secrets" of the company, including the contracts, are revealed to outsiders.

The insidiousness of fixed salaries in a competitive market!

BSIC insists on a system of fixed salaries, with bonuses, but there is much confusion here in terms of actually receiving the promised monthly performance bonuses: in a small 2010 sample, 38% said they "always" received their bonuses, but 42% said they had never received any promised monthly bonus, and those bonuses are not defined in their contracts. By 2009, all salaries have now actually aggregated around an industry average of \$81 monthly, whether the salaried high-selling BSIC sales-workers (\$82), or the less performing non-BSIC commissioned workers (\$76) while hostesses earned \$84. In a highly competitive market with over 38 competing brands using different salary and incentive schemes for their beer-sellers, it is puzzling to see such industry-wide uniformity in monthly wages, especially when it is not a "living wage". If, like their non-BSIC counterparts earning about \$7.00 per case, BSIC workers were paid according to their soaring nightly sales, they would earn close to \$17 daily, or more than \$400 monthly (and for Heineken family sellers, closer to \$600), rather than the BSIC average of \$82 monthly. But instead, there has existed for almost a decade, an industry-wide pattern-- perhaps consensus??-- of **chronic wage underpayment**.

The need for a living wage.

Beer-sellers, no matter what brand or whether or not they belong to BSIC, have never received a "living wage" in Cambodia. A "living wage" would cover full-time work, and be sufficient for subsistence of a worker and dependents. However, the industry salaries, wages and commissions have **never** kept up with the amount needed to support their families of 3.5 dependents each; in 2009, 201 women reported needing \$209 (with BSIC workers \$177, non-BSIC, \$216, and hostesses \$239). When compared to the industry's average pay of \$81 in 2009 (up

from \$56 in 2004) , the women earn less than half-- **39%**. (Heineken employees received 44%; Carlsberg, 56%; AB/INBEV, 31%; and other brands, 38%). **Over the past 8 years, being underpaid by at least fifty per cent has been the industry average**, and SiRCHESI, since 2002, has been advocating for an immediate **doubling of wages**. Meeting monthly needs (or actual expenses and loan repayments) **with a living wage**, would put an immediate end to the need for earning additional income from risky after-work encounters.

Risky sex work should disappear with a living wage. In 2009, due to financial necessity, sex was sold by 57% of beer-sellers, on average, 2.5 times per month, to make up the difference between monthly expenses and beer-company remuneration. The fact that women are underpaid is known not only to the beer company executives, but also by many Cambodian men and tourist guides bringing clients to the restaurant, beer garden or nightclub. When one large company left the Cambodian market several years ago, an executive formulated their dilemma: "We can't have prostitutes selling the national icon". As long as beer companies refuse to pay living wages, they knowingly put their women workers at risk: women who drink alcohol and then have sex with customers, whether to meet the economic pressures or because of customer coercion, are at increased risk of unsafe sex, HIV/AIDS, and STIs. Beer sellers were among the highest HIV/AIDS risk groups in Cambodia during the past decade. And when coercion, violence and harassment occur in the restaurants, fewer than 28% of BSIC workers (up to the end of 2008) felt they could talk about these workplace health and safety risks with their shift supervisor. In 2009, across all beer brands, only 61% of women overall received safe transportation home (ranging from 72% for BSIC and 68% of Heineken sellers to 5% of restaurant hostesses). Half of women in 2009 reported having been followed home by a customer or someone from the restaurant after their shift.

Health and Safety training: Too little, too late. In terms of health and safety training, much of it can be described as "too little, too late". The data from 2009 show that, similar to 2008, only 14% of BSIC workers received any training in a timely, potentially effective manner. Given the high rates of coerced or negotiated sex with customers and nightly drinking on the job, only those learning about the risks of alcohol on themselves and on pregnancies, HIV/AIDS, and STIs **before** they begin nightly beer-selling, have a chance of avoiding harm. How effective is a

health workshop on the addictive qualities of alcohol for someone who has been daily drinking 6 beers, on average for a year or more? For **37% of BSIC beer-sellers, training came very late-- after 12 months, or not at all.** Training was less effective for non-BSIC beer sellers, with 8% receiving timely instruction and 57% receiving very late or no training. Any company that denies such training to probationary beer-sellers during their first 3-6 months, or does not provide training to its workforce in a timely manner, may knowingly be contributing to a potentially toxic and harmful workplace. Training protocols must be revised so that every employee receives **intensive, thorough and effective training in a timely manner,** with proper prevention strategies for alcohol abstinence and avoidance of workplace coercion for sex, violence and harassment. SiRCHESI and other NGOs continue to expend their own funds and staff resources on training beer sellers, both working for BSIC and non-BSIC brands, as well as the Hostesses

