

Socio-economic Impact of Alcoholic Beverage Consumption in Cambodia: Female and Minors



Case Study Report

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LIST OF ABBREVIATIONS AND ACRONYMS

ABC	Association of Banks in Cambodia
ASEAN	Association of Southeast Asian Nations
CCC	Cooperation Committee for Cambodia
CDC	Council for Development in Cambodia
CSFI	Cambodian Sustainable Finance Initiative
CSOs	Civil Society Organisation
CSR	Corporate Social Responsibility Responsibility
DALYs	Disability-Adjusted Life Years
DV	Domestic Violent
ESG	Environment, Social and Governance
FDI	Foreign Direct Investment
FFC	Fair Finance Cambodia
GDP	Gross Domestic Product
GDT	General Department of Taxation
IDP	Industry Development Policy
KII	Key Informant Interview
MFI	Micro Finance Institution
MoEF	Ministry of Economy and Finance
MoEYS	Ministry of Education, Youth and Sport
MoH	Ministry of Health
MoWA	Ministry of Women Affair
NBC	National Bank of Cambodia
NCDs	Non-Communicable Diseases
NGO	Non-Governmental Organisation
NRSC	National Road Safety Committee
NSDP	National Strategic Development Plan
OPIC	Overseas Private Investment Corporation
PDP-Centre	People Centre for Development and Peace
RBC	Responsible Business Conduct
RGC	Royal Government of Cambodia
SME	Small and Medium Enterprise
UNDP	United Nations Development Programme
WHO	World Health Organization
WTO	World Trade Organization

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EXECUTIVE SUMMARY

The study looked at the two imperative sides of the alcoholic beverage business. On the demand or consumer side, the study analysed impacts of alcoholic beverage consumption on economic and social aspects, emphasizing the under-age and women groups. On the supply side, focused on producers and sellers, the study aimed to have an in-depth understanding of the financial flows and business ethics within the alcoholic beverage business in Cambodia, focusing on production, marketing, and distribution. The study also assessed the roles of the third party who may influence the alcoholic beverage industry. Furthermore, the study aimed to assess existing policies and policy gaps concerning the integration and enforcement of the ESG principle of banks operating in Cambodia for investment decisions in the alcoholic beverage business sector. The study also explored the necessity and status of laws and regulations and their implementation relating to the alcohol industry.

In Cambodia, alcohol consumption dramatically and constantly increases. The average alcohol per capita (15+) consumption in Cambodia increased from 8.8 liters of pure alcohol in 2010 to 9.7 liters in 2015, 3.5 liters above the global average of annual alcohol consumption per capita, according to the World Health Organisation (WHO) and other reports (WHO, 2018). Cambodia has the highest level of alcohol consumption among 15- to 19-year-olds in the Association of South East Asia Nations (ASEAN) countries. The increased amount and attractive advertisement of alcoholic beverages are significant factors causing the increased drinking. The intervention to ban advertisements in Cambodia is less effective.

The alcohol beverage industry positively contribute to the national economy and Gross Domestic Product (GDP) and create jobs. Several respondents of this study indicated they feel happy once they drink alcohol and can be more socialized and increase friendships. In contrast, various negative impacts are identified. On the economic aspect, alcohol consumption disrupted personal or family income generation affected the quality of job performance, and disturbed personal or family business operations. Concerning social aspects, it reduced the quality of study performance, ruined relationships, increased traffic accidents, increased domestic violence, sexual abuse, and various violence. It also seriously increases health problems.

The alcoholic beverage industry has emerged and developed in Cambodia dramatically. It shared a large scale in the market value. The increased investment led to increased production capacity and then increased consumption. The massive and attractive advertisements of the beverage companies and the limited restriction and control from the government have brought different brands of alcohol products, reaching millions of consumers everywhere across the country.

Alcoholic consumption in Cambodia had a double increase in the last decade. It reached 11.9 liters in 2016 for men drinkers, while it was 3.5 liters above the global average annual alcohol consumption per capita in 2015 (Asia Foundation, 2016). According to the respondents of this study, the finding revealed that consumption has risen among females under 18 years old, while it remains high for older males.

Positive factors associated with the alcohol business and drink have been identified, including contributing to the Gross Domestic Product (GDP) and creating jobs, as well as personal socialization and joy. If valuing it, such contribution might be more or less than

the economy negatively impacted by consumption. In contrast, several negative impacts are justified. Of those over ten areas of the negative impacts of alcoholic drinking, especially excessive drinking, short- to longer-term health-related issues, traffic accidents, and violence, mainly domestic violence is high and gives an alarm to relevant actors, especially the government to pay attention and take durable and sustainable action to tackle such spreading consequences.

Based on the findings, the study makes critical recommendations to relevant beverage companies, banks, banking regulators, the government, and CSOs of concern to take action to guide the further growth and mitigate negative impacts to the Cambodian population, and the society at large.

The study reiterates the ten areas for action on alcohol that WHO suggested some years ago for relevant governments and key actors involved. These include “alcohol pricing, the availability of alcohol, the marketing of alcoholic beverages, illegally and informally produced alcohol, drink-driving, drinking environments, health care interventions, public awareness-raising, community and workplace action, and monitoring and evaluation.” Critical points suggested by various respondents and from various studies are summarized below:

To Alcoholic Beverage Manufacturing and Distribution Companies – two major points suggested to the alcoholic beverage manufacturing and distribution companies are related to (1) limiting harmful advertisement and (2) improving business conduct, which are interlinked. Companies should consider reducing the amount and attractive content of any harmful advertisements. Those harmful advertisements should be cut off, not to appear everywhere, in public places, on TV, in music, or movies, with very bright, clear, and attractive content. Using a celebrity to persuade customers to test or drink alcohol should be critically cut. The prize used to attract customers to buy and drink more, should be cut. Concerning health issues of consumers, the quality of the product should be upgraded, contributing to reducing the harm to drinkers.

To Banking Regulators and Banks – imposing, developing, and increasing the adaptation of the safeguarding policy by ensuring Environment, Social and Governance (ESG) integration and implementation by the banks and increasing the restriction over loan disbursement are critical points suggested. Building on the increased acknowledgment of the value of ESG by some banks, together with continual capacity building and coordination mechanisms facilitated by ABC, it is expected that ESG principles will be increasingly adopted. A roadmap should be inclusively developed and it should be used to guide the practical move of the ESG integration and implementation. Albeit the local banks may not have released loans to any beverage companies, it is vital for the banks to critically review their risk assessment framework and toolkits, setting clear conditions on loan disbursement relating to alcohol manufacturing and distribution. In this regard, it’s also suggested that the interest rate for such a business should be considered to increase.

To the Royal Government of Cambodia – several points were suggested to the RGC, of which enacting the law on alcohol regulation, reinforcement mechanism, and restriction on advertisement are the key. It is necessary to bring the law drafted in July 2015, by the Ministry of Health, to light. Such a law, which consists of some 39 articles and 11 chapters, includes items that make it illegal to sell alcohol to people under 21 years of age and to pregnant women, should also reflect on key points commented by the Council of Ministers, including raise taxes on alcoholic beverages, enforce restrictions on the availability of

retailed alcohol, enforce restrictions on alcohol advertising, and enforce drink-driving laws. Having observed that some laws in Cambodia have not fully complied with, it is suggested that beyond having the law, such a law should be reinforced by the functional mechanism. In the advertisement, the RGC should focus on enforcing the restrictions on the amount, location, content, tone of the message, prize, methods, and channels.

Adding to these, some suggesting points which the RGC should take into account include, (1) reinforce some existing laws, such as the law on violence against women and children, criminal code and traffic law, driving laws, policies, and countermeasures; (2) enforce restrictions on the availability of reetailed alcohol, ban alcohol sales at selected spaces; (3) development of pricing policies and implementation mechanism; (4) raise taxes on alcoholic beverages, control smuggling, and import; (5) enforce free-alcohol at the selected workplace and public places; and (6) implement mass awareness raising, especially to the youth, including the community-led program. This study reiterates the recommendation made by the MoEYS to review school curriculums and teacher training to include up-to-date information on the harmful effects of drugs and alcohol and to expand life skills training, with a focus on risk reduction skills, to empower young people to take responsibility, avoid drugs and delay the initiation of alcohol use and sex. School curriculums and teacher training could be further reviewed and strengthened to include up-to-date information on the harmful effects of alcohol and to expand life skills training, with a focus on risk reduction skills to empower young people to take responsibility, avoid drugs and delay the initiation of alcohol use and sex.

To Civil Society Organizations – CSOs are seen as an actor who should continually be involved in awareness raising, engaged in the law development by sharing inputs to the different stages of the law development led by the relevant government institutions, policy development, implementation measures, promoting free alcohol at the workplace, as well as conducting the community alcohol network. The Asia Foundation, with its partners, used to pilot this in some communities, of which such a model should be considered to replicate.

1. INTRODUCTION

Cambodia's total investment increased over the years, from US\$2.9 billion in 2012 to US\$9.4 billion in 2019, influenced by the two major sectors – industrial and infrastructure. The alcoholic beverage industry, in general terms and in particular, beer production, is one of the key contributors to the growth, from US\$1.03 billion in 2015 to the estimated US\$2.20 billion in 2025. Ten beer breweries have operated in Cambodia. Five of them have invested 200 million US Dollars and claim to create more than 100 jobs each.¹ As envisioned in its industrial development policy (IDP) 2015-2025, the Royal Government of Cambodia (RGC) wishes to transform and modernise Cambodia's industrial structure from a labor-intensive to a skill-based industry by 2025.

While the contribution of the alcoholic beverage industry to the growth has been notified, several impacts caused by the sector have been simultaneously noted. Globally, the harmful use of alcohol caused 3 million deaths, representing 5.3% of all deaths, and 132.6 million disability-adjusted life years (DALYs), accounting for 5.1% of all DALYs. According to the World Health Organisation (WHO) report, the mortality caused by alcohol consumption is high.

As cited in the Phnom Penh news, a study by the People Centre for Development and Peace (PDP-Centre) found that adolescents aged 14 regularly drink alcohol, 85 percent of 1,400 people studied in seven provinces said they liked to drink alcohol. Of that, 14 percent were only 14 years old.² More than 52 percent are between 18 and 25 years old. It concerns Cambodia because most of its population is very young. The harmful use of alcohol is one of the key factors contributing to the increasing year-on-year cases of road accidents and domestic violence. A death toll from traffic accidents showed that 1,981 people died in 2019 compared to 1,761 in 2018. A study on domestic violence (DV), conducted by the Ministry of Women Affairs (MoWA) in 2009, indicated that alcohol consumption involved between 82 and 96 percent of verbal abuse, 6 to 9 percent of throwing objects, 3 percent of beatings, and 2 percent of threatening their spouse with a knife at least once a week when they drink alcohol.

While alcoholic beverage production contributes substantially to the increase of manufacturing sector's GDP share, numerous negative impacts are caused by harmful consumption in general. Critical negative impacts are relating to people's wellbeing, their families, their communities, their societies, their culture, and their custom, and tradition.

Thus, there must be a collective effort from all related stakeholders toward the practice of responsible business conduct in the alcoholic beverage business to minimize its negative impacts and to maximize its positive contributions to the wellbeing of the Cambodian people, especially the under-age and the women groups. As elaborated above on the very influential role of banking institutions in promoting responsible conduct from the business actors, and in this case, the alcoholic beverage production and distribution firms, a case study on the impacts and the policy gaps (using Environmental Social, Governance – ESG) of banks towards alcoholic beverage business is required as an evidence document for advocacy campaigns.

¹ <https://www.phnompenhpost.com/business/hanuman-beverages-and-partners-commit-sustainable-future-together> and <https://www.khmertimeskh.com/738184/140-million-brewery-will-employ-1500/>

² <https://www.phnompenhpost.com/national/study-shows-rise-youth-alcohol-use> (Accessed February 22, 2022)

2. RESEARCH DESIGN AND METHODOLOGY

2.1. OBJECTIVES OF STUDY

The purpose of the case study is to inform banks and banking regulators/representative bodies/partners, including the National Bank of Cambodia (NBC), the Association of Banks in Cambodia (ABC), alcoholic beverage production and distribution firms, the Council for Development in Cambodia (CDC), Ministry of Economy and Finance, CSOs, academia/think tanks on the necessity for integration and implementation of ESG principle in Cambodian bank's policy, the regulation from the national bank of Cambodia and other related regulators, to minimize negative impacts and to maximize positive impacts for their investment decision in this alcoholic beverage business.

The objectives of the study are:

- To analyze economic and social impacts (negative and positive) of alcoholic beverage consumption among the under-age and women groups in Cambodia.
- To have an in-depth understanding of financial flow within the alcoholic beverage business in Cambodia.
- To assess Cambodian banks' policy and policy gap with the integration and enforcement of ESG principles for investment decisions in the alcoholic beverage business sector.
- To organize a bank policy dialogue with banking regulators/representative bodies/partners to advocate for banks to have their safeguard policy (with the integration of ESG principle) for their investment in the alcoholic beverage sector.
- To disseminate the findings to the public and to collaborate with CSOs, who have been working on the topic to achieve social and behavioral changes.

2.2. Data Collection Method and Analysis

Taking place between December 2021 through 18 February 2022, the study collected data from two sources. Statistics, study reports, empirical research reports, journals, policy papers, policies, and reports from various sources, including governments, CSOs, banks, companies, and research institutions, were gathered and used as secondary sources. The primary data was collected from the individual online survey, face-to-face, and virtual Key Informant Interview (KII).

The study got 392 respondents. Of these, 327 are general population (female and minors) residing in the capital city, Phnom Penh, and several provinces (refer to Figure 3 for more information), 2 senior staff from two banks (Canadia Bank and Cambodian Commercial Bank), 3 leaders of the Association of Bank in Cambodia (ABC) and 63 are stakeholders from Business Association, Development Partners, Government Institutions, Research Institutions, Scholars, Teachers, Lecturers, Provincial NGO Networks, NGOs, and CCC NGO members. There is no representative from the beverage company.

Table 1: Number of respondents by data collection methods

Types of Respondents	Data Collection Methods	N	%
General Population	Online/F2F Survey	327	83%
Bank Leaders	Online KII Form	2	1%
Association of Banks in Cambodia	FGD	3	1%
National Bank of Cambodia	KII	0	0%
Beverage Company	KII	0	0%
Stakeholders		60	15%
		392	100%

In consultation with CCC, the selection of respondents reflected their involvement in the sector. The study applied the Slovin formula, $n=N/1+Ne^2$ (whereas N = Total Population; e = Margin of Error (Confident Interval); and n = Sampled Size required), the number of online users engaged accounts for 95% “Level of Confidence” and 5% “Margin of Error” for the sampling selection. Out of 3,214,454 population aged 14-19³, the study selected 400 general population, primarily those residing in the capacity city, Phnom Penh, and other nearby provinces. However, only 327 general population joined the study. The study applied the snowball method for the general population and the stratified method for relevant stakeholders.

While the focus was on the underage (<18-year-old) and women group, the study got engagement from other groups of the general population. Of the total general population, female represents 69%, male represents 30%, and the remaining is from the other unidentified sex. Likewise, almost 70% of stakeholders are female respondents to the study. Under 18-year-old account for 39%, and between 18 and 25-year-old account for 31%, respectively. Others are 26 to 35 and 36 to >64-year-old.

Upon the research questions, guided by the ToR of the study, questionnaires were developed for different groups of respondents and deployed in the Google Form for the Online Survey. The same questionnaires, with some modifications, were used for the KII and FGD.

Both the secondary data and primary data were collected and used. The primary data collected through different methods, presented in Table 1 above, was codified according to the research questions. The study team conducted regular internal reflections to ensure data quality and reliability. A draft study report was sent to all the relevant stakeholders and presented in the Validation Workshop on April 8, 2022. The comments⁴ were incorporated into the final version of the study report.

2.3. SCOPE, LIMITATION, AND CHALLENGES

The study looked at the two imperative sides of the alcoholic beverage business. On the demand side – the consumer – the study analyzed the positive and negative impacts of alcoholic beverage consumption on Cambodia's economic and social aspects, emphasizing the under-age and women groups. On the supply side – producer and seller – it was to have an in-depth understanding of the financial flow and business conduct within the alcoholic

³ There is no specific age group under 18 and there is available data on the number of alcohol consumers.

⁴ Only one scholar shared a general comment on the usefulness of the study, and no substance of the findings. Other comments derived from the consultative workshop.

beverage business in Cambodia, focusing on production, marketing, and distribution. In between, the study also assessed the roles of the third party who may have their influence. It was to determine policy and policy gaps with the integration and enforcement of the ESG principle of banks operating in Cambodia for investment decisions in the alcoholic beverage business sector. And correlating with this, the study also explored the necessity and status of law, regulations, or mechanism development and implementation relating to alcoholic consumption.

The engagement of banks, bank regulators, alcoholic beverage manufacturing companies, and relevant government institutions is limited, while the engagement of the general population is close to the sample size (presented in section 2.2). Therefore, the study serves as a case study rather than generalizing for the sector and Cambodia. In addition, the perception from the general population and stakeholders is only a subjective view but would not represent the reality of the alcohol beverage companies.

While the survey form was posted on Facebook of the lead consultant and the study team members, the study team members reached out physically to the general population, primarily in the capital city and nearby provinces. Some people rejected not to join the survey due to various reasons.

In the first round of the data collection, from early January to mid-February 2022, CCC sent official invitations to all the identified stakeholders, and the study team sent more than four follow-up emails, online chats, or phone calls to each identified respondent. The study extended to another two weeks for the engagement in the first round. In July 2022, CCC sent an invitation to several banks and companies. However, the engagement was low. Some NGO staff left the organization, and a few contacts were out of date. One bank reacted to the email and rejected not to join the study due to their internal policy restriction. A few banks and companies staff said they would follow up with their bosses, but they never returned.

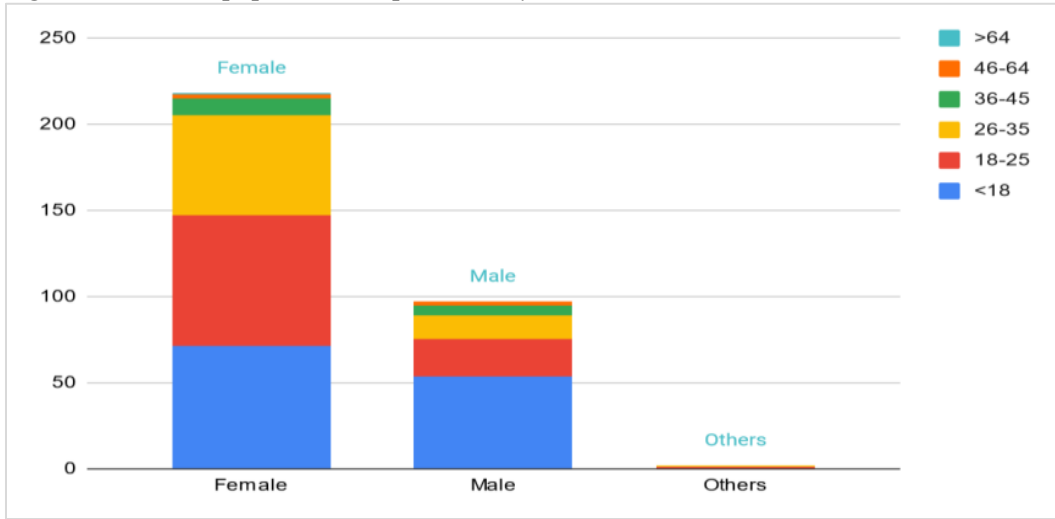
A draft version report was shared with respondents and all the identified stakeholders. Only one scholar shared his general feedback on the draft report. At the validation workshop, the invitation was sent to many selected respondents and stakeholders, giving adequate time for them to prepare and join. 40 people joined. Of those, 36 participants (90%) are from CSOs, 2 from government institutions, 1 from the National Bank of Cambodia (NBC), and 1 from a beverage company. There was no participation from the Association of Banks in Cambodia (ABC) and the banks.

