



Development
Research and
Training



Chronic Poverty
Research Centre

Drinking into deeper poverty

The new frontier for Chronic Poverty in Uganda

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Why this briefing note?

This briefing note is the first in a series of briefing notes and policy briefs which will accompany an on-going study on the links between excessive alcohol consumption and chronic poverty in Uganda. The rationale for this note is to highlight the issue of excessive alcohol consumption, and its links to chronic poverty in Uganda. The note is aimed for a cross-section of development practitioners and policy makers, and it is intended to stimulate discussion, debate, and action. By bringing the issue into the public domain we hope to raise awareness and to invoke action on an issue which has, for long, been only considered to be a private matter for individuals.

Does Uganda have an alcohol problem? Shouldn't we be talking about it? Can something be done about it?

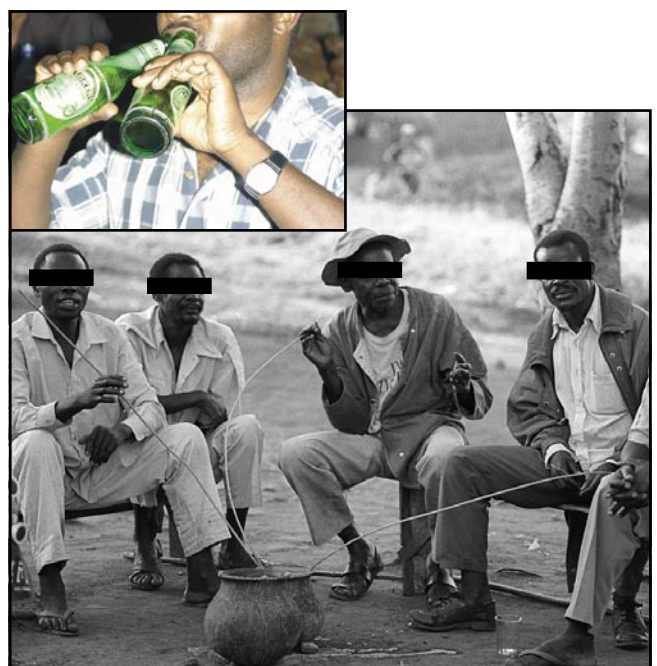
In recent times a lot has been reported in research reports, the Ugandan media and in other development circles about Uganda's position in alcohol-consuming nations of the world. Documented evidence from the World Health Organisation (WHO) suggests that Uganda tops all other countries in the world in per capita consumption of alcohol. In spite of the recognition that this "excessive consumption of alcohol" poses serious social and economic problems for the country, to-date there has neither been a structured discussion, nor comprehensive policies or programmes to help respond to the challenge. Worse still little awareness has been created about the scale, magnitude and complexity of the problem or on what needs to be done in order to face up to the challenge.

The time is ripe to elevate the discussion on excessive alcohol consumption from the back-seat of what is considered to be "personal choices" to the frontline of public policy.

We argue in the note that the time is ripe to elevate the discussion on excessive alcohol consumption from the back-seat of what is considered to be "personal choices" to the frontline of public policy. We further argue that excessive alcohol consumption in Uganda is a development issue of an enormous magnitude. In addition to proposing a comprehensive policy which guides the production, distribution, and consumption of alcoholic drinks in the country, we would urge for an intensive and sustained awareness campaign and debate on the matter.

How big is the problem of excessive alcohol consumption? How do other African countries fare?

Uganda is first (for not-so-honourable reasons): According to the World Health Organisation (WHO) Global Status Report on Alcohol (2004), with a per capita consumption of 19.47 litres per adult (aged 15 years and above), Ugandans hold an unenviable first position in the world (out of 185 countries) of recorded per capita alcohol consumption in litres of pure alcohol. A Ministry of Finance Report from the 2002 Uganda Participatory Poverty Assessment Project (UPPAP)¹ also highlighted excessive alcohol consumption as one of the key drivers and maintainers of poverty especially in the rural countryside. The report identified "alcoholism" as the number one priority factor for downward mobility of households. A similar conclusion was also arrived at by the 2005 Report on Chronic Poverty in Uganda, and the 2005/2006 Uganda Household Survey of the Uganda Bureau of Statistics. Evidence from the Household Survey reveals that, with a share of 29 percent of all enterprises, brewing topped the list of enterprises in which most households engaged. It was followed by retail shops and market vending whose shares stood at 14 and 10 percent respectively.



¹ See Ministry of Finance, Planning & Economic Development (2002): Second Participatory Poverty Assessment Report: Deepening the Understanding of Poverty, Kampala, Uganda.

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A comparison in the following table shows the ranked alcohol consumption of several African countries.