Chronic alcohol abuse in the workplace: Despite the BSIC code and "zero-tolerance" workplace alcohol policies of many international brewers, Cambodian beer-sellers continue to drink heavily in 2009, **on average 1.5 L** of beer nightly (6 standard drinks, glasses or "standard units" of alcohol). Many industry websites now present the US standard of no more than 1 glass of beer (standard drink) per day, and no more than 5 days per week. But it is neither scientifically nor medically advisable to simply translate "Western" alcohol absorption norms into the Khmer language and put up on a Cambodian website the same advice, when Cambodian women are 30% smaller in body size and absorb proportionately less alcohol. From 2004 to 2009 there was been no statistical difference over the years--drinking remained constant. For example, Heineken brand beer sellers consumed 0.95 litres (2004-6), 1.3 litres (2007-8) and 1.14 in (2009), 4-5 standard drinks nightly, 27 nights per month. The industry as a whole (including hostesses) drank 1.26 litres in 2004-6, 1.56 litres (2007-8) and 1.48 in 2009). There is little comfort is saying that BSIC sellers drank significantly less than non-BSIC sellers in 2009 (1.11 litres or 4.6 standard drinks vs 1.56 litres, or 6.24 standard drinks). Or to make brand comparisons: in 2009, AB-INBEV's sellers drank the most (2 litres nightly) while Carlsberg's drank least (1.03) with hostesses (1.7) followed by the group of "other brands" (1.35 litres) and Heineken (1.14) . All brands range from 4 to 8 standard drinks, so that their beer-sellers **are drinking harmful and hazardous**

amounts of alcohol nightly, well beyond WHO standards and industry levels for "responsible" drinking.

Routinely pressured to drink by customers, only 1% of beer-sellers in 2009 managed to abstain from drinking (consuming no alcohol on 2 consecutive nights). Women who unknowingly drank during pregnancy need industry-provided screening of their children for consequent Fetal Alcohol Syndrome. In 2009, the hostesses drank an average of 1.7 L per shift or 6.8 standard drinks and less than 1% abstained from drinking. These women need also to receive the same alcohol and health education as other employees working in the alcohol-selling outlet. **The industry has a moral obligation to educate and protect these hostesses** from any harmful effects of their products. Although the BSIC Code of Conduct implemented a no- drinking policy in 2006, almost all BSIC and non-BSIC women continued to drink in 2009, large, harmful and hazardous quantities-- **not 1.5 glasses of beer, but 1.5 litres of beer**, every night, 27 nights monthly.

Beer sellers add value to their companies, but are not well-rewarded for this.

Beer sellers in Cambodia sell a lot of alcohol for their companies, and much of the profits go back to shareholders and headquarters in OECD and ASEAN countries. Based on average nightly sales in 2009, Heineken family beer sellers sold over \$30,000 worth of beer (at retail outlet prices); Carlsberg sellers about \$14,700, with \$6,500 for AB/INBEV, and \$5,100 on average sold for "other" brands. But no matter how much they each sell-- which includes the 12.1% of their sales that they themselves drink-- nor how much value they add to the company, nor how much they are "promised" in bonuses, their wages are all seemingly "fixed" at an industry average. **All beer brands pay their sales-women the same-- about \$1000 annually-- which is only half of what they need to make ends meet.** Although they are the biggest sellers nightly, Heineken beer sellers are paid the smallest share of sales generated in the Cambodian industry: **a miserly 3.3% in 2009**

HIV/AIDS Policy: Not extended to Cambodian women beer-sellers

Neither Heineken, with its international HIV/AIDS free HAART policy since 2002, nor any BSIC partners has yet to offer HAART to any of the beer promotion women in Cambodia (although 2 companies offered to pay the travel costs for a women going elsewhere to receive daily treatments, or HIV/AIDS testing). The

brewers have known for over a decade that beer-sellers were one of the highest risk groups for HIV/AIDS in Cambodia, because of the systematic necessity every month to make up their insufficient salaries by having paid sex with at least 2 customers, usually those with whom they had been drinking heavily. With 20% of the workforce infected by 2003, brewers stood by and watched as women "stopped showing up for work". The memorial list of 80 beersellers at www.beergirls.org is one tangible reminder of this ongoing corporate disregard of the urgent, life-and-death health needs of employees.

. Conclusions about Cambodian Progress with a "To-Do" list for the Future

- 1) Fix the salaries, provide a "living wage"-- the risky sex work will go away.
- 2) Provide free HAART through the beer companies themselves, extended to hostesses.
- 3) Provide timely "first day" training for **all beer sellers and hostesses**.
- 4) When beer-sellers sell 6 times more product than the competitors, that should be reflected in their remuneration.
- 5) Contracts are "secret" to beer sellers; make them more transparent
- 6) Bring contracts better in line with the Cambodian Labour Code
- 7) Have "security partners" for the beersellers-- men in company shirts who escort beersellers in the outlets and assure their safety
- 8) Suggest on websites and publicity campaigns that smaller Cambodian women drink much less than 1 glass of beer daily; perhaps a half glass
- 9) Fetal Alcohol paediatric clinics should be set up for children of Beer sellers
- 10) Alcohol withdrawal programs/detox are needed for beer sellers who wish to stop drinking

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A background paper by Michelle Green and Ian Lubek (April 22, 2010), entitled: "Health, safety and security for Cambodian women beer sellers were substandard in 2009: Urgent actions are still required by all major brewers (AB/INBEV, Carlsberg, HEINEKEN/ Asia Pacific Breweries, SAB/Miller, Guinness, San Miguel, Bavaria, Asahi, etc.) " , giving further statistical evidence and greater details, is published online at www.fairtradebeer.com/reportfiles/greenandlubek2010.pdf, as well as earlier reports/press releases in April 2009 by Ian Lubek, also found at www.fairtradebeer.com.