2.4. SAMPLE AND SAMPLE SIZE: DEMOGRAPHY OF RESPONDENTS

Sex and Age

While the focus was on the underage (<18-year-old) and women group, the study got engagement from other groups of the general population. In sum, 327 respondents shared their inputs. Of these, female represents 69%, male represents 30%, and the remaining is for the other sex. Likewise, almost 70% of the 60 stakeholders are female respondents to the study. Under 18-year-old and between 18 and 25-year-old represent 39% and 31%, respectively. The respondents aged between 26 to 35 are the third biggest group. The remaining group is between the ages of 36 to >64-year-old.

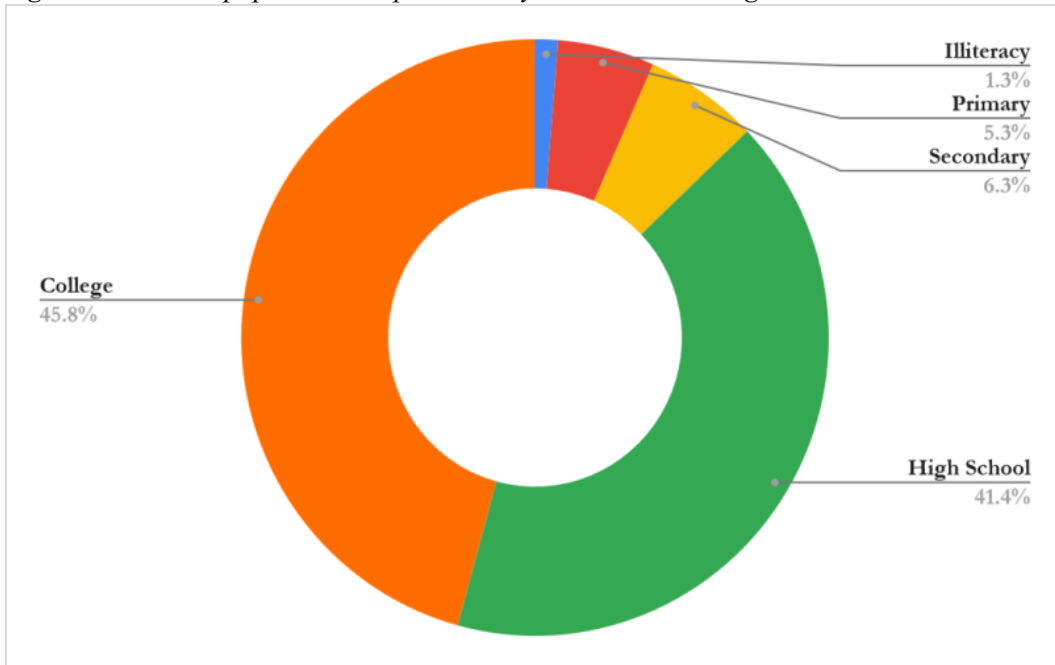
Figure 1: General population respondents by sex



Educational Background and Marital Status

Specifically, for the general population, almost half (49%) of the respondents have a college education level, followed by those (41%) who completed or were studying at high school. Other 12% of the respondents are at secondary school (6%), primary school (5), or illiterate (1%), respectively. Relating to marital status, most (83%) of the respondents are single. The proportion of married respondents is 16%, while those who divorced are minimal, 1%.

Figure 2: General population respondents by educational background

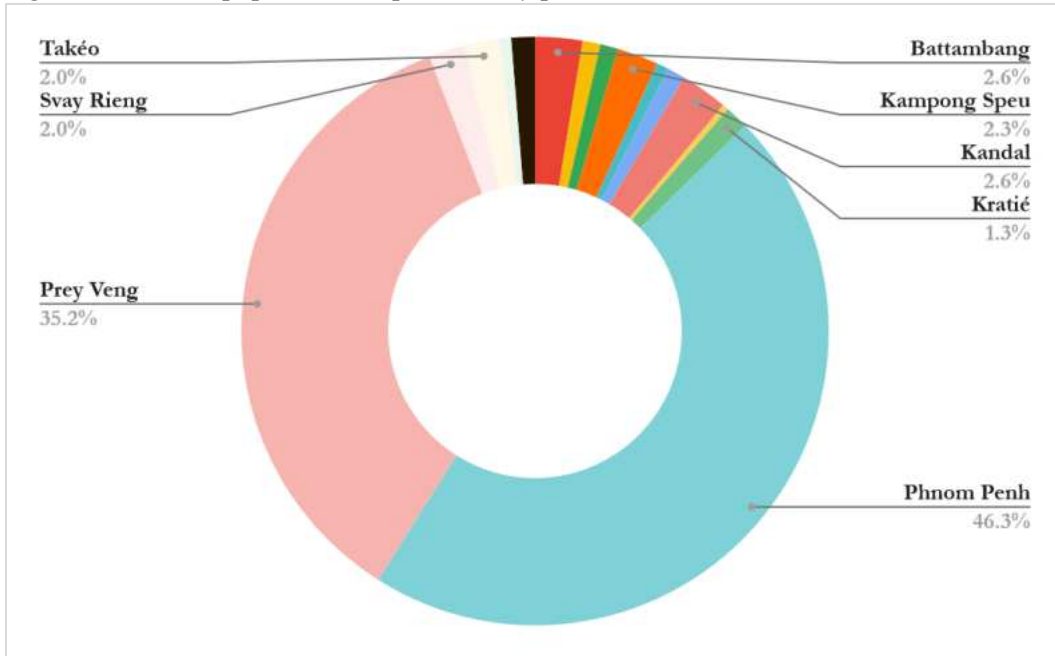


Geographic Location: Permanent Resident

The respondents are from 7 provinces and 1 capital city with their permanent resident address. Almost half (46%) of them are from Phnom Penh, the capital city, followed by

Prey Veng province at 35%, and the rest are from Takeo, Svay Rieng, Battambang, Kampong Speu, Kandal, and Kratie provinces.

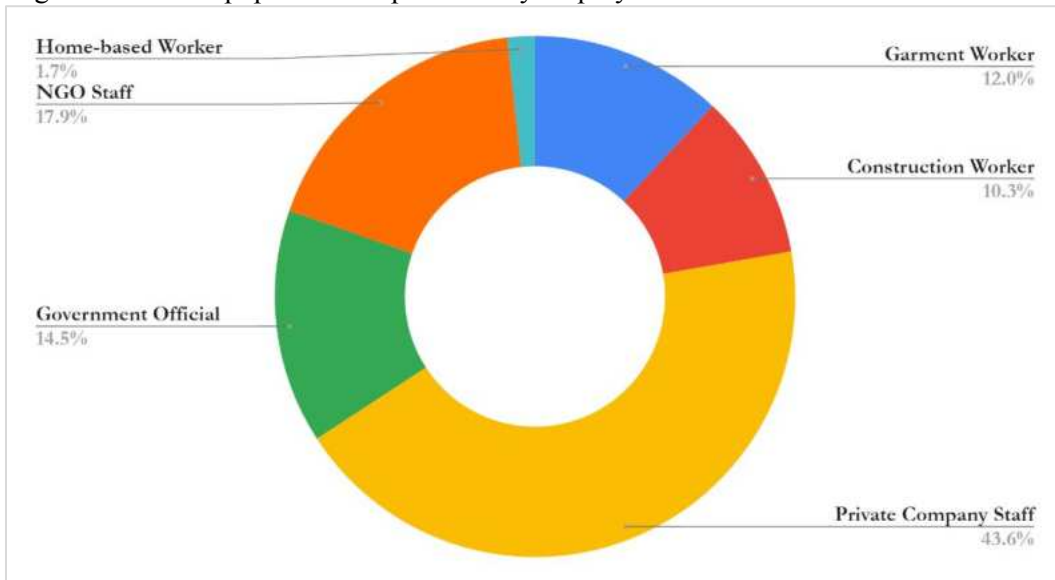
Figure 3: General population respondents by permanent residence



Employment and Position

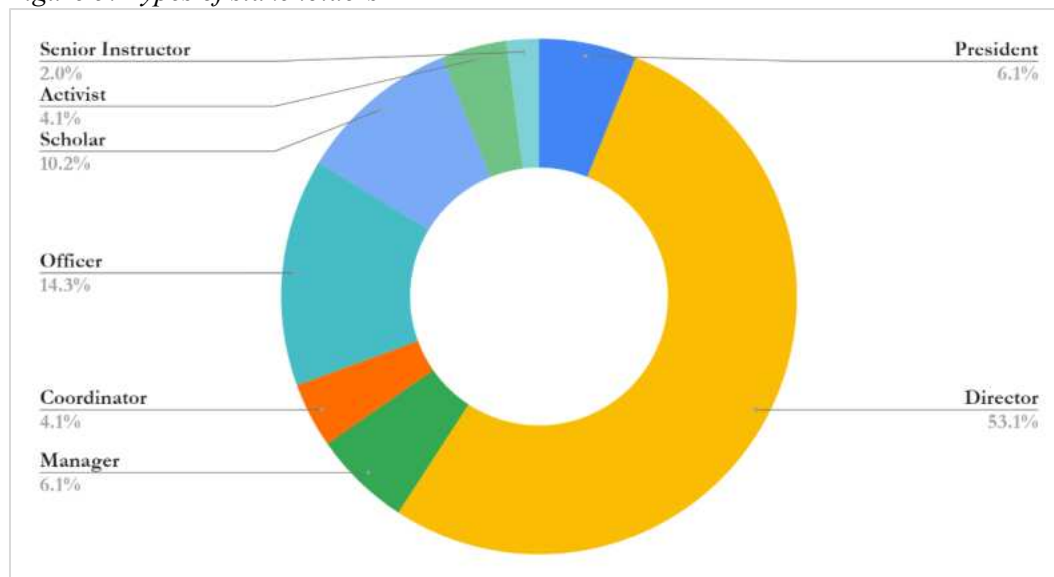
The general population represents a variety of employment and position. The student represents more than half (56%) of the total respondents, followed by 36% who are employed, 5% who are self-employed, and 2% who are not working or unemployed. Amongst the employed respondents, the private company staff represents almost half (43%), followed by NGO staff (18%), government officials (15%), garment workers (12%), and construction workers (10%).

Figure 4: General population respondents by employment



Amongst the 60 stakeholders, 72% are from NGOs (domestic and foreign) and provincial NGO networks, followed by freelancers/researchers at 19%. Other respondents are from the government institutions represent (4%), university (4%), school (4%), foreign government institution/embassy (2%), training institution (2%), and research institution (4%), respectively. The director position represents almost half (47%), followed by officer 13%, president and manager 6%, and coordinator 4%, respectively. Particularly, the scholar represents 9%, the school teacher represents 7%, the activist represents 4%, the senior instructor 2%, and the psychologist 2%.

Figure 5: Types of stakeholders



3. FINDINGS AND DISCUSSION

3.1. ALCOHOLIC BEVERAGE INDUSTRY IN CAMBODIA: FINANCIAL FLOW AND INVESTMENT TREND

3.1.1. Alcoholic Beverages Investment and Business Growth

The alcoholic beverage industry emerged in the 1990s. According to a report, some local and international beer companies started their business in the country (CARE, 2005).⁵ This would be linked to the influx of approximately 20,000 UN personnel flowing into Cambodia in 1992. Many local investors gradually increased their business to meet the demand (Asia Foundation, 2016). Subsequently, the alcoholic beverage industry, in general terms and in particular, beer production, is one of the key contributors to the growth, increasing from US\$1.03 billion in 2015 to the estimated US\$2.20 billion in 2025⁶.

As of June 2020, there are ten breweries and beverage plants in Cambodia, including Asian Sunrise Co Ltd, Cambodia Brewery Ltd, Cambrew Ltd, Daun Penh Food and Beverage Co

⁵ <https://studylib.net/doc/8020578/beer-promotion-in-cambodia---business-and-human-rights-reso...> (Accessed 20 February 2022)

⁶ www.marketresearch.com

Ltd, Khmer Beverage Co Ltd, Far East Import Export Co Ltd, Kingdom Breweries (Cambodia) Ltd, Medai GB Enterprise Co Ltd, and Phnom Penh Beer Co Ltd.⁷⁸

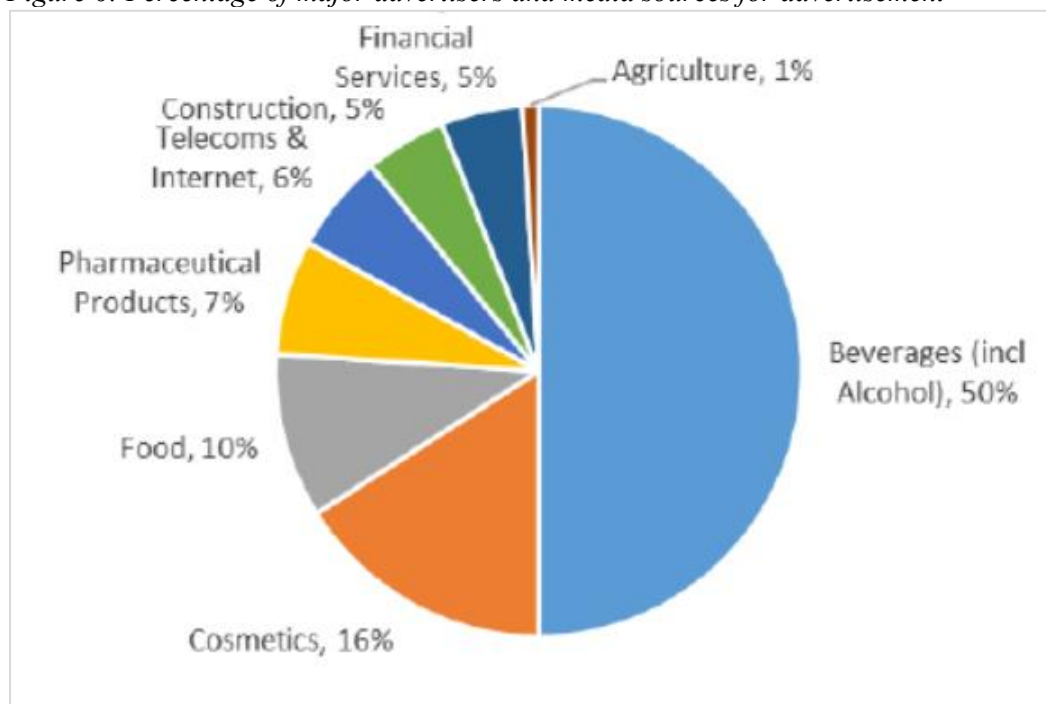
3.1.1.1. Production

Between 2010 and 2012, four large producers kept the production record at about 130+ million liters per annum (Asia Foundation, 2016). In addition, small local producers increased spirit and wine production. The spirit production increased from 3.27 million liters in 2012 to 3.61 million liters in 2015 (Asia Foundation, 2016).

3.1.1.2. Advertisement (Marketing)

Companies use various marketing methods, from electronic to print media, to boost their sales, increase market share and strengthen their long-term profitability. The beverages industry is the dominant advertising sector and accounts for 50% of total advertising, on top of the other five sectors (Asia Foundation, 2016). TV advertising is the most dominant type of advertising in Cambodia. TV reaches a broader population than other forms of media and is relatively cheap. The majority of advertising (60%) is on national TV. An additional 15% of advertisements are on outdoor billboards, while print media, radio, and other media account for 15% and 10%, respectively (Asia Foundation, 2016). In 2015, the estimated advertising revenue of Cambodia's top ten TV channels was around US \$100 million per annum and was expected to increase in the subsequent years. Beverages, including alcohol, accounted for 50% of the total. (Asia Foundation, 2016).

Figure 6: Percentage of major advertisers and media sources for advertisement



Source: (Asia Foundation, 2016)

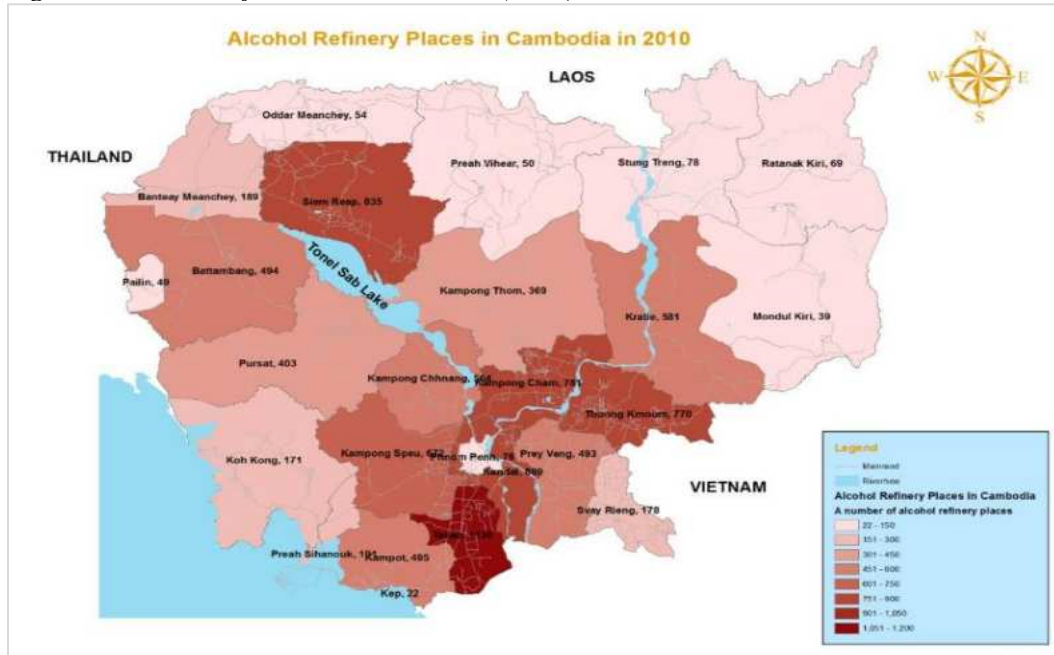
⁷ <https://www.phnompenhpost.com/business/vattanac-launch-87m-brewery>

⁸ https://www.jica.go.jp/cambodia/english/office/others/c8h0vm000001oag8-att/investment_01.pdf (Accessed 20 February 2022)

3.1.1.3. Distribution

Large local producers and importers have increasingly emerged in the alcohol industry in Cambodia. The distribution of alcoholic beverages is across Cambodia. Large local producers and importers distribute and sell alcohol to exclusive distributors, nonexclusive wholesalers/wholesalers, and on-premise retailers. According to the latest Cambodian Commune database, in 2010, Cambodia had over 9,600 alcohol refinery operations in the country. Ranking between 22 and 1,200, at least twelve provinces have over 400 refinery places in their jurisdiction (Asia Foundation, 2016).

Figure 7: Alcohol refineries in Cambodia (2010)



Source: Commune database 2010 generated by (Asia Foundation, 2016)

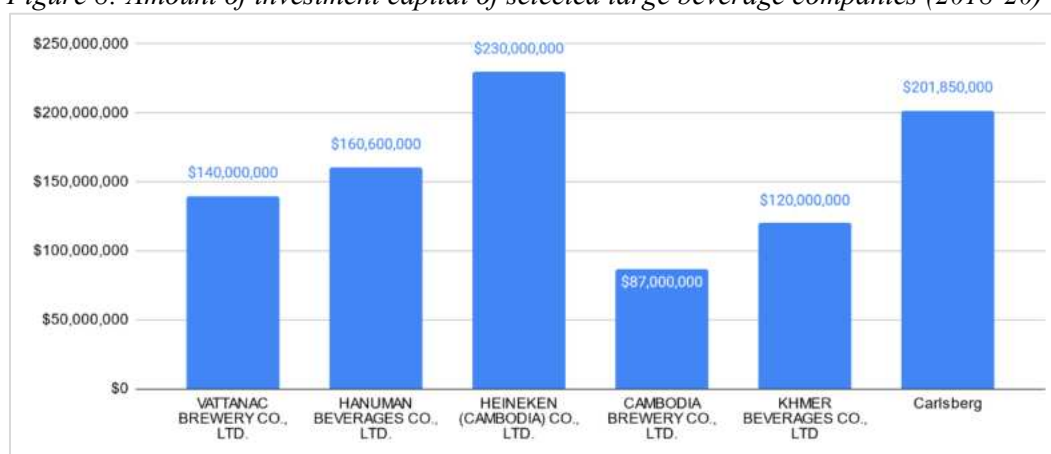
3.1.2. Alcoholic Beverage Investment Trend and Financial Flow

Investment in the alcohol beverage industry is on the rise. While production continues to grow, new companies have entered the market segment with higher investment capital. According to the limited data from the public domain, the total wealth of the major beverage companies reached almost US \$1 billion.⁹ In this connection, it would be argued that the financial flow has increased.¹⁰

⁹ Financial Flows- It can also be known as a cash flow. But it is primarily used to measure a financial company's health and status. As it many refers to the movement of cash moving in and out of a company and where it is begin used. The movements are tracked by the cash receipts minus any of the cash payments that are being made over a given period of time or a set period of time made by that company. Also, a financial flow also tracks any securities that begin used add or removed during that period of time also. (Source: <https://archive.unescwa.org/financial-flows>)

¹⁰ It is worth noting that there is limited data available in the public domain that the study could analyse the movement of cash moving in and out of those companies.

