Debunking the myth of Heineken in Africa

Olivier van Beemen, journalist and author of 'Heineken in Africa: A Multinational Unleashed'

SHAAP/SARN 'Alcohol Occasional' Seminar
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Scottish Health Action on Alcohol Problems (SHAAP) and the Scottish Alcohol Research Network (SARN) are proud to support the lunchtime 'Alcohol Occasional' seminars which showcase new and innovative research on alcohol use. All of the seminars are run in conjunction with the Royal College of Physicians of Edinburgh. These events provide the chance for researchers, practitioners, policy makers and members of the public to hear about alcohol-related topics and discuss and debate implications for policy and practice.

Briefing papers, including this one, aim to capture the main themes and to communicate these to a wider audience. SHAAP is fully responsible for the contents,which are our interpretation.

SHAAP and SARN were pleased to welcome Dutch author and journalist Olivier van Beemen for his Scottish book launch at our 'Occasional Extra' event. While at first glance Heineken and their business practices in Africa may seem to lie half a world away from our own work, in fact the common ground between us lies in the debate over how alcohol is sold, marketed and priced. This "contested territory" is described in detail in van Beemen's book, 'Heineken in Africa: A Multinational Unleashed'.

Over the last six years, van Beemen's research has taken him to 13 African nations. He has conducted over 400 interviews, among them talks with Heineken's most senior managers. His sources also include the company archives, internal documents and academic literature. The question van Beemen is trying to answer is simply: Does Heineken's activity in Africa boost economic development? The company claims to be "an island of perfection in a sea of misery" and they have been praised by politicians domestically and at the United Nations, but van Beemen has probed into the validity of these claims.

Olivier van Beemen

Before sharing his major findings, van Beemen pointed first to the history and importance the African market represents to Heineken and other multinationals. He explained that an 'Africa Strategy' must be in place or companies will miss out on the vast consumer potential of Africa's rising middle class. This is particularly relevant for beer companies, as beer is seen as an aspirational product: drinking industrial beer cements an individual's image as a member of the middle class.

van Beemen is of the view that what is perhaps less widely understood by the general public is that Heineken already has a long and profitable history on the continent. They have been brewing beer in Africa since the 1930s, and exporting it to Africans since the end of the 19th century. The company stuck it out through periods of massive upheaval, such as the series of civil wars in the 1980s and '90s all the while still managing to turn a profit. Currently, the African market represents only 15% of Heineken's global revenue, but 21% of their profits. This means that selling a beer in Africa is 42% more profitable for Heineken than selling one anywhere else in the world.

With Africa's strategic importance in mind, van Beemen then went on to reveal his major findings. He lists what he calls the "classics" from a multinational operating in low-income countries: fraud, tax evasion and corruption. In van Beemen's view, these examples, while serious, do not come as much of a shock. He then moved on to a discussion of some of his darker and more surprising findings, such as instances of collaboration with dictators and alleged complicity in

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crimes against humanity, including the 1994 Rwandan genocide.

According to van Beemen, one of the findings which garnered the most outrage in his home country, the Netherlands, is the routine sexual abuse of ‘promotion girls’ who work for the company. van Beemen found that Heineken had been aware of this issue since the early 2000s when it arose in Cambodia. Despite a 2004 policy intended to address this, women whom he spoke with across Africa reported egregious violations to van Beemen, such as being forced into sex work in order to procure or retain employment, regular and unchecked sexual harassment while on the job and the expectation that they will engage in sex work with bar clientele. Heineken responded to the backlash created by van Beemen’s report with what he claims is essentially a copy of their earlier 2004 policy. Additionally, in March of 2018 Heineken reported that they will “guarantee good working conditions, or else stop the activity.” When van Beemen travelled to Kenya later that year, however, he interviewed employees who confirmed that while improvements were promised on paper, they never made it into practice. Women continued to face the same abuses, and this time Heineken’s response was simply: “We can’t control everything.”

Turning to health impacts and Heineken’s operations, van Beemen shared evidence of troubling practices. According to his research, Heineken insists that they want to see moderate, or ‘responsible’ consumption and that their interests are not served by excess alcohol consumption. However, they place the onus of managing this squarely on the shoulders of the individual and see no reason to curtail their extensive advertising or practice of selling beer in 600ml bottles. Heineken also maintains that they do not engage in advertising which implies that drinking beer comes with a health benefit, but this flies in the face of van Beemen’s reporting of conferences in Nigeria where presenters described the health and beauty benefits of consuming two 600ml bottles a day. In most of the nations under discussion, the data to assess alcohol harm simply does not exist. It is very hard to measure the social and health impacts which alcohol may be incurring, but from what van Beemen sees on the ground the harms are visible and extensive.

In terms of advertising, there is little to no limit on how, when or where alcohol can be advertised in the African nations where Heineken is operating, and van Beemen listed many examples of the ways in which they press that advantage. He showed photographs of not only bars but also schools and pharmacies painted with the company colours and logo. Heineken is quick to claim their support of local education initiatives, however in van Beemen’s view this appears to be first and foremost a branding exercise. One of the schools van Beemen visited had a colourful beer logo emblazoned on the side in fresh paint but lacked any functioning toilets.

The session ended with questions and discussion from the audience. Several audience members asked if there was cause for optimism in the future in terms of addressing the problems uncovered by van Beemen’s reporting. The ensuing discussion focussed on internal and external pressure for change, and van Beemen was frank in his assessments: in most cases, the infrastructure is such that public health and education campaigns would be hard pressed to get off the ground and meanwhile there is very little incentive for governments to curtail Heineken’s expansion, given that the money they make on taxation represents a sizeable stream of revenue.

In terms of holding out hope for reform from the company itself, van Beemen quotes an insider in saying that his work had induced a period of “soul-searching” for the company. Yet he stresses that their inaction is exemplified by instances such as the refusal to make meaningful changes to the working conditions of “promotion girls”. van Beemen’s assessment is that it would be unwise to be too hopeful in expecting meaningful changes to the problematic practices he has uncovered anytime soon.