Figure 8: Amount of investment capital of selected large beverage companies (2018-20)



Source: Data extracted from various sources¹¹

However, the dominated investment capital is from oversea. For instance, Khmer Brewery of Chip Mong Group signed an agreement with Ziemann Group of Germany for a 60 million USD investment to build a brewery in Cambodia.¹² Cambrew¹³ has been wholly owned by Carlsberg since the fourth quarter of 2019.

Concerning the banking sector, loan investment has dramatically increased. As of June 2022, the total loan in Cambodia is 44.297 billion USD.¹⁴ The large capital of Cambodian banks is mostly from foreign sources. Recently, ACLEDA Bank Plc. (ACLEDA Bank), one of the prominent banks in Cambodia received up to 85 million USD loans from the Japan International Cooperation Agency (JICA).¹⁵

3.1.3. Responsible Business Conduct

Given that the term might mean different things to different people, the focus has been shifting from (Responsible Business Conduct) RBC to Corporate Social Responsibility (CSR) to ESG, which includes environmental, social, and governance, alongside financial considerations.¹⁶ This study explored the perception of the general population and stakeholders toward the business conduct of alcoholic beverage companies based on their observation, which links with the impacts they have seen. The study aimed at validating such subjective assessment with the response from alcoholic beverage companies, but it did not happen because there was no response from such companies.

¹¹ <https://www.inside.beer/news/detail/cambodia-vattanac-brewery-starts-operations/> (Accessed 20 February 2022)

¹² <https://www.phnompenhpost.com/business/german-brewer-starts-60m-joint-venture>

¹³ Latest News « Carlsberg Cambodia (cambrew.com.kh)

¹⁴ Cambodia Total Loans | 2008 - 2022 | Economic Indicators | CEIC (ceicdata.com)

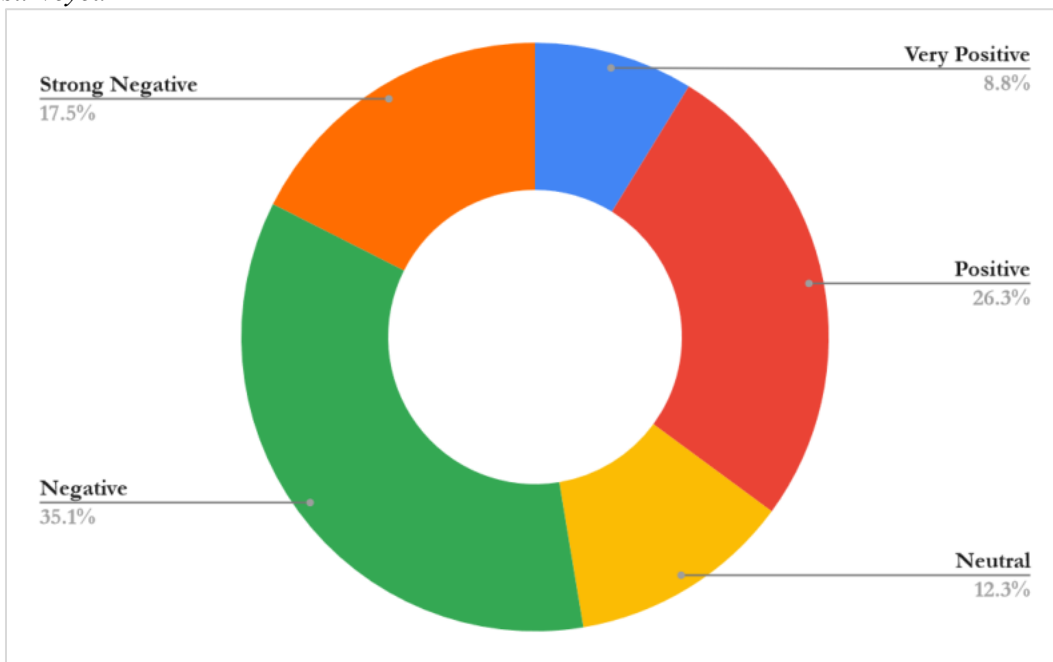
¹⁵ [Signing of a Loan Agreement for Rural Area Agricultural Sector Supporting Project in Cambodia\(Private Sector Investment Finance\) : Improving Access to Finance for the Agriculture Sector | Press Releases | News & Features | JICA](#)

¹⁶ <https://www.khmertimeskh.com/50975094/csr-in-cambodia-supporting-society-sustainably-and-skills/> (Accessed 20 February 2022)

Several studies revealed that despite the awareness of CBS/CSR among businesses, it remains limited. RBC and CSR programs are integrated and implemented by larger and multinational companies in the country.¹⁷

According to the surveyed respondents, over half (68%) of them generally perceived that the alcoholic beverage companies are relatively poor (42.11%) or abysmal (26.32%), respectively. While about 24.7% said they don't know, only 5% rated it as well, and 2% rated it as excellent. Amongst the same respondents, over half (52.60%) thought such current conduct brings a relative negative (35.1%) or strong negative 17.5%) impact on their business to their clients or society.

Figure 9: Perspective on the influence of business conduct of alcoholic beverage manufacturing and distribution companies on the alcoholic consumption by stakeholders surveyed



Source: Calculated by the author, based on primary data (n=317)

Such a subjective perception from outsiders, not from the companies themselves, might reflect the reality they have observed or seen through the strategy used by the companies to bring their product to the market, of that the way of the advertisement, low quality of the product, lower price of the production, and too much profit-oriented, are determinant factors. This perception needs confirmation and validation from relevant sources, especially alcoholic beverage companies; otherwise, such an assessment could not represent the fact alone. Nonetheless, perceptions could be summarized below, as some put it:

We can say that the company is ethical, but obviously, they always add rewards to customers, or those companies always look for ways to sell their products.

¹⁷ <https://www.state.gov/reports/2020-investment-climate-statements/cambodia/> (Accessed 20 February 2022)

Alcohol advertising seems widespread, making it highly attractive to consumers; companies are not socially and environmentally responsible.

We do not know and do not study in depth in this area; we just hear that they drop the water for money because we do not know if the product is the proper standard.

Products are much focused on quantity, not so much on terms of quality and safety.

I think the main problem is with state institutions. If state institutions tighten, the company does not dare to do anything abusive. In addition, the company believes in competing to get more attention and sales to make a profit, which affects aesthetics and social ethics. Alcohol is distributed to minors, which is not fair. Not to mention the side effects, but it encourages the use of alcohol in addition to rewards.

I see it as immoral; they show everything without regard to the adverse effects on society, such as using children to perform with this alcohol. We do not see any publicity about the impact and the value to the community but take beer as national pride. The leaders are urging the people to use more.

The ad attracts people to drink more alcohol, but there is no mechanism to take responsibility for social, economic, citizen, and public health. The company uses illusory and profiteering advertisements, such as rewards and advertising in public places, places of culture, and civilization. In addition, we have not seen any discussion of this code yet.

Companies that do not adhere to business ethics focus on their profits. In addition, with the increase in bonuses and the sale at a lower price, the beer quality is less, making drinkers more susceptible to diseases that affect the health of human resources in society.

In contrast, both representatives of the banks perceived that the companies have good business conduct. At the same time, one of them recognized that the local restriction was still low to better promote the conduct.

3.2. BANK SAFEGUARD POLICY AND ESG INTEGRATION RELATING TO THE ALCOHOLIC BEVERAGE BUSINESS

The financial sector has rapidly transformed, with more financial products being developed and introduced.¹⁸ The National Bank of Cambodia (NBC) regulates the operations of banking systems in Cambodia. Foreign banks and branches can freely register and operate in the country. There are 44 commercial banks, 14 specialized banks (set up to finance specific turn-key projects such as real estate development), 74 licensed microfinance institutions, and seven licensed microfinance deposit-taking institutions in Cambodia. NBC has also granted licenses to 12 financial leasing companies and one credit bureau

¹⁸ <https://documents1.worldbank.org/curated/en/403961467989523939/pdf/104756-REVISED-PUBLIC-Final-CEU-April-2016-English.pdf>

company to improve transparency and credit risk management and encourage more lending to be small and medium-sized enterprise customers.¹⁹

Domestic lending has expanded in recent years. Cambodia's legal framework allows relatively unrestricted local and foreign lending, and the overall growth outlook for Cambodia remains positive.²⁰

3.2.1. Overview and Trend of ESG Integration in the Banking Sector

ESG factors have become essential for investment decisions (ADB, 2020). It is not exceptional for the bank. Many environmental and social issues are closely interlinked with economic stability, impacting the company's bottom lines.²¹ Therefore, it is essential that the financial system — which serves as the resource backbone for businesses — steps up and acts responsibly by implementing a culture and approach that embeds ESG concerns and factors into its operating culture.²² One of the ways that the business can do this well is by embedding environmental, social, and governance (or ESG) factors into their approaches, operations, and systems. As a set of standards investors use to assess a company's operations and gauge potential investments, ESG serves as a trusted barometer for sustainability. When banks invest in these criteria, they can move one step closer to becoming the kind of socially and environmentally conscious institutions their stakeholders want.²³

ESG integration continued to grow from 2014–2018. The annual growth rate of ESG integration was about 24%, to which Europe and the US were the most significant contributors. In Asia, including Japan, ESG integration investment strategies are still in their early stages, with high growth potential. This trend is apparent, which shows the impressive growth rates of sustainable investing assets for Asia, excluding Japan (16%) and Japan (6,690% or 67 times larger) in 2014–2016 (ADB, 2020). In 2019, the ASEAN member countries developed a framework to help financial institutions and investors better understand the risks to their portfolios and make sound sustainable financing decisions aligned with international benchmarks. Such an ASEAN Taxonomy acts as a map to help guide capital towards activities that can promote the transition of activities in the real economy onto a more sustainable footing.²⁴

ASEAN Member States have varying levels of ESG investment development and policy implementation. While awareness of ESG investment has been increasing substantially in recent years, much progress still has to be made in moving beyond awareness building to the practical development and implementation of ESG frameworks. ESG disclosure and transparency have been improving. This is more apparent in ASEAN Member States where changes in policies, regulations, and guidelines have been actively promoted and driven by

¹⁹ <https://www.state.gov/reports/2020-investment-climate-statements/cambodia/>

²⁰ file:///C:/Users/USER/Downloads/Cambodia-Investment-Guide-2020_DFDL-Legal-Tax-Investment-Expertise.pdf (Accessed 20 February 2022)

²¹ <https://www.forbes.com/sites/forbestechcouncil/2021/11/24/why-esg-should-be-embedded-in-banks/?sh=25855971b5c0> (Accessed 09 February 2022)

²² <https://www.forbes.com/sites/forbestechcouncil/2021/11/24/why-esg-should-be-embedded-in-banks/?sh=25855971b5c0> (Accessed 09 February 2022)

²³ <https://www.forbes.com/sites/forbestechcouncil/2021/11/24/why-esg-should-be-embedded-in-banks/?sh=25855971b5c0> (Accessed 09 February 2022)

²⁴ <https://www.theacmf.org/images/downloads/pdf/ASEAN-Taxonomy.pdf> (Accessed 10 March 2022)

stakeholders in the private and public sectors, such as civil society or government-led initiatives (ADB, 2020).

While the trends and efforts to promote ESG investment are significant and encouraging, challenges remain for Asian entrepreneurs. A study suggested that many Asian firms have not fully integrated ESG investment into their core business strategies and suffer from inadequate support from the public sector. The link between ESG investment and the achievement of the SDGs is still weak. Further progress by firms, exchanges, and policymakers is particularly important. These challenges should be tackled urgently to take advantage of the growth potential of ESG investment. (ADB, 2020)

The same study showed that the firms still consider ESG investment unnecessary or even burdensome. Many investors and even policymakers do not understand the importance of ESG investment. Despite increasing demand for sustainable and impact investment solutions and a growing body of evidence to support the effectiveness of ESG investment, particularly from a financial perspective, many investors are still unclear about the relationship between ESG investment and economic or actual performance. (ADB, 2020)

3.2.2. Status of ESG Integration in Banks in Cambodia

In April 2016, ABC, as a member of the Sustainable Banking Network²⁵ that works to advance sustainable finance for national development priorities, financial market deepening, and stability, amongst others, agreed to embark on a new initiative to develop and strengthen finance sector safeguards and risk management standards related to social and environmental impacts which are potentially created through the private sector. The decision was made to undertake a bottom-up approach led and owned by the banks with support from international partners. The intent was to develop and design environmental and social standards appropriate for Cambodia.²⁶

Subsequently, various efforts have been invested in imposing ESG integration, coordinated by the Association of Banks in Cambodia (ABC). The National Bank of Cambodia (NBC) highly supports these efforts, according to the interview with leaders from the banking regulators institution who joined this study.

In late 2016, the Cambodian Sustainable Finance Initiative (CSFI) was officially launched. The ABC's Sustainable Finance Committee was formed and has coordinated the development and strengthening of local bank sectors' risk management systems, standards, and safeguards related to environmental and social (E&S) risk (ABC, 2021). In early 2019, Cambodian Sustainable Finance Principles Implementation Guidelines²⁷ was developed and came to be effective shortly, intending to serve as a basis for the Cambodian banks and microfinance institutions (MFIs) to develop their sustainable finance approaches in line with the Cambodian Sustainable Finance Principles. All 47 ABC member banks signed the principles. This indicated that considering environmental protection, preservation of

²⁵ https://www.ifc.org/wps/wcm/connect/98ed795e-559a-496c-b76d-b89ddb8c2716/SBN_Brief+20210511.pdf?MOD=AJPERES&CVID=nBpj8ZX (Accessed 10 March 2022)

²⁶ <https://www.abc.org.kh/CSFI/about-csfi> (Accessed 09 February 2022)

²⁷ <https://www.ifc.org/wps/wcm/connect/8ce9ddc0-2422-4e69-aa8b-e4f3c8cc3eec/Cambodia+SF+Principles+-+Implementation+Guidelines.pdf?MOD=AJPERES&CVID=mGdMKuz> (Accessed 09 February 2022)

Cambodia's unique culture, way of life, history, and values, supports Cambodians' sustainable livelihoods, education, and healthy lifestyle (ABC, 2019).

Various capacity-building activities and forums on ESG have been conducted in recent years. According to ABC, at least three sustainable fora on “Sustainable Finance – Environmental Social and Governance (ESG) Requirements” were organized, of which the last one was on September 29, 2021.²⁸ Several banks agreed and committed to an E&S reporting template (ABC, 2021).

3.2.3. Integration of ESG in Bank Policy and Decision: Stock Taking

According to the ABC, all 47 member banks adopted the Sustainable Finance Principles (ABC, 2021). From the interview, representatives from the banking regulator institution expressed that they are optimistic about the progress we have made concerning ESG in the banking sector. However, challenges continued to happen, which we had to tackle together with the engagement from relevant stakeholders. In addition, they shared their observation that every bank has integrated ESG into their policy, albeit it varies, depending on their knowledge and capacity. Amongst those, some banks prepared ESG reports, Aceda Bank²⁹ and J Trust Bank, formerly known as ANZ Bank³⁰, or implemented CSR activities, Vattanack Bank³¹ and Hattha bank, formerly known as Hattha Kaksekar bank.³²

The environmental and social sustainability report states that ACLEDA Bank fully subscribes to international conventions that prohibit the provision of credit to, or otherwise support, any activities that might harm the environment, be morally repugnant, or jeopardize human rights. In particular, the Bank has in place policies that forbid involvement with exploitative forms of forced or child labor, trade in weapons and munitions, gambling, casinos, brothels, regulated wildlife or wildlife products (CITES rules), and production or marketing in radioactive materials or significant volumes of hazardous chemicals. Strict monitoring processes are in place, which require customer contact staff to certify that any business we write conforms to these principles.³³

HKL has not only incorporated social and environmental activities into its business and operations but has also extended its areas of social responsibility to the communities. Hattha Kaksekar bank.³⁴

The study did not obtain any evidence from other banks, or perhaps data was not made available to the public, or the study did not reach the right places for the data to enable the generalization that ESG is integrated into the policy and decision-making relating to loan disbursement to clients, across the banks.

²⁹ https://www.acledabank.com.kh/kh/eng/bp_sustainabilityreport (Accessed 09 February 2022)

³⁰ <https://www.anz.com.au/about-us/esg/> (Accessed 09 February 2022)

³¹ <https://www.vattanacbank.com/csr> (Accessed 09 February 2022)

³² <http://hkl.com.kh/en/detail/view/78/37?ctype=article> (Accessed 09 February 2022)

³³ https://www.acledabank.com.kh/kh/eng/bp_sustainabilityreport (Accessed 09 March 2022)

³⁴ <http://hkl.com.kh/en/detail/view/78/37?ctype=article> (Accessed 09 February 2022)

3.2.4. Policy and Decision Making on loan relating to Alcoholic Beverage Business

According to the response from one of the two representatives of the banks, their bank provides loans to companies that produce and distribute alcoholic beverages in Cambodia, while another representative said that he does not know. In connection to this, the respondent said, "We are open to all types of customers who do business legally."

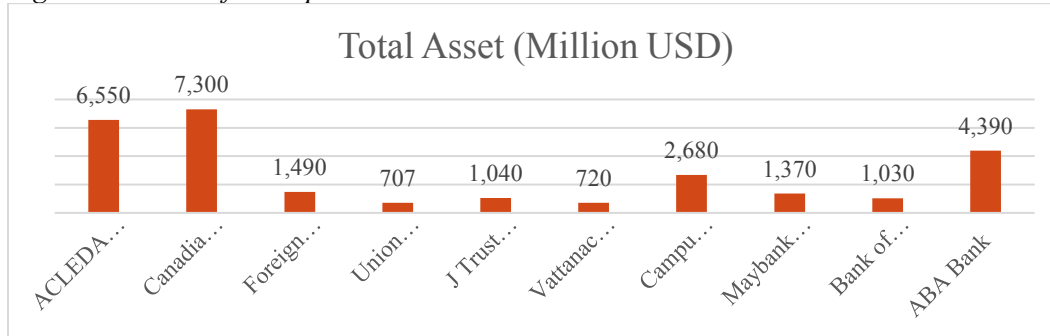
Regarding this ESG, both respondents from the banks rated the integration of ESG policies regarding loan provision to companies concerning alcoholic beverage production and consumption at a low level. Concerning the enforcement of ESG, one rated high and another rated low. One of them put:

We focus on sales, production quality, and company longevity. We also consider the impact on our society and do not offer the use of our services if those businesses make a negative impact.

The study asked other respondents to share their observations or views on ESG integration and decision-making of the banks on loan disbursement to clients. They felt it is far from their internal policy or management knowledge. However, some (almost 40%) felt that the banks highly influence the companies because the banks have money. Connecting to this, some respondents perceived that banks have the power to set conditions for their loans, including the loan to alcohol beverage companies.

It is worth noting that the highest capital of Cambodia's top ten commercial banks is USD 7,300 million. The average size of the loan per customer is approximately USD 16,000.00.³⁵

Figure 10: Asset of the top 10 banks in Cambodia



Source: Computed by the author based on figures from Corporatefinanceinstitute³⁶

Some companies have about USD 230 million in the capital. As presented in section 3.1.3 above, several studies suggested that access to credit for private sector businesses in

³⁵ <https://jtrustroyal.com/media/1914/j-trust-royal-bank-annual-report-2020-en.pdf> and https://www.google.com/search?q=number+of+clients+of+acleda+bank&sxsrf=APq-WBuySWY31mGxAUS40n9dGiBXc4ID5g%3A1647314265205&ei=WQUwYtz5C63DmAXnoZeoDw&ved=0ahUKEwicivHsk8f2AhWtIaYKHefQBfUQ4dUDCA4&uact=5&oq=number+of+clients+of+acleda+bank&gs_lcp=Cgdnd3Mtd2I6EAMyCAghEBYQHRAeMggIIRAWEB0QHjICCEQFhAdEB4yCAghEBYQHRAeMggIIRAWEB0QHjoHCCMQsAMQJzoHCAAQRxCwAzoKCAAQRxCwAxDJAZoHCCMQsAIQJ0oECEYYAEoECEYYAFDCC1jRY2DbaWgHcAF4AYA B8AGIAakbkgEHMjMuMTEuMZgBAKABAcgBCcABAQ&scient=gws-wiz

³⁶ <https://corporatefinanceinstitute.com/resources/careers/companies/top-banks-in-cambodia/>

Cambodia remains low. Several Cambodian companies have taken loans from the Overseas Private Investment Corporation (OPIC) to meet their demand.³⁷

3.3. GOVERNMENT LAWS, REGULATIONS, AND MECHANISMS FOR ALCOHOLIC MANAGEMENT

3.3.1. Necessity of Law on Alcohol Management

Law on alcohol management has not existed yet in Cambodia. Almost every respondent relates their perspective to the influence of law to regulate the cycle of alcoholic usage: production, distribution, and consumption. They repeatedly suggested that such a law must be enacted and effective to regulate alcohol in the country. Given various negative impacts encountered affecting individuals, families, communities, and society, the respondents raised a serious question about how the government can control such problems.

Figure 11: Status of laws, policies, and interventions on alcohol management (2018)

POLICIES AND INTERVENTIONS			
Written national policy (adopted/revised) / National action plan	Yes (2013/—) / Yes	National maximum legal blood alcohol concentration (BAC) when driving a vehicle (general / young / professional), in %	0.05 / 0.05 / 0.05
Excise tax on beer / wine / spirits	Yes / Yes / Yes	Legally binding regulations on alcohol advertising / product placement (any)	Yes / No
National legal minimum age for off-premise sales of alcoholic beverages (beer / wine / spirits)	No / No / No	Legally binding regulations on alcohol sponsorship / sales promotion (any)	No / No
National legal minimum age for on-premise sales of alcoholic beverages (beer / wine / spirits)	No / No / No	Legally required health warning labels on alcohol advertisements / containers (any)	No / No
Restrictions for on-/off-premise sales of alcoholic beverages (any):		National government support for community action (any)	Yes
Hours, days / places, density	No, No / No, No	National monitoring system(s) (any)	No
Specific events / intoxicated persons / petrol stations	No / No / No		

Source: (WHO, 2018)

Various restrictions are necessary to be embedded in the law on alcohol management most of the respondents suggested. Four of those are repeatedly raised and indicated by the respondents and reiterated by studies. These include restriction of advertisement; restriction on age limit, restriction on the volume of the production; restriction on the price; and tax increase.

3.3.2. Advocacy and Status of the Law Development

Experts, CSOs, and youths made different advocacy and lobbies for over a decade. Progressively started in 2015, a Cambodian youth group from the Mock Youth National Assembly has urged the government to end its foot-dragging over a law to impose an age limit on consuming and buying alcohol and other restrictions to reduce drinking. They argued that the failure of lawmakers to adopt the alcohol control bill, first drafted in 2008, seriously impacted young people's health and suggested that the law should be passed no later than March the year after. According to the same group, a mock youth National Assembly justified that alcohol is causing many problems for young people; the risks include traffic accidents, domestic violence, and more than 200 diseases.³⁸ In 2015, alcohol experts and victims of excessive drinking came together to urge the government to

³⁷ <https://www.state.gov/reports/2020-investment-climate-statements/cambodia/> (Accessed 20 February 2022)

³⁸ <https://www.phnompenhpost.com/national/youths-call-faster-passage-alcohol-law> (Accessed 25 January 2022)

speedily adopt a law controlling the consumption and sale of alcoholic beverages that was first drafted in 2008.³⁹

In July 2015, the Ministry of Health (MoH) completed a draft law on alcohol regulation, which set a minimum drinking age, increased taxes on alcohol, and placed other controls on the sale, consumption, and advertising of alcohol. According to a high-ranking Ministry official, the draft law, endorsed by the inter-ministerial committee, is ready to be sent to the Council of Ministers and the National Assembly. It is worth noting that the law consists of some 39 articles and 11 chapters⁴⁰, including items that make it illegal to sell alcohol to people under 21 years of age and pregnant women.⁴¹ In response to the pending law, the WHO and MoH, as put in the Country Cooperation Strategy 2016–2020, committed to jointly supporting the country to adopt the draft Law on Alcohol Products Control by 2017.⁴² In 2019, the Council of Ministers requested the MoH to revise the draft law reconvened in 2019. Key points raised in the request include raising taxes on alcoholic beverages, enforcing restrictions on the availability of retailed alcohol, enforcing the restriction on alcohol advertising, and enforcing drink–driving laws.⁴³

At the time of this study, the said law had not existed yet. According to a respondent from the national policy maker institution, such a law has not arrived at his organization. He said perhaps the MoH is busy, particularly during this COVID-19, all the government branches and offices have focused on the COVID-19 response. They said that if that law comes, we will work on it. Adding to that, they suggested that such a law should ensure inclusive development. They called for the engagement of CSOs and wider stakeholders to provide input to the law.

3.3.3. Factors affecting the Enactment of Law

There is lacking the official explanation from the government concerning the passing law. Perhaps, such an explanation is not published or otherwise. On the reverse side, there are various critics of the delay. Some raised that the lack of progress on the draft law is due to the powerful political interests behind Cambodia’s top liquor companies.⁴⁴

3.3.4. EXISTING LAWS, EFFORTS, AND MECHANISMS TO MANAGE ALCOHOLIC CONSUMPTION WHILE THE ABSENCE OF LAW

Despite such a specific law on alcohol management being absent, some laws and regulations are in place to set a framework and principles to prevent violence or accidents incurred from the harmful use of alcohol. Criminal code, traffic, and the Law on the Prevention of Domestic Violence and the Protection of Victims are among those. At the same time, it’s important to note that these laws are not subject to the continual absence of the law on alcohol management.

³⁹ <https://www.phnompenhpost.com/national/govt-urged-hasten-work-alcohol-law> (Accessed 25 January 2022)

⁴⁰ <https://movendi.ngo/news/2020/02/03/cambodia-youth-campaigns-against-online-alcohol-ads/#:~:text=Online%20Alcohol%20Ads-.Youth%20in%20Cambodia%20have%20mobilized%20to%20campaign%20against%20online%20alcohol.example%20for%20the%20younger%20generations> (Accessed 25 January 2022)

⁴¹ <https://www.phnompenhpost.com/national/ministry-finishes-its-draft-law-alcohol>

⁴² file:///C:/Users/USER/Downloads/WPRO_2016_DPM_004_eng.pdf (Accessed 25 January 2022)

⁴³ <https://www.who.int/nmh/Cambodia-IC-Report-Final.pdf> (Accessed 25 January 2022)

⁴⁴ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January 2022)

The criminal code⁴⁵ defines offenses, those who may be found guilty of committing them to set penalties and enforcement mechanisms. One of the articles put, “A person who, at the time which an offense is committed, was suffering from a mental disorder resulting from the consumption of alcohol, drugs, or prohibited substances, shall be criminally responsible.”

Traffic law⁴⁶ set principles to prohibit drink-drive. Some articles enforced that drivers are prohibited from drinking liquor with an alcoholic rate of 0,5 mg per liter of gas or 0,25 mg per liter of blood. The suspension of driving license within the period not exceeding one year, including the deduction of the score as stated in article 43 of this law: driving in drunkenness with the rate of alcohol from 0.4 grams per liter of air or 0.8 grams per liter of blood onward or under the influence of drugs or refused from performing the breathalyzing. People driving when drunk with a rate of alcohol from 0,40 mg per liter of air or starting from 0.8 grams per liter of blood shall be punished by imprisonment from six days to six months and fined from Riel 25,000 to Riel 1,000,000.

The Law on the Prevention of Domestic Violence and the Protection of Victims⁴⁷ is in place to prevent domestic violence, protect the victims and strengthen the culture of non-violence and harmony within the households in society. Regardless, this law is covered if a drunk perpetrator commits any domestic violence. The law set that any domestic violence characterized as a criminal offense in the manner of felonies or severe misdemeanors shall be subjected to a criminal suit, despite the violence being over. The criminal complaint shall be made, as stated in this law and following the law on penal procedures.

Some studies argued that voluntary social and cultural practices regulate alcohol consumption. Voluntary regulatory practices can be found in Cambodian schools, pagodas, workplaces, hospitals, and many other places where people are informed not to consume alcohol or consume it only if necessary. For example, in hospitals, there are no drinking or alcohol signs. In religious places, drinking is culturally unacceptable, and most people entering or visiting a pagoda will adhere to this cultural norm. In workplaces, alcohol consumption is viewed as serious misconduct that may negatively impact the health and safety of others. In many private sector companies, the consumption of alcohol is considered to be serious misconduct that could result in immediate termination without compensation (Asia Foundation, 2016).

In addition to these socio-cultural norms regulating alcohol consumption, the alcohol industry has tried to control usage. An example includes the so-called “Safety Night” campaign endorsed by the alcohol industry as an indispensable part of their corporate social responsibility. In this campaign, the alcohol industry promoted responsible drinking and driving practices: “Eat before drinking, drink responsibly, and if drunk, don’t drive. The impact of this campaign on behavior is unknown (Asia Foundation, 2016)

⁴⁵ <https://www.ajne.org/sites/default/files/resource/laws/7195/criminal-code-cambodia-en-kh.pdf> (Accessed 20 February 2022)

⁴⁶ <file:///C:/Users/USER/Downloads/455de40f-a787-4855-bbd3-4480ccfaa89f.pdf> (Accessed 20 February 2022)

⁴⁷ <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/86091/96929/F134217659/KHM86091.pdf> (Accessed 20 February 2022)

3.4. ECONOMIC AND SOCIAL IMPACTS OF ALCOHOLIC BEVERAGE CONSUMPTION AMONGST THE UNDER-AGE AND WOMEN GROUPS IN CAMBODIA

3.4.1. Alcohol Drinking Pattern and Trend

3.4.1.1. Drinking Pattern and Trend

Globally, alcoholic consumption remains high and poses a significant concern. Despite this, some regions⁴⁸ noted a decrease, but others⁴⁹ reported an increase since 2000. According to the World Health Organization (WHO), in 2016, 43% of the population, representing some 2.348 billion people, were current drinkers and had consumed alcohol in the previous 12 months (WHO, 2018). As shown by the most recent WHO data, total APC (alcohol per capita consumption) in the world's population 15 years of age or older amounts to drinking on average 6.4 liters of pure alcohol per year, which translates into 13.9 grams of pure alcohol per day (WHO, 2018).

Until 2025, total alcohol per capita consumption (15+ years) is expected to increase in half in some regions.⁵⁰ The highest increase is expected in the South-East Asia Region (WHO, 2018). Globally, predicted increases in consumption by the year 2025 can be found across almost all countries' economic status groups, except for high-income countries (no increase or a slight decrease, and will be strongest in middle-income countries. Of the middle-income countries, a more substantial increase is expected for the lower-middle-income countries (1.2 liters) compared with the upper-middle-income countries (0.6 liters) (WHO, 2018).

In Cambodia, alcohol consumption dramatically and constantly increases year by year. In 2009, the People Centre for Development and Peace (PDP-Centre) report found that 85 percent of 1,400 people studied in seven provinces said they liked to drink alcohol.⁵¹ A survey by the Ministry of Education, Youth and Sport (MoEYS) in 2010 suggested that 70% of female and 91% of male respondents reported drinking alcohol (MoEYS, 2010). Alcohol per capita (15+) consumption in Cambodia increased from 8.8 liters of pure alcohol in 2010 to 9.7 liters in 2015 and 11.9 liters in 2016 for men drinkers. As noted in the report of the Asia Foundation, in 2015, Cambodian men drank 9.7 liters of pure alcohol in a year – 3.5 liters above the global average of annual alcohol consumption per capita. In the decade following the start of the Cambodian economic boom, alcohol consumption has also increased in parallel, and these changing views and patterns of alcohol consumption can be seen among all subsets of the population (Asia Foundation, 2016). Another report, 2017 OECD “Youth Well-Being Policy Review,” noted that alcohol consumption has been on the rise and that Cambodia has the highest level of alcohol consumption among 15- to 19-year-old in the Association of Southeast Asian Nations (ASEAN) countries, with more males (42 percent) than females (27 percent) who are current drinkers (USAID, 2019).

⁴⁸ WHO regions: European region, the region of the Americas, African region and the East Mediterranean region

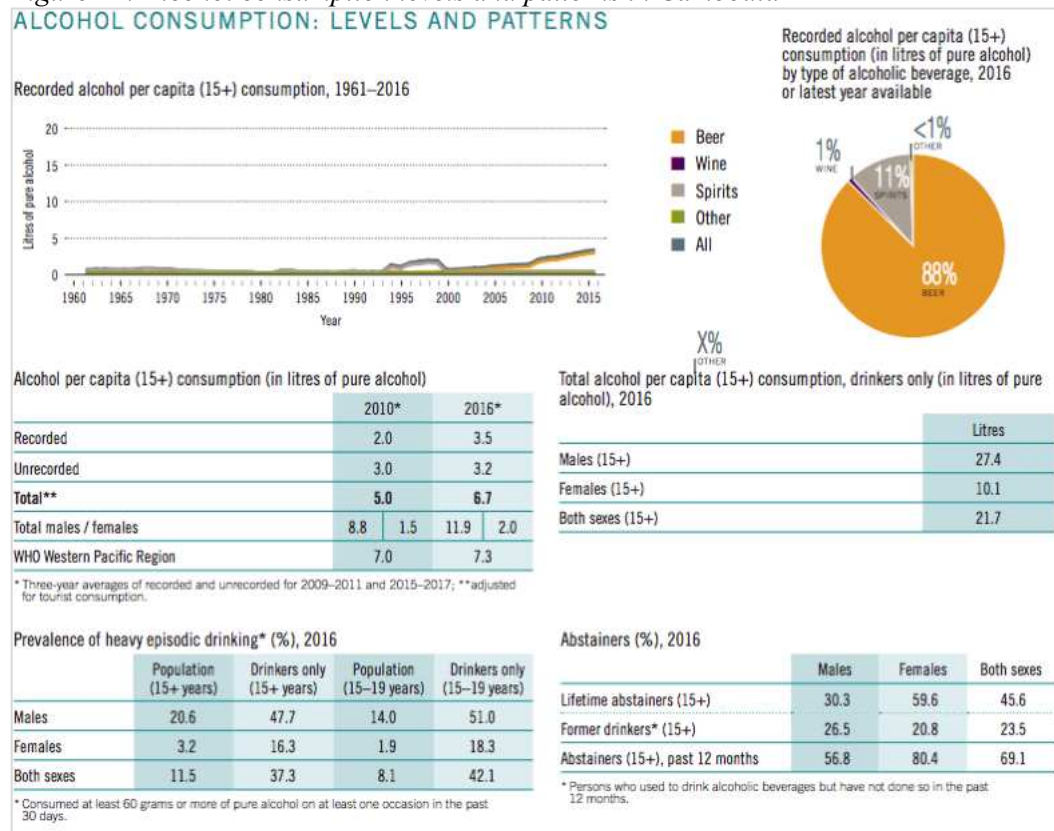
⁴⁹ Western Pacific Region

⁵⁰ Region of the Americas (from 8.0 to 8.4 liters), the Western Pacific Region (from 7.3 liters to 8.1 liters), in the South-East Asia region (from 4.5 to 6.2 liters).

⁵¹ <https://www.phnompenhpost.com/national/study-shows-rise-youth-alcohol-use> (Accessed 20 February 2022)

Data from the Cambodia Socioeconomic Surveys in 2004, 2007, and 2009 show a trend of increasing alcohol consumption. There is a causal relationship between the harmful use of alcohol and more than 200 diseases and injury conditions, including mental and behavioral disorders, NCDs (Non-Communicable Diseases), and unintentional and intentional injuries resulting from violence, road crashes, and suicides. Nearly one in every five road accidents in Cambodia is related to drink-driving.⁵²

Figure 12: Alcohol consumption levels and patterns in Cambodia

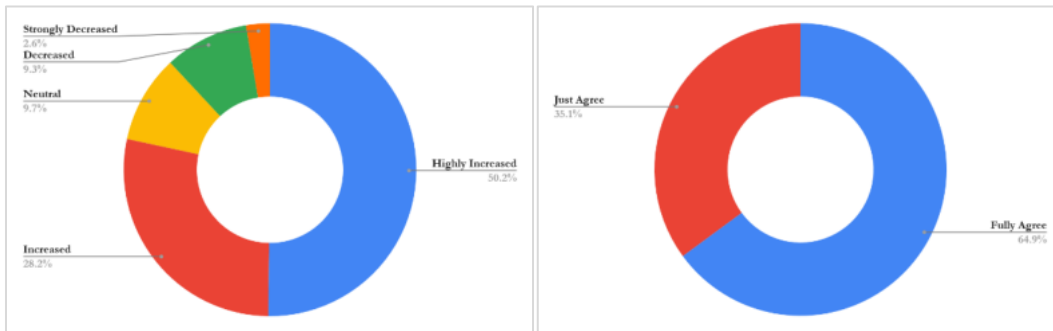


Source: (WHO, 2018)

Consistent with the above observations, over 78% of the sampled general population and all (100%) stakeholders of this study agreed that alcoholic consumption in Cambodia is increasing. Only about 12.84% of the general population said consumption is decreasing.

⁵² file:///C:/Users/USER/Downloads/WPRO_2016_DPM_004_eng.pdf (Accessed 20 February 2022)

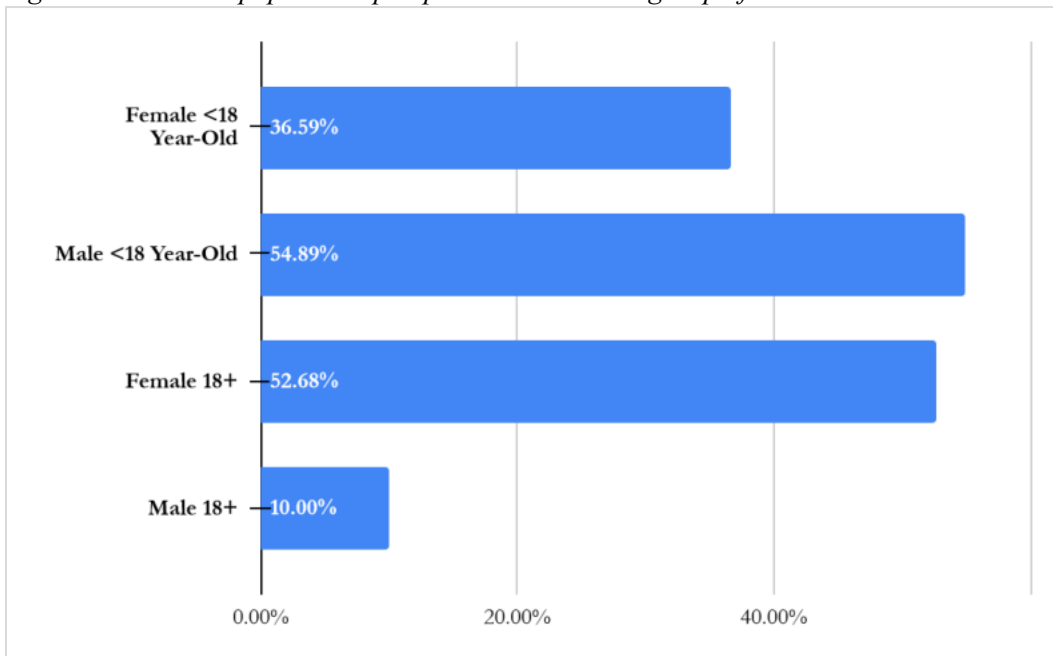
Figure 13: Increased alcoholic consumption (general population)



3.4.1.2. Male under 18 and females started to drink, while males 18+ continue to drink

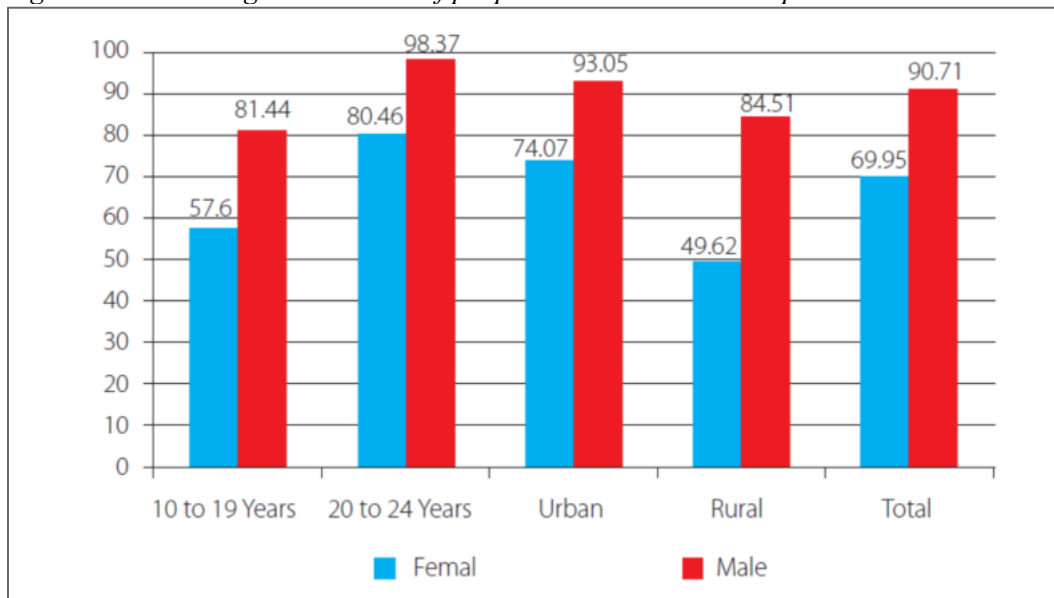
The consumption amongst under-age females has arisen, while current older-male drinkers continue to be high with a little rising. About 54.89% of the surveyed respondents indicated rising consumption among males under 18-year-old. Other 52.68% of respondents showed that 18+ females increased their consumption, including those under 18-year-old.

Figure 14: General population perspective toward the group of alcoholic consumers



This corresponds to the findings of various studies. For instance, the Ministry of Education, Youth, and Sports study sometime in 2010 noted that drinking alcohol was very common among 1,260 sampled respondents aged between 10 and 19 years. Many young people first consume alcohol as early as they are 12 (MoEYS, 2010). Around 50 percent of high school students get involved with alcohol (Chhun Hong, 2018). Almost 70% and 91% of females and males had drunk alcohol. Among females, the highest drinking level is among the aged 20 to 24. The consumption levels in the urban areas are slightly higher than in the rural areas for males, and it is a bit far variant for females (MoEYS, 2010).

Figure 15: Percentage distribution of people drank alcohol in the past 12 months



Source: (MoEYS, 2010)

Drinking Pattern: Drinking has become more habitual and part of daily social life

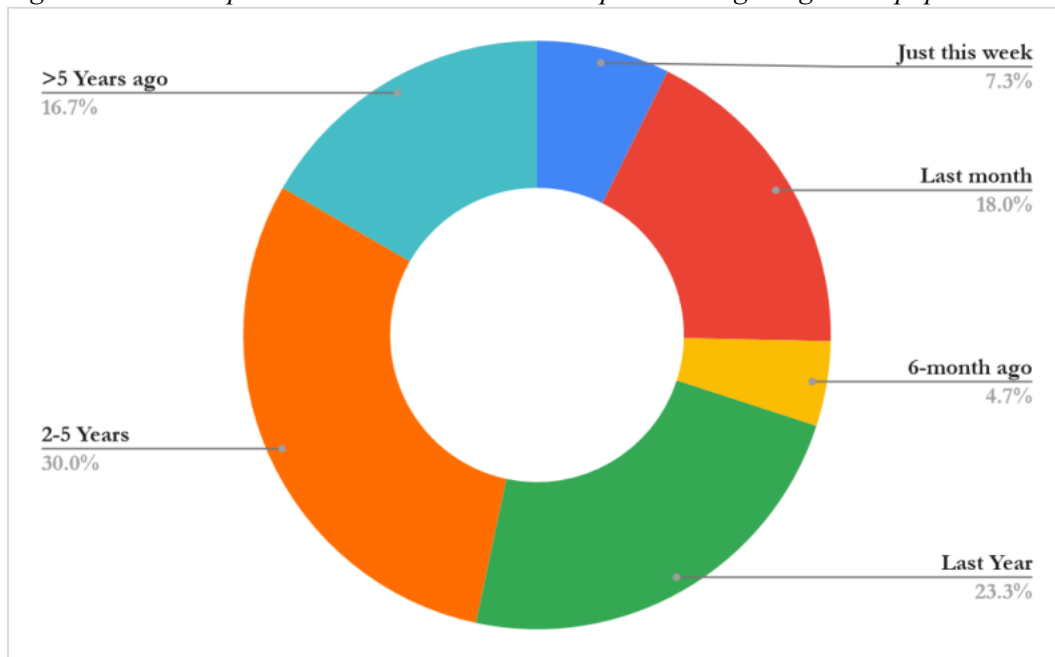
Most Cambodians drank alcohol only on special occasions in the past, but in recent decades, drinking has become more habitual and part of daily social life, according to a health expert.⁵³ Alcohol is then a trendy drink for all types of people. People drink it when they join some kinds of parties, go to bars or nightclubs, or have family gathering parties at home. Young people often drink alcohol, especially in high school (Chhun Hong, 2018). All of the surveyed respondents in this study reiterated the above observation. A few of them put:

Regardless of location, situation, age, or sex, drinking alcohol is common and increasingly taken. I see everywhere and locations, from homes to restaurants, bars, nightclubs, public places, rice fields, farms, and even nearby the pagoda, people drink beer, wine, or alcohol. Likewise, not just in a big ceremony or party, but also in a small gathering of a couple of people or at home, alcoholic drinking takes place. In addition, it is not just for celebration; even if they are happy, sad, or stressed, they drink—an interview with high-ranking government staff.

Most (70%) of the 46.7% of the surveyed respondents who confirmed that they ever drank alcohol started drinking within 1 to 5 years. In December 2021 alone, about 72.37% of the drinkers had one drink in a month, followed by 2-3 drinks in a month. It is good to note that about 3.95% had a weekly drink, and 0.66% had a daily drink. This could be linked to the income earned during the COVID-19 pandemic and the ban from the government.

⁵³ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed on 25 January, 2022)

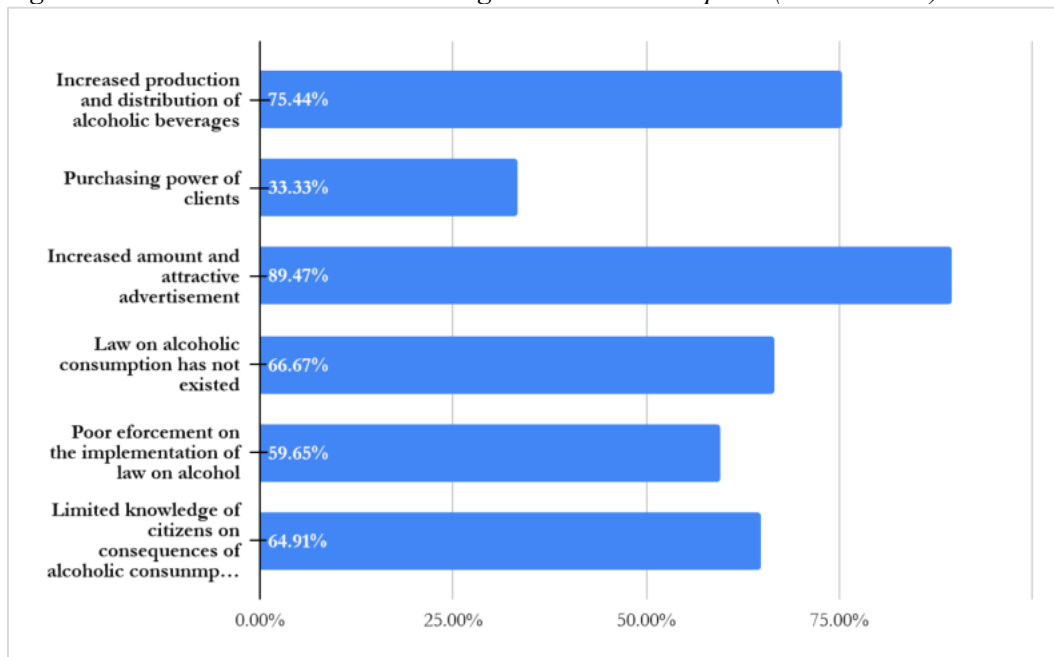
Figure 16: First experience with alcoholic consumption among the general population



3.4.2. Causes of the increased consumption

Various factors have caused people to drink alcohol. Of those, the surveyed respondents identified six factors that have a substantial influence to cause the increased consumption in Cambodia. As presented in Figure 17 below, the increased amount and attractive advertisements for alcoholic beverages are at the top of the list. A vast majority (89.47%) of the surveyed respondents mentioned it. Coming at the second top of the list was relating to the increased production and distribution of alcoholic beverages, which 75.44% of the same surveyed respondents indicated. The absence of the law on alcohol management is the third influential factor that led to the rising consumption, which 66.67% of the respondents pointed out.

Figure 17: Factors caused the increasing alcoholic consumption (stakeholders)



3.4.2.1. Increased production and distribution of alcoholic beverages

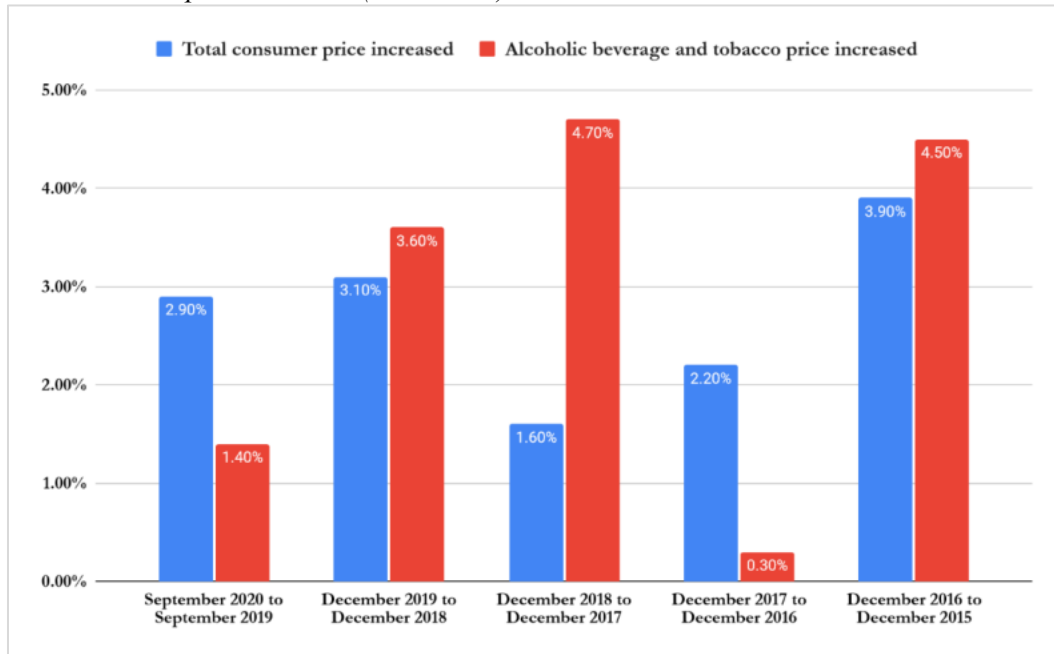
Reiterating the statistics and study findings, almost every respondent shared their observation that alcoholic beverages have reached everywhere, from big supermarkets, markets, and stores, to small outlets in the capital city, town, and remote and rural villages. Buyers can buy the products anytime, even late at night. Some of them put:

Everywhere, anytime we can buy beer and wine. It is near our home, working places, on the road, and so on. A variety of brands, both local and imported products, are available. Especially during cultural or religious celebrations, many producers and sellers are busy with the transportation of alcoholic beverages to different destinations. Online survey submitted by an NGO staff.

3.4.2.2. High purchasing power vs. low price of the product

Some of the surveyed respondents shared their view that the income earned has increased clients' purchasing power and made them afford to buy alcohol as they want. This is in line with the improved economic status of most of the families in the country. In contrast, other respondents argued that the low price of alcoholic beverages is fundamental and serves as an enabling factor to get access to the product.

Figure 18: Annual alcoholic beverage and tobacco prices increased, compared with the total consumer price increase (2015-2020)



Source: NIS Cambodia, calculated by the author

In Cambodia, the price of alcoholic beverages and tobacco (there is no specific data for alcoholic beverages) increased yearly. In some years, the price increase is higher than the total consumer price. For instance, from December 2016 to December 2015, as presented in Figure 18 above, the increased cost for alcoholic beverages and tobacco was 4.50%, while it was 3.90% for the total consumer price increase.⁵⁴ However, the price for an alcoholic beverage in Cambodia is lower than the price index global and among the South East Asia countries.

Prices are very cheap here in Cambodia. Angkor Beer case of 24 = \$10.50 (approximately 0.44\$/can or lesser than 2,000 Riels); Cambodian beer case of 24 = \$10.50.⁵⁵

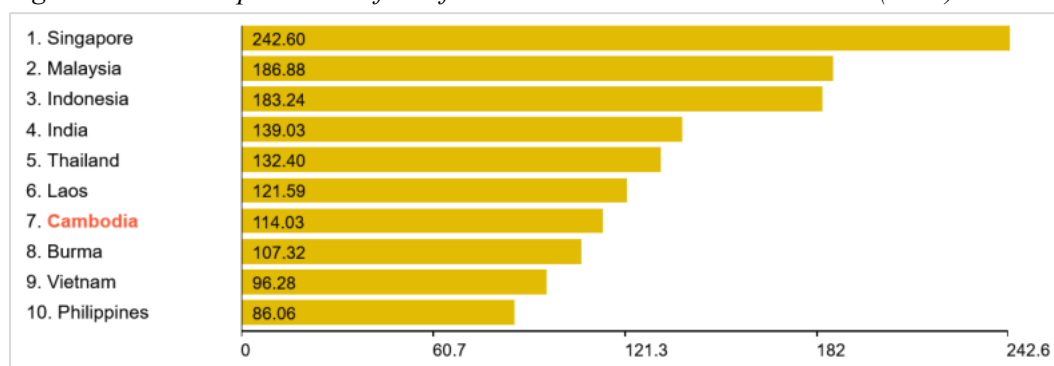
Cambodia is ranked 71 among 159 countries. The price is 114.03 index points, which is lower than the average for 2017 based on 159 countries' 121.93 index points. This price is also lower than the average in South East Asia, in which the standard for 2017 based on 10 countries was 140.94 index points. As shown in Figure 19 below, the highest value was in Singapore: 242.6 index points and the lowest value was in the Philippines: 86.06. Cambodia is ranked seven amongst those ten countries. The price is higher than Burma but lower than Laos PDR.⁵⁶

⁵⁴ https://www.nis.gov.kh/nis/cpi/2020/CPI_Report%20Sep%202020_E.pdf (Accessed 20 February 2022)

⁵⁵ https://www.tripadvisor.in/ShowTopic-g293939-i9162-k9164585-Alcohol_Prices-Cambodia.html (Accessed 20 February 2022)

⁵⁶ https://www.theglobaleconomy.com/rankings/alcohol_beverage_prices_wb/ (Accessed 20 February 2022)

Figure 19: Alcohol price index for refineries in South East Asia countries (2017)



Source: theglobaleconomy⁵⁷

3.4.2.3. Massive and Attractive Advertisement, with a less ineffective ban

Attractive, everywhere, and different methods used for the advertisement to attract consumers to buy and drink more: Almost every surveyed respondent, findings from relevant studies and researches, local news, and the general population agreed that Cambodia is a place for alcoholic beverage advertisement. The advertisement's content is super bright and attractive, and inspiring messages are used to encourage the buy and drink; offering special prizes is clearly stressed, and the advertisement is almost everywhere. Unlike in many other countries, the content, time, place, and messaging of alcohol advertising are restricted, albeit the effectiveness of such regulations is debatable (Asia Foundation, 2016).

There are many different sizes of billboards and posters displaying a variety of beers of various brands and with different prices. Standing high there for long, in many public places, the principal, busy, and commercial roads, people traveling get easy to see. Such permanent broadcasts are displayed in every retail dealer or outlet, which is part of the functioning 9,600 alcohol refinery operations in every province and capital city across Cambodia. Moving to restaurants, beer gardens, night clubs, regardless of their size and settlement, billboards and flyers to promote buying and drinking are displayed in almost all corners of the place. In addition, girl beer promoters, wearing alcoholic beverage company uniforms with plenty of promotional materials, stand close to and approach clients to buy and drink their beer. In practice, young Cambodian women wear branded uniforms each night to compete to sell different beers in venues, including beer gardens, restaurants, soup shops, and karaoke clubs (CARE, 2005).

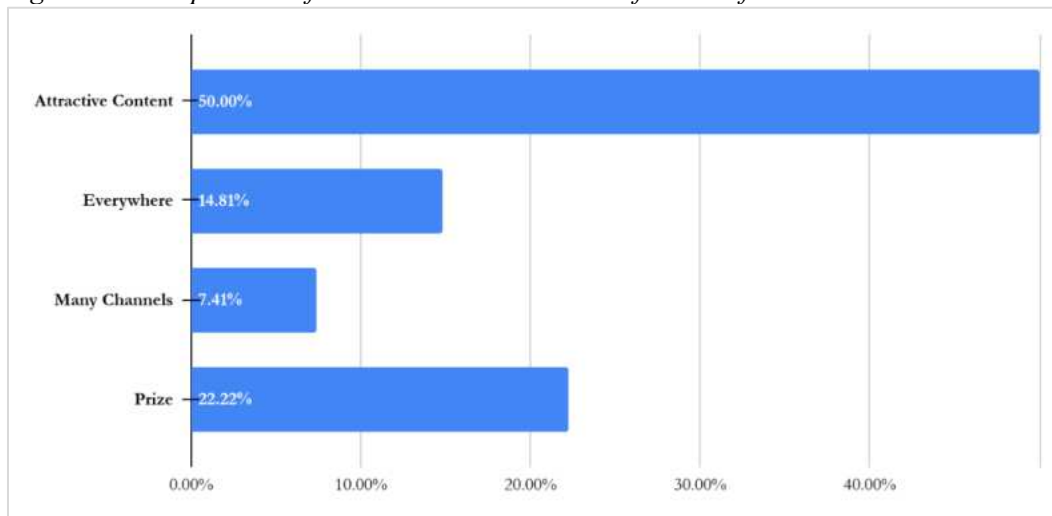
In the media, TV, magazine, music, and film advertisement spreads rapidly and increasingly. A special note is that celebrity has been increasingly used as one of the methods to reach massive clients, especially youth. Youth stars and high-ranking government officials are vital actors to serve that celebrity purpose. A health expert put:

*Alcohol advertising in Cambodia was excessive.*⁵⁸

⁵⁷ https://www.theglobaleconomy.com/rankings/alcohol_beverage_prices_wb/South-East-Asia/ (Accessed 20 February 2022)

⁵⁸ <https://www.phnompenhpost.com/national/alcohol-billboards-public-be-inspected-minister-says> (Accessed 20 February 2022)

Figure 20: Perspectives of stakeholders toward the influence of advertisement



Source: Calculated by the author, based on primary data (n=60)

Amongst the surveyed respondents, a high-ranking official of the foreign government institute, and an ambassador, noted that the ad is to appeal to young people, trying to show that it is trendy and cool to drink - all the best-looking and most remarkable people do so. A freelancer noted that celebrities had been increasingly used to attract clients, especially youth. Youth starts have been deployed to show the alcoholic product on billboards, TVs, and concerts. Concerning this, it's noticed that government officials often inaugurate breweries, urging them to increase exports and encourage people to drink alcohol. On several occasions, a top government leader has given speeches at brewery inaugurations urging Cambodians to drink up – noting that by drinking the taxed beer, they're helping the nation.⁵⁹ Some other respondents from NGOs argued that advertisement in Cambodia is uncontrollable. Such careless ways of distributing alcohol may have affected human productivity. In some countries, like the Philippines, advertising is controlled. It can be done when it is allowed. Alcoholic beverages are not visible to the public. Offering prizes is increasingly embedded in the advertisement to attract clients to increase their purchases, while it is a tactic to hide the reality of alcohol.

On the front page of local news, it stated that on every TV station, magazine, and billboard plastering Cambodia's roads, seemingly nothing is advertised as ubiquitously as alcohol. According to the ads, these drinks taste delicious, improve sleep, and symbolize national pride. There are more substantial inducements, too. Some breweries offer rewards. Get lucky, and your beer might win you a motorcycle, car, or cash. Or even just a free can of beer.⁶⁰ Other local news observations suggested that advertising had a significant jump, increasing by 164 percent by the end of the 2011 financial year.⁶¹

Other ways of promoting alcoholic beverages are through movies and television that depict alcohol use, music that includes lyrics about alcohol use, and advertisements for different

⁵⁹ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January, 2022)

⁶⁰ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January 2022)

⁶¹ Cited in the local news, <https://www.khmertimeskh.com/108299/cambodias-growing-drinking-problem/> (Accessed on 25 January, 2022)

brands of alcohol.⁶² Research studies have shown that teens who see alcohol in movies and on television are more likely to start drinking alcohol at a younger age. Many alcohol advertisements are placed in different types of media that are popular among adolescents. Another study observed that more than 2000 young adolescents who initially did not drink were more likely to say that they had a positive attitude toward alcohol use and were more likely to have started drinking alcohol after being exposed to alcohol advertisements.⁶³

The advertisement caused the increased consumption

It is widely recognized that the advertisement caused the increased consumption of alcohol. According to WHO, the unrestricted alcohol advertisements causes the increase alcohol consumption (WHO, 2014). Many other research studies and health experts shared their agreement on this in recent years, at the time that advertisement is on the rise. A health expert says:

Alcohol advertising with attractive messages and many prizes is the leading cause of an increase in alcohol consumption among young people. Alcohol advertising is the main reason people consume much alcohol and even start drinking early. When people consume more alcohol, accidents and diseases associated with drinking also increase and result in the loss of human resources, especially youth, who are the nation's backbone. The ill effects of consuming alcohol include the onset of more than 200 diseases: health experts, the country director of a local health NGO.⁶⁴

Alcohol promotion at big concerts, incentives, and billboards on public streets and social media is widely used to encourage people, especially young people, to do more in the provinces. For companies to have the opportunity to sell their wine products, I think it is simple, but it is to attract young people and encourage young people to drink alcohol without realizing it.

Advocate by CSOs and Youth to regulate the advertisement

Different calls to regulate advertisement have been made by several actors, including CSOs, youth, health experts, and government institutions and officials. Starting from a health expert, he called on the government to have laws or regulations that restrict the scope of alcohol advertising. This call has been done after he observed that alcohol advertising is the main reason that caused people to consume much alcohol and start drinking at an early age, and incidents and diseases associated with drinking also increase and result in the loss of human resources, especially youth who are the backbone of the nation.⁶⁵ A private law firm director called the government to regulate advertising, although Cambodia still does not have a law to control the consumption of alcohol.⁶⁶ In early 2020, a group of youths launched a one-week campaign on social media against posts that advertise alcohol consumption, saying they exhibited a lack of dignity and set a bad example for younger

⁶² <https://jamanetwork.com/journals/jamapediatrics/fullarticle/1107538> Accessed on 28 January, 2022)

⁶³ <https://jamanetwork.com/journals/jamapediatrics/fullarticle/1107538> Accessed on 28 January, 2022)

⁶⁴ <https://www.khmertimeskh.com/594397/call-to-regulate-alcohol-advertising-2/> (Accessed on 25 January, 2022)

⁶⁵ <https://www.khmertimeskh.com/594397/call-to-regulate-alcohol-advertising-2/> (Accessed on 25 January, 2022)

⁶⁶ <https://www.khmertimeskh.com/594397/call-to-regulate-alcohol-advertising-2/> (Accessed on 23 February, 2022)

generations. The campaign urged the relevant ministries, especially the government, to advance its approval of the law on alcohol regulation.⁶⁷ Exaggerating these advocates, almost all the surveyed respondents shared their voices calling for restricting the advertisement of alcoholics. An alliance of nearly 40 civil society organizations lauded the government's successful ban on all forms of alcoholic drink advertising during the Covid-19 outbreak and called for a permanent ban.⁶⁸ In sum, their calls are related to having laws, regulations, mechanisms to regulate advertisements, and awareness raising to increase the general public's knowledge of the harmful use of alcohol.

The intervention of the government institutions/personals to regulate the advertisement

In response, the government regarded the restriction of alcohol advertisement as one of the priorities. This has been embedded in the National Strategic Development Plan (NSDP) 2014-218.⁶⁹ Some government institutes strived to intervene where and when it is possible to ban advertisements. Starting in the last quarter of 2011, the Prime Minister released a ban on outdoor advertising for wine and spirits, focusing on drink-drive. The ban is valid nationwide and requires all advertisements to say, "When drunk, don't drive. Drive, don't drink" on billboards and television.⁷⁰ In the following days, the Phnom Penh capital governor banned the advertising of wine and spirits from curbing road casualties.⁷¹ In Mid-2018, the Minister of Information put out a statement ordering a ban on the broadcasting of karaoke songs, movies, and videos that portray alcohol in a positive light. He called radio and television stations and production companies to stop showing content that depicts the main character drinking alcohol as a way to solve their problems or eliminate their concerns. The statement banned that if any owner of a radio and television station or any production company does not adhere to the notice, the Ministry of Information will not allow the broadcast of such songs or movies in the media.⁷² That circular was broadcasted through television broadcasting centers, cable television, and radio FM stations. (CHEA & Keothyda, 2015). In the third quarter of 2020, the same Minister instructed officials in all departments to investigate alcohol billboards in public places. That aims to check if the signs had reached their display expiration date, responding to the reality that some alcohol companies had violated the permit policy by advertising rewards for important festivals like Khmer New Year, Water Festival, and Chinese New Year, but then did not remove them afterward.⁷³ In the second quarter of 2021, the Kampong Speu provincial governor decided to ban billboards advertising alcoholic beverages permanently.⁷⁴ Following this step, the Kep Provincial Administration has also issued a letter to business owners to remove banners or billboards containing various promotional products and replace them

⁶⁷ <https://www.phnompenhpost.com/national/youths-tackle-alcohol-social-media> (Accessed on 23 February, 2022)

⁶⁸ <https://www.phnompenhpost.com/national/csos-urge-permanent-ban-alcohol-advertising> (Accessed on 23 February 2022)

⁶⁹ <https://policy.asiapacificenergy.org/sites/default/files/NSDP%202014-2018%20EN%20Final%20for%20Publishing-1.pdf> (Accessed 20 February 2022)

⁷⁰ <https://www.phnompenhpost.com/national/about-face-ad-ban> (Accessed on 23 February 2022)

⁷¹ <https://www.phnompenhpost.com/national/about-face-ad-ban> (Accessed on 23 February 2022)

⁷² <https://www.phnompenhpost.com/national/ministry-bans-positive-portrayals-alcohol> (Accessed on 23 February 2022)

⁷³ <https://www.phnompenhpost.com/national/alcohol-billboards-public-be-inspected-minister-says> (Accessed 23 February 2022)

⁷⁴ <https://www.phnompenhpost.com/national/kampong-speu-alcohol-advertising-removal-nears-completion> (Accessed 23 February 2022)

with educational content about preventing Covid-19.⁷⁵ A high-ranking official from the Ministry of Health stated that the government had a plan to restrict alcohol advertisement the same as what was done for tobacco.⁷⁶ Another high-ranking official from the Ministry of Commerce argued that even without a dedicated law, the government had consumer rules in place to ensure advertising followed specific moral and ethical guidelines.⁷⁷

Intervention to ban advertisements is not effective, while the law remains not to exist
Ban on the advertisement is less number and less effective. Some observed that urging curbs on advertisements has yielded little progress, with a bill aimed at limiting advertising and controlling alcohol sales languishing for more than five years until 2021.⁷⁸ Although in 2015, a Ministerial directive aimed to curtail advertising on TV during peak viewing hours came into force, it is not legally binding and lacks penalties and enforcement measures for non-compliance. There are no restrictions or regulations for alcohol merchandising, promotion, and sponsorship (Asia Foundation, 2016). The government also recognized that. According to a high-rank official from the Ministry of Commerce, the government has not yet regulated this issue. The existing system to regulate alcohol ads is ineffective, as people continue abusing alcohol, which often leads to violence. He confirms:

We don't have any kind of regulation on this issue yet. The system that we have in place [to regulate alcohol ads] is ineffective, as people continue abusing alcohol, which often leads to violence. We want to make an effective law, but this will take time, so first, we believe we must prepare a sub-decree.⁷⁹

3.4.2.4. Absence of Law on Alcohol Management and Poor Law Enforcement

Almost every surveyed respondent referred to the absence of laws or poor enforcement as a prominent part of the significant causes of the increase in consumption. Some of them are unsure whether the law has existed; others shared their observation or argument on how the government can regulate business transactions being freely operated in the country if such a law does not exist. That is why the level of consumption gets dramatically increased and is high. Respondents regarded this thoughtfully and made strong suggestions to put the laws in place and ensure the effectiveness of law implementation. Otherwise, it is hard for them to predict the future increase in consumption.

There are things attracting people to increase alcohol consumption. There is no mechanism for social, economic, citizen, and public health.

There is no control by the government and policy. The very appealing campaign can lead many young people to consume more and more. Not heard of any business conducts.

⁷⁵ <https://www.phnompenhpost.com/national/kampong-speu-alcohol-advertising-removal-nears-completion> (Accessed 23 February 2022)

⁷⁶ <https://www.khmertimeskh.com/594397/call-to-regulate-alcohol-advertising-2/> (Accessed 23 February 2022)

⁷⁷ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January 2022)

⁷⁸ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 23 February 2022)

⁷⁹ <https://www.khmertimeskh.com/595951/alcohol-ad-sub-decree-on-the-table/> (Accessed 23 February 2022)

The high rate of alcohol use was due to how cheap liquor is in Cambodia, the lack of restrictions on advertising, and the lack of laws curbing use, according to the report.⁸⁰

Our country does not seem to have any control over production and distribution; it is anarchy. The company pays taxes to the state, but the losers are the citizens.

Lack of Alcohol Law and Drinking Age Leaves Cambodian Youths Vulnerable! Carefree attitudes and frequent drinking are commonplace among youths in Cambodia, where heavily advertised and affordable beer and liquor make it easy and tempting for many young people to start drinking. During the past decade, beer and liquor sales in Cambodia have been rising as average incomes have increased amid strong economic growth. Government regulations limiting alcohol sales or advertising are absent, as are programs that raise awareness of the health risks of alcohol use. Civil society organizations have urged the government to introduce a national law on alcohol to improve public health and safety, but they said it had been held up for years by powerful business interests.⁸¹

In most developed countries, young people are not permitted to purchase cigarettes or alcohol, and policies and laws penalize those selling to minors. Additionally, high taxes are placed on cigarettes and alcohol to make it difficult for young people to afford to buy these items. However, there are no regulations regarding the use of cigarettes and alcohol among underage young people in Cambodia. It may be beneficial to advocate for regulations to establish “smoking-free” or “alcohol-free” zones in the areas where young people frequently gather (MoEYS, 2010).

According to an official at the Ministry of Education, Youth, and Sport, there are currently no restrictions on selling or purchasing alcoholic beverages in Cambodia. In 2015, the alcohol law was forwarded to the Council of Ministers for approval. “Once the draft is officially passed into law, restrictions will come into place on advertising, distribution, and the age of alcohol consumers. The government planned to raise taxes on alcohol and tobacco in 2016.⁸²

Some pointed out several bearers affecting the development and passing of such a fundamental law which would limit the production and selling, resulting in the lower benefits to producers of which many elites and high-ranking government staff have been engaged.

“[A] big issue is that the alcohol industry is trying to prevent this law from being passed. Just like the alcohol industry around the world, it makes sense for them to hinder the passing of such law.” President of People Center for Development and Peace, who worked on the alcohol issues in Cambodia for decades.⁸³

⁸⁰ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed on 25 January 2022)

⁸¹ <https://www.voacambodia.com/a/lack-of-alcohol-law-and-drinking-age-leaves-Cambodian-youths-vulnerable/5104040.html> (Accessed 23 February 2022)

⁸² <https://www.phnompenhpost.com/national/govt-urged-hasten-work-alcohol-law> (Accessed 25 January 2022)

⁸³ <https://www.voacambodia.com/a/lack-of-alcohol-law-and-drinking-age-leaves-Cambodian-youths-vulnerable/5104040.html> (Accessed on 25 January 2022)

“The industry is driven by the interests of large producers who are embedded within the political architecture of the Cambodian government and associated financial profits,” noted the report, which pointed out that the biggest companies have “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 relationships, large producers can influence new laws and regulations.”⁸⁴

3.4.2.5. Low awareness of the harmful use of alcohol correlates with lacking awareness raising at all levels

Many surveyed respondents cited the lacking knowledge on harmful consumption as a significant matter that caused the consumption to increase, albeit this contradicts the finding found by a study reported that more than 90% of most at-risk youth (male and female) are aware of the dangers caused by drinking (MoEYS, 2010). According to most respondents, following the traditional norm and practice, Cambodian people are unaware of what side effects are caused by drinking alcohol, particularly excessive drinking. They are just keen to drink as they like. Even though they get sick after the drink, they feel this is normal because such sickness disappears after they relax or get medication.

Drinkers get happy once they drink. They are not aware of the site's effects. Indeed, they see that sometimes they get sick after an excessive drink. Such sickness disappeared upon their short relaxation or medication. They don't see longer-term side effects or symptoms. This could be because the longer-term consequences are not easy to notify. A high-ranking government official is working in the social protection sector.

Unlike tobacco, awareness of the harmful use of alcohol is not active. It is hard to see such awareness sessions embedded in the school curriculum at all levels. In public places, rather than displaying messages to reduce consumption, there are plenty of messages to attract more drinking. There are no messages on the product, cans, or bottles of beer or wine to alert the harmful side effects or consequences of alcohol. The design of products does not discourage people from drinking, but encouragement takes the role. A limited number of programs are run by the government or civil society organizations to raise such awareness. Limited financial resources, budget, or funding have been invested in planning and carrying out mass awareness campaigns.

It is intangible. The government does not have many awareness activities or programs. I don't know about NGOs. However, I observe a high limitation of funding support for awareness raising on the harmful use of alcohol in Cambodia. I found that people, regardless of age, sex, education, or job types, drink at any time, irrespective of special occasions or parties, anywhere, from public places to rice fields and farms, and sometimes I see people drink nearby the fence of Buddhist pagoda. A high-ranking government official works in a ministry's anti-human trafficking and minors section.

⁸⁴ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January, 2022)

None of the respondents suggested that the government and relevant stakeholders take care of awareness raising programs and activities. They argued that knowledge about this is imperative; it helps awake people about the consequences and impact of the drink. Although it is not sure if they entirely stop drinking upon they knew about this well, at least they reduce their per capita consumption or do not drink much until reaching the excessive amount.

3.4.3. POSITIVE IMPACT OF ALCOHOLIC BEVERAGE BUSINESS

I see that it is not all negative; if negative, they do not produce. I think the state receives taxes from companies. But we do not know if the tax on alcohol and the health effects on citizens can be reconciled. In addition, we recognize that it helps to increase the number of jobs, but all alcohol users have caused accidents, which is a huge loss of property, especially the cost of medical treatment.

I think it involves both states receiving taxes on production and increasing employment. But the victims are the people who suffer from traffic accidents, domestic violence, and loss of time, business, and income.

3.4.3.1. Contributing to GDP

Government revenue from alcohol

Revenue generated from different major sources relating to the alcoholic beverage business has contributed to the GDP to some extent. A study that strived to collect data from various sources suggested that the government's revenue increased yearly, despite data for some variables being unavailable to validate. Practically, such an increased revenue has resulted from increased investment of alcoholic beverage companies in the advertisement, alcohol import, alcohol export, tax, import duties, VAT, and other special taxes on alcohol. In Cambodia, a 10 percent value-added tax is levied on all alcoholic products. Products are also subject to specific taxes on merchandise and services at 30 percent and 35 percent. Moreover, a customs duty rate of 15 percent and 35 percent is applied to liquor and beer, respectively. From 1 April 2016, however, tax on alcoholic products increased notably, with special tax rates increasing to 30 percent for beer and 35 percent for liquors (Asia Foundation, 2016).

Between 2012 through 2014, alcohol imports increased alongside increased per capita rates of alcohol consumption, of which there was a dramatic jump in beer imports, which increased from 2.1 million liters to 1.6 million liters and 32.3 million liters, respectively (Asia Foundation, 2016). Using conservative estimates, due to limited publicly available data, the total government was about the US \$30 – 40 million from import and related taxes annually. Total revenue from imported alcohol continues to increase year after year. Another source using official data from the General Department of Taxation (GDT) reported that, in the first two months of 2016, the government collected almost \$212.49 million in tax revenue, up 14.49 percent over the same period last year⁸⁵ In the subsequent years, data also showed that special tax, which includes additional fees on automobile parts,

⁸⁵ <https://www.khmertimeskh.com/37081/taxes-on-local-alcohol-and-cigarettes-increased/> (Accessed 25 January 2022)

cigarettes, beer, and alcohol, increased by 11 percent.⁸⁶ Although the exported volume of alcohol show mixed results, in 2011, beer exports steadily increased over time, with a significant jump in 2013 and climbing steadily ever since. Wine exports started from a zero base in 2011 – 2012 and steadily rose to 126 thousand liters in 2015. Exported spirits increased from 2011 - 2012 and reached a peak in 2013.

The total revenue from alcohol advertising accounts for more than 50 percent of all advertising revenues in the country, according to the Asia Foundation report released in 2015. It increased by 164 percent in 2011 and became one of the fastest-growing areas in the Cambodian advertising industry. Beer advertisements bring in around \$100 million each year, and with the increasing number of foreign tourists that make their way into Cambodia, this figure is expected to continue to rise.⁸⁷

3.4.3.2. Contributing to creating jobs

As a result of the overall business operation in recent decades, the alcoholic beverage industry has contributed to creating jobs. For instance, among the prominent alcoholic beverage companies operating in Cambodia, Vattanac Brewery Co., Ltd. claimed that its business operation had created about 1,500 jobs.⁸⁸ Likewise, Hanuman Beverages CO., LTD. claims that its \$160.6 million project was approved recently and would create 1,545 jobs.⁸⁹ Adding to these, about 9,600 alcohol refinery operations (Asia Foundation, 2016) would create jobs for many people. About 38,000 female entertainment workers working in entertainment establishments, such as karaoke TV bars (KTV), beer gardens, and nightclubs, would benefit from their employment (Carinne B. K., 2020).

3.4.3.3. Perspectives toward revenue and the negative impact

Some of the surveyed respondents are not pessimistic about the alcoholic beverage business. They have seen both impacts. Positively, they see that the government generated revenue from this industry, although they do not know how it is managed. Jobs have been created to increase the employment rate and enable income generation. While it is not clear how this positive benefit would balance with the negative impacts, various consequences of alcohol consumption have been visible.

3.4.3.4. Increased Personal Joy, Socialization, and Friendship

About 40% of the (327) respondents, the general population group, are positive about why people in Cambodia decided to drink alcohol. Personal joy, socialization, and friendship are key positive reasons for the decision. Amongst 89 respondents who used to drink or continue drinking at present, the three top reasons for drinking are general friendship, happiness, and stress release. This is in line with the public perception, including those who reported that they never drink any alcohol.

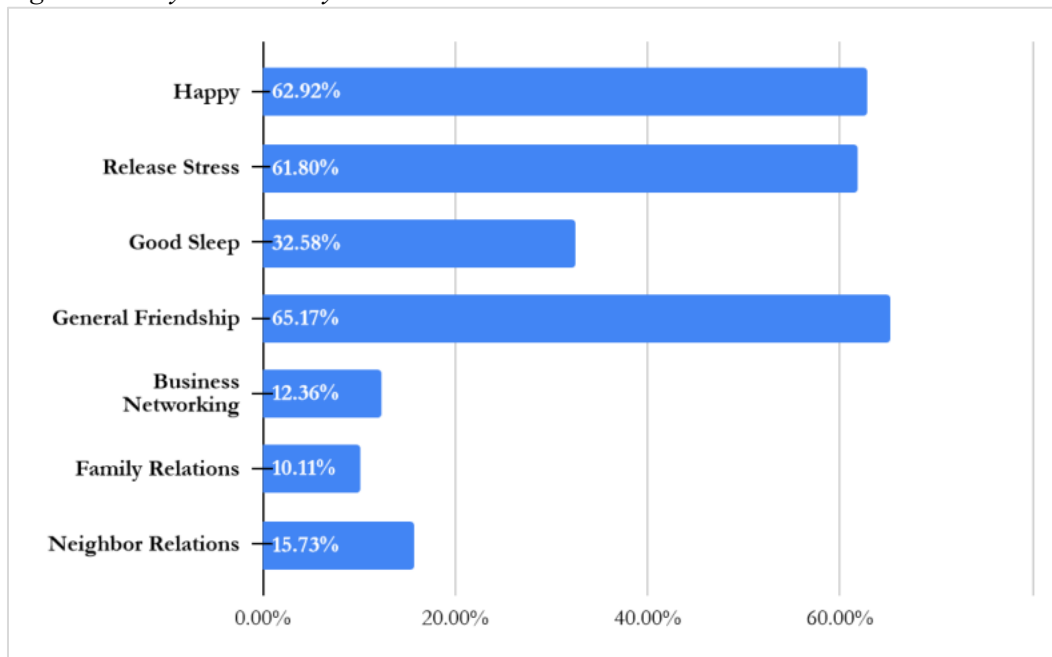
⁸⁶ <https://www.phnompenhpost.com/business/tax-department-rakes-12b-revenue> (Accessed 25 January 2022)

⁸⁷ Cited in the news, <https://www.khmertimeskh.com/108299/cambodias-growing-drinking-problem/> (Accessed 25 January, 2022)

⁸⁸ <https://www.khmertimeskh.com/50956789/vattanac-brewery-brews-first-beer-for-the-kingdom-of-cambodia-2/> (Accessed 25 January 2022)

⁸⁹ <https://www.phnompenhpost.com/business/vattanac-launch-87m-brewery> (Accessed 25 January 2022)

Figure 21: Key reasons why drinkers decide to drink alcohol



Alcohol is not purely bad or good. It depends on how the government regulates it. It is good as it can help people release stress and have fun after a busy day. However, without government regulation, it could bring harm to society.

“No Drink, No Friendship!” has become a common word used in Cambodia. It is often used once anyone persuades others to drink with them. Despite looking similar, it is not always positive; it would be a bit of pressure. A study targeting the Most at Risk Young People found that they drink because they wanted to experience new things, to cope with their working conditions, to conform to peer pressure and because of their family, school, or relationship issues. For people aged from 10 to 14 years, compared with older age groups, the decision to start drinking alcohol was strongly influenced by external social factors (their surroundings highly influenced, i.e., them(MoEYS, 2010).

3.4.4. NEGATIVE IMPACT OF ALCOHOLIC CONSUMPTION

This section provides the analysis of the perception of the surveyed respondents toward negative impacts of alcoholic consumption in Cambodia, in general, and where available and relevant, it also captures the actual impacts experimented by the general population we surveyed.

3.4.4.1. Overview

Alcohol is a psychoactive substance with dependence-producing properties that has been widely used in many cultures for centuries. The harmful use of alcohol causes significant disease and social and economic burdens in societies. The harmful use of alcohol can also result in harm to other people, such as family members, friends, co-workers, and strangers. Moreover, the harmful use of alcohol results in significant health, social and economic burdens on society at large. Alcohol consumption is a causal factor in more than 200 disease and injury conditions. Drinking alcohol is associated with a risk of developing health problems such as mental and behavioral disorders, including alcohol dependence, major noncommunicable diseases such as liver cirrhosis, some cancers, and cardiovascular

diseases, as well as injuries resulting from violence and road clashes, and collisions. A significant proportion of the disease burden attributable to alcohol consumption arises from unintentional and intentional injuries, including those due to road traffic crashes, violence, and suicides, and fatal alcohol-related injuries tend to occur in relatively younger age groups. The latest causal relationships are those between harmful drinking and infectious diseases such as tuberculosis and the incidence and course of HIV/AIDS. Alcohol consumption by an expectant mother may cause fetal alcohol syndrome and pre-term birth complications.⁹⁰

About 3 million deaths each year globally are caused by alcohol consumption, and millions of people get disabilities and poor health, according to WHO. Remarkably, alcohol led also to a significant burden of disease and injury in 2016, causing 132.6 million DALYs (deaths and disability-adjusted life years) which represented 5.1% of all DALYs in that year.⁹¹ Likewise, observed in some developed countries, such as in the United States of America, excessive alcohol use led to approximately 95,000 deaths and 2.8 million years of potential life lost (YPLL) each year from 2011 – 2015, shortening the lives of those who died by an average of 29 years.⁹²

Overall, the harmful use of alcohol is responsible for 5.1% of the global disease burden. Harmful use of alcohol is accountable for 7.1% and 2.2% of the global disease burden for males and females, respectively. Alcohol is the leading risk factor for premature mortality and disability among those aged 15 to 49 years, accounting for 10 percent of all deaths in this age group. Disadvantaged and especially vulnerable populations have higher rates of alcohol-related death and hospitalization.⁹³ The effects of alcohol consumption on mortality are greater than those of tuberculosis (2.3%), HIV/AIDS (1.8%), diabetes (2.8%), hypertension (1.6%), digestive diseases (4.5%), road injuries (2.5%) and violence (0.8%) (WHO, 2018).

Violence caused by alcohol consumption is severe. Globally, many people have experienced or witnessed situations in which people drinking alcohol get aggressive, obnoxious, and violent. Scientific research has shown evidence of a relationship between alcohol and violence, and even evidence that alcohol plays a role in causing violent and aggressive responses.

Unlike the positive impacts, various negatives of alcoholic beverage consumption were identified and assessed by all the surveyed respondents. Their assessment is based on their direct observation of what reality happened in their daily life and society. From the surveyed drinkers, they share their existence. Like or similar to many studies, in other countries and Cambodia, at any time, including in recent years, significant adverse impacts are categorized into two sectors – social and economic, following the instruction of the study ToR – of which over ten areas of negative consequences are reported. They are separated into two stages – the immediate impacts and the projected longer-term effects.

It's hard to say priority amongst the negative areas identified or assessed because almost every surveyed respondent raised every area of negativity. However, going from the top to the bottom, health problems (88.33%), traffic accident (85.99%), family (74.32%), and

⁹⁰ <https://www.who.int/news-room/fact-sheets/detail/alcohol> (Accessed on 9 February 2022)

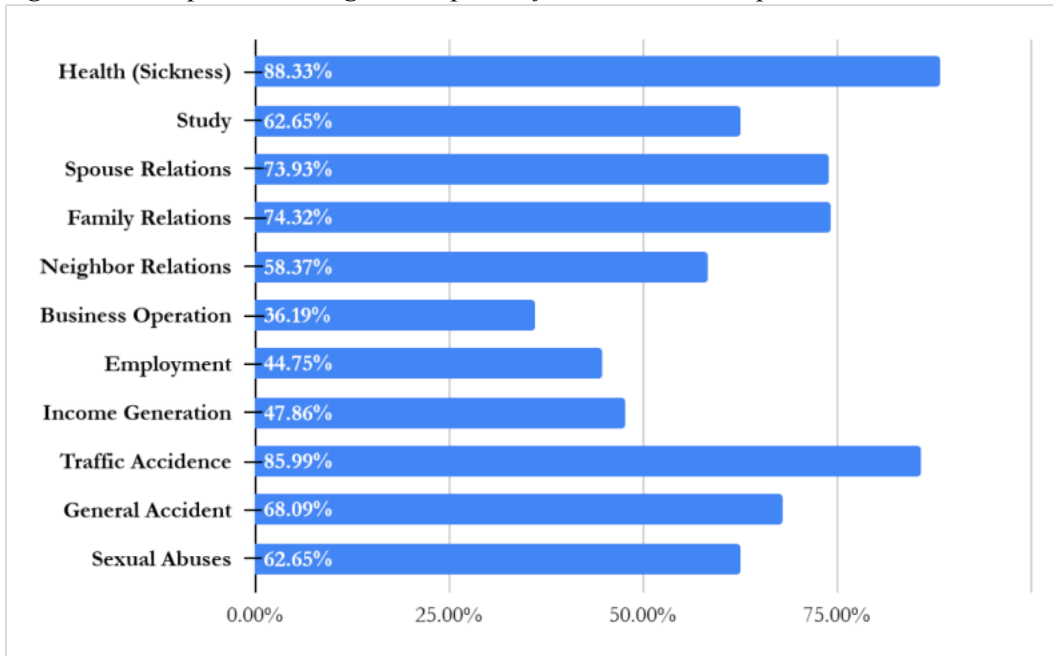
⁹¹ https://www.who.int/health-topics/alcohol#tab=tab_1 (Accessed on 9 February 2022)

⁹² <https://www.cdc.gov/alcohol/fact-sheets/alcohol-use.htm> (Accessed on 9 February 2022)

⁹³ https://www.who.int/health-topics/alcohol#tab=tab_1 (Accessed on 9 February 2022)

spouse relations (73.93%) are among the top three enlisted. These are then followed by general accident or violence (68.09%), sexual abuse (62.65%), and poor study performance (62.65%). Problems relating to neighbor relations (58.37%), income generation (47.86%), employment or job performance (44.75%), and business operation / relations (36.19%) come after.

Figure 22: Perspective on negative impacts of alcoholic consumption in Cambodia



Excessive spending on alcohol caused violence, physical illness, and loss of family income. It affects children's education and commits other atrocities, significantly affecting the mind. Cause domestic violence, psychological violence on a housewife, and affect health. It causes social insecurity and increases theft. Throw the child to the next generation because it is commonly thought that alcohol use is normal and something everyone should drink. [Country Director of a domestic NGO.]

Besides too little drink, it can lead to domestic violence, affecting the emotional well-being of wives and children, medical expenses, and even murder. On the other hand, it is terrible for children to follow suit. Accidents can lead to lawsuits, material damage, disability, and falling into poverty due to income impact.

The impacts of alcohol beverage consumption impact the economy because of the need to spend money, impacts on health, and impacts on traffic accident. When someone is affected by alcohol health, they spend time, money, and family members to take care.

Try to earn money on beer (waste). Spend time not drinking; spend time making money. Create conflicts with family and neighbors. There are times when cash costs illnesses and causes families to fall into debt. Drunken driving, death to oneself or any person who is the head of the family makes it difficult for the family to lose that member and may fall into debt.

Although the company's rise creates more jobs for Cambodian people, the overwhelming consumption of alcoholic beverages has caused some deaths and affects Cambodia's human resources, which results in harmful economic consequences. The overconsumption habit also decreases Cambodian people's capability and produces fewer results than they should for the economy.

3.4.4.2. Economic Impacts

Separately, three areas are categorized into economic impacts. The destruction of income generation activities is at the top of the list. Although not many respondents, nearly half of them repeatedly indicated these as the negative impacts, of which about 47.86% indicated the destruction of income generation, followed by affecting the quality of job performance (44.75%), and finally disturbing the business operation (36.19%) for those who are self-employed, in particular.

Disrupted Personal / Family Income Generation

Respondents explained that once anyone gets engaged in drinking alcohol, they immediately spend their own money to buy alcohol, and they waste time doing any activities in which they can earn income. Drinkers get sick. Consequently, they cannot do any activities they are supposed to do. Respondents shared their observations or practical experience; they put:

I was used to calculating money with just two people in a family who used it. Especially for the poor, the burden on family economic as the need to spend money on drinks and may have other financial problems such as lost employment opportunities or low wage increased medical. Most alcoholics spend between 20 and 30 percent of their daily income on alcohol. Spend much money, and waste time.

People spend much money on alcohol. Losing time in business, solid ones, is spending time with alcohol. Alcohol needs to be bought if someone drinks alcohol every day or more often some part of family income to alcohol, and if someone gets sick or accident happens caused by alcohol, then spend time to take care of them.

Have to spend money to buy alcohol. Spend time. Cause disease, when sick, lose income. For the state, losses due to violence increase traffic accidents.

Spending money, wasting time, increasing poverty, losing jobs

Many studies and research showed that family members often engage in alcohol consumption and increased debt with banks. [A high-ranking government official.]

A family with family member who drinks alcohol causes a loss of family income. From my general observation, I find that most bank-indebted families have alcoholic members. People spend their hard-earned money on alcohol.

Affected the quality of job performance (44.75%)

Most of the respondents are employed. It's imperative to ensure the quality of their performance. Consumption of alcohol affected the quality of job performance, although

the study did not ask technical questions to what extent it has affected, what are the real consequences they see.

When we drink, we lose money; some people earn enough to drink. When drinking makes us sick, we must spend money and waste time. Some go because they drink too much and are fired. Some alcohol causes traffic accidents; it can lead to loss of property and time damage.

Disturbed business operation (36.19%)

Another aspect was the business operation. Increasingly, more and more Cambodian people have their businesses. Although, as presented in the positive impact above, drinking alcohol provides fun and space for drinkers to discuss their business-related issues or topics and build up relations or networking. Some respondents shared that some business partnership has been affected if excessive drinking occurs. Disrespectful conversation damaged the partnership afterward.

Besides these three significant impacts, respondents, to a less extent, shared other effects on the economic sector. These include caused damages to public properties, increased burden on the national budget, and expenses for rehabilitation/recovery of any losses caused by alcoholic consumption, mainly relating to traffic accident and sickness. Losing human resources or capital was also mentioned as one of the great for the family and the society, while Cambodia has a scarcity of human resources to serve the country's development.

3.4.4.3. Social and Health Impacts

Increased Health Problem: Short-term, Medium-term, and Long-term

A vast majority (88.33%) of the respondents repeatedly indicated health-related problems came at the first line, while several research studies and statistics confirmed this. Keywords or statements that respondents explained the immediate negative impacts on the medium- and longer-term consequences of health-related problems are presented:

Too much discussion about alcohol affects the health of individuals, and consumers and the state have to pay more for health services for the people. It affects health, spends much money on treatment, causes loss of human resources, and disability. Cause disease. Negatively affect people's health both in the short-term and long-term, which requires the people themselves and the government to spend much money on treatment. Heavy drinking causes sickness. Increased unhealthy. [Collated responses from some respondents.]

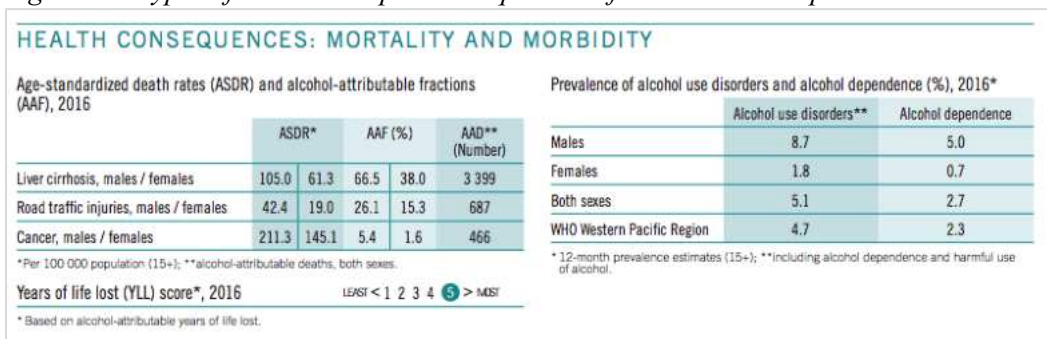
A study by health experts argued that increasing alcohol consumption and tobacco use are associated with numerous public health challenges, including the increasing prevalence of chronic disease in Asia-Pacific.⁹⁴ According to the WHO, the harmful use of alcohol is a causal factor in more than 200 disease and injury conditions. It is suggested that drinking alcohol is associated with a risk of developing health problems such as mental and behavioral disorders, including alcohol dependence, major noncommunicable diseases such as liver cirrhosis, some cancers and cardiovascular diseases, as well as injuries resulting from violence and road clashes and collisions.⁹⁵ According to a recent study by

⁹⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5043075/> (Accessed 14 February 2022)

⁹⁵ <https://www.who.int/news-room/fact-sheets/detail/alcohol> (Accessed 14 February 2022)

WHO, NCDs (noncommunicable diseases) are responsible for 64% of all deaths in Cambodia, and the population has a 23% probability of dying between the ages 30 and 70 years from one of the four main NCDs.⁹⁶ The total economic burden of NCDs on the Cambodian economy is KHR 5.97 trillion (US\$ 1.5 billion) per year, equivalent to 6.6% of the country's annual gross domestic product (GDP).⁹⁷

Figure 23: Types of diseases as per consequences of alcohol consumption in Cambodia



Source: (WHO, 2018)

Reduced Quality of Study Performance

Over half (62.65%) shared their observation that drinking alcohol reduced the quality of study performance. Consequently, some respondents observed that youth dropped out of school.

We see young people drop out of school and do other unfortunate deeds. Affect learning, limiting critical thinking and increasing boring thoughts.

Alcohol consumption showed negative associations with study or academic performance. One study concluded that alcohol consumption had been negatively associated with academic performance, and heavy drinking has been proposed as a probable contributor to student attrition from college. Problems frequently experienced by university students due to drinking included missed classes and poor academic achievement. Heavy episodic drinkers are much more likely than non-heavy drinkers to report that drinking caused them to miss class, fall behind in their schoolwork, and perform poorly on test/s or other academic project/s.⁹⁸ Likewise, numerous other studies in the OECD countries suggested that alcohol drinking negatively affected educational performance and outcomes. Technically, first, alcohol use and related diseases (such as mental health issues) may have a direct biological effect on cognitive function and concentration at school. Alcohol has been shown to cause neurodegeneration and impaired functional brain activity, creating learning and recognition problems. Second, alcohol use can lead to behaviors that affect educational performance, such as lower attendance or commitment. For example, alcohol usage is associated with absenteeism from school, less time spent studying, and lower school attendance. Third, emotional or mental health factors related to alcohol use can affect educational performance. Alcohol consumption negatively affects relationships with other students and teachers and school work commitments. For instance, alcohol use by

⁹⁶ <https://www.who.int/nmh/Cambodia-IC-Report-Final.pdf> (Accessed 14 February 2022)

⁹⁷ <https://www.who.int/nmh/Cambodia-IC-Report-Final.pdf> (Accessed 14 February 2022)

⁹⁸ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3843305/> (Accessed 14 February 2022)

students may increase the odds of disengaging from school (such as through truancy or school suspension), which may favor connections with antisocial peers.⁹⁹

Ruined Relationships

The surveyed respondents expressed three types of relationships. Amongst them, about 74.32% of the respondents assessed that alcohol drinking affected family relations, and the impact on spouse relations came next, followed by its consequences on the relations with neighbors. Respondents revealed that harmony within a family had been affected. This is closely linked with domestic violence, which will be elaborated on in the sections below for a more severe case. Notably, children get higher impacts. Their education has been impacted. Literature indicates that heavy drinking by parents affects family functioning, the parent-child relationship, and parenting practices, which, in turn, adversely affect childhood development (CHEA & Keothyda, 2015). Respondents also reported that drinking disrupted relations of a spouse, and in some cases, with neighbors living in the same community. In addition, albeit not many cases happened or the respondents could not recall, to some extent, the relations between business partners have been negatively affected by heaving alcohol drinking.

Traffic Accident

Statistics show that in 2004, the number of traffic accidents increased worldwide, killing around one million people and injuring 23 million others. 85% of the fatalities occur in developing countries. The Asia–Pacific region alone accounts for up to 44% of global road deaths. In Cambodia, road traffic accidents increase 15% every year.¹⁰⁰ A report from a specialized NGO showed that 814 people died in traffic-related accidents between 2006 and 2008, and a further 11,178 people were injured.¹⁰¹ According to the UNDP report, in 2019, Cambodia saw almost 13,700 injuries and more than 2,000 deaths due to traffic accidents – with an average of 5.4 people dying daily. This makes road traffic one of the leading causes of deaths and injuries in the Kingdom. The number of fatalities caused by road traffic accidents has increased nearly 25% over the past 11 years (2009-2019), higher than the population growth for the same period of 17% (UNDP, 2021).

Alcohol use was listed as one of the critical factors associated with the loss of life in an accident reported across different times within decades, by the report released by a specialized NGO in 2008,¹⁰² by the figures released by the Cambodian National Police, in 2017¹⁰³ and by the United Nations Development Programme (UNDP) report in 2021.¹⁰⁴ Youth seems to suffer the most from fatal accidents or serious injuries, but they are found

⁹⁹ <https://www.oecd-ilibrary.org/sites/8f9105c7-en/index.html?itemId=/content/component/8f9105c7-en#section-d1e16429> (Accessed 14 February 2022)

¹⁰⁰

https://www.who.int/violence_injury_prevention/road_traffic/5year_strategy/travis_annualreport_execsum.pdf (Accessed 25 January 2022)

¹⁰¹ <https://www.phnompenhpost.com/national/study-shows-rise-youth-alcohol-use> (Accessed on 9 February 2022)

¹⁰² <https://www.phnompenhpost.com/national/study-shows-rise-youth-alcohol-use> (Accessed on 9 February 2022)

¹⁰³ Cited in the news, <https://www.khmertimeskh.com/108299/cambodias-growing-drinking-problem/> (Accessed 25 January 2022)

¹⁰⁴ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January 2022)

to be the ones who disobey traffic law, use drugs and drink, and Overspeed at the same time (UNDP, 2021).

Road traffic accidents impose a significant economic burden. UNDP and NRSC (National Road Safety Committee) re-estimated the cost of road traffic accidents in Cambodia for the first time in 10 years and found this to be \$466.8 million for 2019, equivalent to 1.7% of the annual GDP. Of this total cost, 88.8% is due to loss of life and associated lifetime earnings (UNDP, 2021).

It is not surprising that almost 9 out of 10 respondents stressed traffic accidents in Cambodia in response to the question, “what are the negative impacts of alcoholic consumption?”. Noted from interviews, once it comes to this point, respondents felt shocked by the unhesitant response, to say, “traffic accident.” They shared that traffic accidents happened daily; if it did not happen here, it happened there. Especially during special occasions or celebrations, the information always showed that tragedy if they didn’t see their eyes.

Domestic Violence

“Frequently, he comes home drunk and blasts his anger toward me when I ask his whereabouts or talk about his alcoholic behavior,” Ouk Kimchheang, 52, said about her husband at one of these group sessions in Samraung Commune.¹⁰⁵

We find that young people are more likely to use it, which is detrimental to education, or that young people can lead to more misconduct, such as robbery and especially domestic violence, due to alcoholism. In addition, it affects the dignity of society because the promotion and raising of signs all over the streets while the sale is anarchic.

Violence against women, including intimate partner violence, continues to be a severe concern in Cambodia.¹⁰⁶ The U.N reports pointed out that one in five women, 15 to 49 years old, in Cambodia experienced physical violence.¹⁰⁷ In a national survey commissioned by the Government and the UN in 2015, 32 percent of partnered Cambodian women experience emotional abuse by an intimate partner in their lifetime.¹⁰⁸ The rights group

¹⁰⁵ <https://www.un.org/youthenvoy/2017/07/end-violence-women-cambodian-project-teaches-healthy-relationships/> (Accessed 25 January 2022)

¹⁰⁶ <http://ngocedaw.org/wp-content/uploads/2021/03/MR2020EN-1.pdf> (Accessed 14 February 2022)

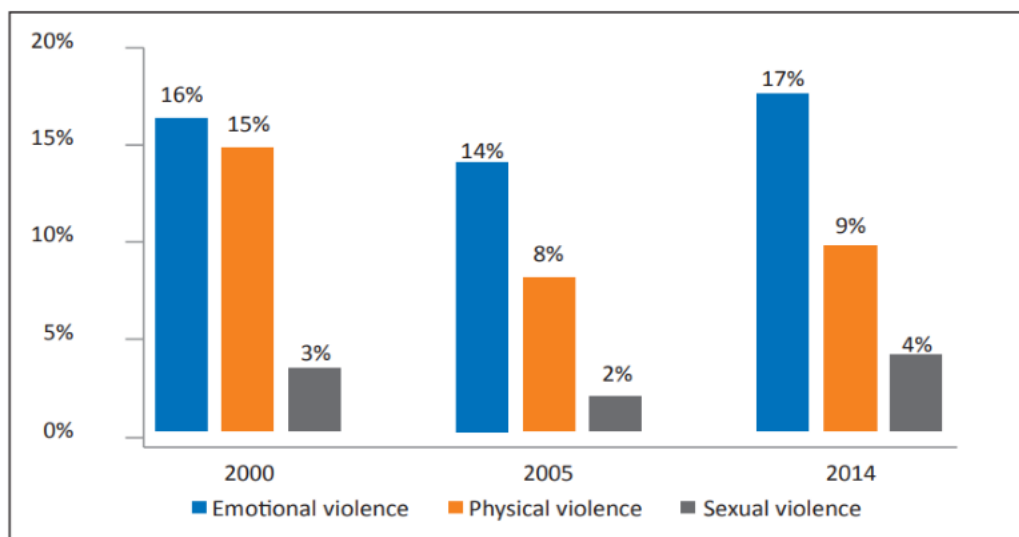
¹⁰⁷ <https://borgenproject.org/tag/domestic-violence-in-cambodia/> (Accessed 14 February 2022)

¹⁰⁸ https://www.kh.undp.org/content/cambodia/en/home/presscenter/articles/2017/11/30/what-is-needed-to-end-violence-against-women-in-cambodia-.html?utm_source=EN&utm_medium=GSR&utm_content=US_UNDP_PaidSearch_Brand_English&utm_campaign=CENTRAL&c_src=CENTRAL&c_src2=GSR&gclid=Cj0KCCQiAmKiQBhCIA RIIsAKtSj-nC-thYmAxSxSpeb9KHsflf81fb1Axlhv05vr7Q3VnRvSo39L_bSEaAjUAEALw_wcB (Accessed 14 February 2022)

recorded 112 domestic violence cases in 2020, slightly increasing from 102 the previous year.¹⁰⁹ Throughout 2020, numerous media reports of men murdering their partners.¹¹⁰

Alcoholic consumption and violence have a strong connection, albeit complex. Experts suggested that alcohol consumption is strongly related to such violence by stressing that most cases involved men who returned home intoxicated and became violent towards their wives and children.¹¹¹ In agreement with this, a study suggested that around 58 percent of women confirmed they live with a family member addicted to alcohol and that they experienced violence from their husbands or family members consuming alcohol.¹¹² Another study proved that among males aged 18 to 24, drinking alcohol and smoking were correlated with experiences of physical violence before age 18 (UNICEF, 2014). Amongst crucial factors, such as low levels of education, and poverty, alcohol consumption links to violence, especially domestic violence (USAID, 2019). The Cambodia socio-economic survey 2014 solicited that one of the top factors associated with violence is her intimate partner got drunk often, in which over 30% of Cambodian women had experienced physical, sexual, emotional, or economic intimate partner violence experience in their lifetime.¹¹³

Figure 24: Percentage of women who experienced violence from their partners



Source: UNFPA Cambodia report¹¹⁴

¹⁰⁹ <https://www.phnompenhpost.com/national/2020-domestic-violence-cases-112> (Accessed 14 February 2022)

¹¹⁰ <http://ngocedaw.org/wp-content/uploads/2021/03/MR2020EN-1.pdf> (Accessed 14 February 2022)

¹¹¹ <https://www.phnompenhpost.com/national/2020-domestic-violence-cases-112> (Accessed 14 February 2022)

¹¹² <https://www.phnompenhpost.com/national/alcohol-leads-violence-against-women-org> (Accessed 25 January, 2022)

¹¹³ https://cambodia.unfpa.org/sites/default/files/pub-pdf/Leflet_IPV_English.pdf (Accessed 14 February 2022)

¹¹⁴ https://cambodia.unfpa.org/sites/default/files/pub-pdf/Leflet_IPV_English.pdf (Accessed on 9 February 2022)

Sexual Abuse

Sexual abuse has a link with alcohol consumption. Over half (62.65%) of the surveyed respondents reflected. It was unclear if this was a practical experience of the respondents. Nevertheless, this indicates that such incident is high and correlates with alcohol consumption.

Conflict, Domestic and Social Violence, Traffic Accidents, Deteriorating Society, Susceptibility to Drug Use, Sexual Abuse.

A study of the MoEYS indicated that drinking alcohol is key reason for having sex with sweethearts among most at-risk young males (MoEYS, 2010). According to another study, saying that when partners are drunk, they are more likely to be physically or sexually violent. (Carinne, et al., 2019). Almost every NGO and government representative who joined the Amnesty International study expressed that the increased alcohol consumption related to sexual violence against women.¹¹⁵

Related Violence

Cambodia has high rates of all types of violence among youth. Some studies mentioned that youth and their parents observe many acts of violence in their communities (USAID, 2019). Violence is a cause of mental health issues, addictions, dropping out of school, and violent behavior (USAID, 2019). This study found that about 68.09% of the surveyed respondents mentioned other related violence is the impact of alcohol consumption. This reiterates many studies reporting the relation between alcohol and violence. Amongst key factors, such as low levels of education and poverty, alcohol consumption is often linked to violence (USAID, 2019). Like a drug, alcohol consumption has increased and is a main concern of youth. Same as drugs, the consumption of alcohol is linked with outcomes of violence that affect the safety and well-being of youth (USAID, 2019). Statistically, about 60% of youth aged 18 to 24 years old experienced at least one form of physical, emotional, or sexual violence during their childhood in 2013 (USAID, 2019). Youth fighting or violence has been increasingly visible, including in public places. For instance, the violence of over ten youth, in which local news and some surveyed respondents put:

Two rival groups of 10-15 young people – fueled by alcohol – faced off in a ‘rumble’ and fought using plastic chairs and shoes in a confrontation that left local people shocked and scared.¹¹⁶

The more people drink, the worse their public health becomes because the health of the people in the society becomes weaker. Social insecurity because when people drink alcohol can cause violence or abuse. Another is the decline of social morality.

The emergence of violence is due to the use of alcohol. Families where the head of the family drinks alcohol can cause domestic violence and affect children's mental health. It can cause social insecurity, such as robbery and violence—the true story of an iron sister who was imprisoned for drinking and stabbing others. The sister was imprisoned, causing her family to lose her position and affecting her children.

¹¹⁵ <https://www.justice.gov/eoir/page/file/1051061/download> (Accessed on 9 February 2022)

¹¹⁶ <https://www.khmertimeskh.com/50896219/alcohol-fuelled-teen-violence-flares-at-phnom-penh-speakeasy/> (Accessed 14 February 2022)

“If he were not drunk, he would not hit my daughter” On the night of October 16, San Phally and three others were killed by a drunk driver. The 20-year-old had left home just three days earlier to find work in Phnom Penh, according to her father Ly Koeung. “I do not know what to compare to my child. When I think of her, my tears always fall. I regret it. It is too fresh. She just said goodbye three days ago.” Sitting in front of the house where his youngest daughter’s funeral had just ended, Koeung said he had no doubt that alcohol was the chief cause of the accident. “If he were not drunk, he would not hit my daughter. My daughter was walking on the sidewalk,” he said, tears in his eyes. “He was driving drunk and lost consciousness; then he caused danger to others. If he had not been drunk, he could not have caused harm.”¹¹⁷

Long-term consequences of alcoholic consumption

Besides concrete impacts prescribed, many respondents shared their observations and raised their concerns over numerous issues or problems which would be seen as consequences of alcoholism. At the individual and family levels, these concerns are related to chronic sickness (24.74%) and handicap (6.19%). While in the community or society at large, the possible consequences are about creating bad attributes towards alcoholism for the young generations to come and the cultural norms.

The cause is not solely by alcohol; it is also by alcohol illiteracy and alcohol abuse, which then leads to over-dependent on alcohol as the means of social gatherings, and weddings and consequentially lead to public health issues in the short and long run, traffic accidents and conflicts, including domestic violence. This creates a cycle of alcohol abuse and dependent over generations.

4. CONCLUSION AND POLICY RECOMMENDATIONS

Despite the rapid economic growth in recent decades, albeit to some extent it has been affected by the COVID-19 pandemic, the alcoholic beverage industry has dramatically emerged and developed in Cambodia. It shared a large scale in the market value. With the increasing investment, the production capacity increased and has dramatically reached a larger consumption. Through their massive and attractive advertisement, in which hundredths million USD is spent per annum, with limited restriction and control from the government, many different alcohol products have reached millions of consumers across the country.

Alcoholic drinking pattern has dramatically changed, doubling the increase in a decade. It arises among females under 18 years old, while the drinking pattern for older males remains high. As a result, alcohol drank per capita in Cambodia has increased and is higher than the global average. The such trend indicated a continual increase in the future.

Positive factors associated with the alcohol business and drink have been identified, including contributing to the GDP and creating jobs, as well as personal socialization and joy. If valuing it, such contribution might be more or less than the economy negatively impacted by consumption. In contrast, several negative impacts have been justified. Of

¹¹⁷ <https://cambojanews.com/advertising-buoys-alcohol-consumption-concerning-some-in-cambodia/> (Accessed 25 January, 2022)

those over ten areas of the negative impacts of alcoholic drinking, especially excessive drinking, short- to longer-term health-related issues, traffic accidents, and violence, mainly domestic violence is high and gives an alarm to relevant actors, especially the government to pay their attention and take durable and sustainable action to tackle such spreading consequences.

Building ground on these findings and suggestions, key policies are recommended to relevant beverage companies, banks, banking regulators, the government, as well as CSOs of concern to respectively and collectively take action to ensure that such potential business sector will continue to grow and provide more positive, than negative impacts to the Cambodian population, and the society at large.

The study reiterates the ten areas for action on alcohol that the WHO suggested some years ago for relevant governments and key actors involved and is still valid to be tackled. Those areas include alcohol pricing, the availability of alcohol, the marketing of alcoholic beverages, illegally and informally produced alcohol, drink-driving, drinking environments, health care interventions, public awareness-raising, community and workplace action, and monitoring and evaluation.¹¹⁸ Critical points suggested by various respondents and from various pieces of literature are summarized below:

To Alcoholic Beverage Manufacturing and Distribution Companies – two major points suggested to the alcoholic beverage manufacturing and distribution companies are related to (1) limiting harmful advertisement and (2) improving business conduct, and these are interlinked. It's widely suggested that companies should consider reducing the amount and attractive content of the advertisements. The advertisement should not continually appear everywhere, in public places, on TV, in music, or in movies, with very bright, clear, and attractive content. Using a celebrity to persuade customers to test or drink alcohol should be critically cut. The prize, which is used to attract customers to buy and drink more, should be cut. Concerning health issues of consumers, the quality of the product should be upgraded, contributing to reducing the harm to the drinkers.

To Banking Regulators and Banks – imposing, developing, and increasing the adaptation of the safeguarding policy by ensuring the ESG integration and implementation by the banks and increasing the restriction over loan disbursement are critical points suggested. Building on the increased acknowledgment of the value of ESG by some banks, together with continual capacity building and coordination mechanisms facilitated by ABC, it is expected that ESG principles will be increasingly adopted. A roadmap should be inclusively developed and used to guide the practical move of ESG integration and implementation. Albeit the local banks may not have released loans to any beverage companies, it is vital for the banks to critically review their risk assessment framework and toolkits, setting clear conditions on loan disbursement relating to alcohol manufacturing and distribution. It's also suggested that the interest rate for such a business should increase.

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file:///G:/My%20Drive/01.%20CAN/04.%20Progressive%20Work/2021_CCC_EconomicStudy/02.%20Literature%20Review/Cambodia_ onthetopic_Studies/E92820.pdf

To the Royal Government of Cambodia – several points were suggested to the RGC, of which enacting the law on alcohol regulation, reinforcement mechanism, and restriction on advertisement are the key. It is necessary to bring the law drafted in July 2015, by the Ministry of Health, to light. Such a law, which consists of some 39 articles and 11 chapters, includes items that make it illegal to sell alcohol to people under 21 years of age and to pregnant women; it should also reflect on key points commented by the Council of Ministers, including raise taxes on alcoholic beverages, enforce restrictions on the availability of retailed alcohol, enforce restrictions on alcohol advertising, and enforce drink–driving laws. Having observed that some laws in Cambodia have not fully complied, it is suggested that beyond having the law, such a law should be reinforced by the functional mechanism. In the advertisement, the RGC should focus on enforcing the restrictions on the amount, location, content, tone of the message, prize, methods, and channels.

Adding to these, some suggesting points which the RGC should take into account include, (1) reinforce some existing laws, such as the law on violence against women and children, criminal code and traffic law, driving laws, policies, and countermeasures; (2) enforce restrictions on the availability of retailed alcohol, ban alcohol sales at selected spaces; (3) development of pricing policies and implementation mechanism; (4) raise taxes on alcoholic beverages, control smuggling, and import; (5) enforce free-alcohol at the selected workplace and public places; and (6) implement mass awareness raising, especially to the youth, including the community-led program. This study reiterates the recommendation made by the MoEYS to review school curriculums and teacher training to include up-to-date information on the harmful effects of drugs and alcohol and to expand life skills training, with a focus on risk reduction skills, to empower young people to take responsibility, avoid drugs and delay the initiation of alcohol use and sex. School curriculums and teacher training could be further reviewed and strengthened to include up-to-date information on the harmful effects of alcohol and to expand life skills training, with a focus on risk reduction skills to empower young people to take responsibility, avoid drugs and delay the initiation of alcohol use and sex.

To Civil Society Organizations – CSOs are seen as an actor who should continually be involved in awareness raising, law development, policy development, implementation measures, promoting alcohol-free at the workplace, as well as conducting the community alcohol network. The Asia Foundation, with its partners, used to pilot this in some communities, which such a model should be considered to replicate.