Table 1: Alcohol consumption in Africa: selected rankings

Country	Per capita consumption of alcohol in litres of pure alcohol	Rank/Position in the world
Uganda	19.47	1
Nigeria	10.04	24
Burundi	9.33	30
South Africa	7.81	47
Rwanda	6.80	58
Tanzania	5.29	82
Zambia	3.02	105
Kenya	1.74	124
Ghana	1.54	132
Mauritania	0.01	179

Total number of ranked countries in the world = 185

Source: Derived from WHO's "Global Status Report on Alcohol, 2004, pp. 11-12.

What is the link between alcohol and poverty?

Direct and indirect effects: Excessive alcohol consumption has both direct and indirect effects on the poverty status of individuals, families, and the entire community. The economic consequences of alcohol consumption are particularly severe for the poor.

Excessive alcohol consumption has negative impacts on the achievement of the key human development outcomes on education, health, and nutrition, and is a key driver of chronic poverty.

Apart from the money which is spent on drinks, heavy drinkers often suffer other economic problems such as lower wages and lost employment opportunities, increased medical expenses, and decreased eligibility for development opportunities which are available at local levels (such as Micro-Finance Loans, NAADS² incentives, etc). Also, for a certain proportion of heavy drinkers the amount they spend on alcohol exceeds their income, implying that their household will struggle with indebtedness. Children growing up in affected households may lose out on education and be negatively affected by stigma.

The cumulative picture for the country is that excessive alcohol consumption has negative impacts on the achievement of the key human development outcomes on education, health, and nutrition, and is a key driver of chronic poverty.

Domestic violence: Alcohol plays a key role in a substantial proportion of incidents of domestic violence in Uganda. Often both the offender and the victim will have been drinking. Heavy drinking is strongly linked to violence between partners and to a lesser extent to violence towards others. Studies conducted in Uganda and in other countries, such as Nigeria, South Africa,

India, and Colombia, show that a large fraction of reported domestic violence incidents is related to alcohol use by the male partner. In Uganda alone, 52% of the women who recently experienced domestic violence reported that their partner had consumed alcohol, while in India 33% of abusing husbands were using alcohol.

Are there other costs which are associated with drinking?

Wider social and economic costs: While estimating the costs of the impact of alcohol on the material welfare of society is difficult, it is certain that Ugandan society is forced to meet a number of additional costs because of the scale of "problem drinking" in the country. These include the social costs of treatment, prevention, research, law enforcement, lost productivity and some measure of years and quality of life lost by those who are directly affected.

Economic costs cover the negative economic impacts of alcohol consumption on the material welfare of the society as a whole. They comprise both direct costs - the value of goods and services delivered to address the harmful effects of alcohol, and indirect costs - the value of personal productive services that are not delivered as a consequence of drinking.

It is important that appropriate research is carried out to estimate the social and economic costs of excessive alcohol consumption. This would help in:

- making the case for improved public policies on alcohol,
- targeting policies and public expenditure on the most important problems.
- identifying information gaps; and,
- assessing the effectiveness of policies and programmes against alcohol abuse.

Problems associated with alcohol in Uganda affect individuals and their families in many different ways. They also have a wider economic impact on society, in terms of lost work days and increased burden on health systems, as well as the social impact of injuries, violence and crime.

Anecdotal evidence, as well as evidence from emerging research, suggests that alcohol is a major source of health and social problems in much of Uganda. It is a leading risk contributor to the burden of disease and a key cause of disability especially among men. Thus excessive alcohol consumption generates a wide range of interrelated negative effects and outcomes, some primary and others secondary. As already mentioned, among the most common primary consequences are: risky sexual behaviour (and attendant increased morbidity and mortality), domestic violence, injuries and accidents, petty crime, violence (especially in urban neighbourhoods), and declines in labour productivity.

Secondary consequences on the other hand include declines in investment in human capital development, an accentuation of gender inequality, and, a marked increase in the rate of Foetal Alcohol Syndrome (FAS), a complex condition which results from heavy drinking by mothers during pregnancy (and which leads to irreversible mental and physical harm to the foetus).

Some people argue that alcohol consumption is a coping response to stress. As poor people are particularly exposed to stressful life events, many respond by increasing their consumption and becoming "problem drinkers". The Internally Displaced People's camps of Northern and North Eastern Uganda are

² National Agricultural Advisory Services

among the many examples of places where this problematic level of alcohol consumption is common.

In Kampala, in other urban areas and in areas where formal employment is the main form of livelihood, job loss and alcohol misuse are closely related. For example during the times when Uganda's economy was undergoing transformation from being public-sector driven to more liberalised private-sector-led, job losses due to the retrenchment of public servants was closely associated with increased alcohol consumption. Besides the loss of income, the loss of a job also meant a change in status, time use, social contacts, or even activities. Thus becoming unemployed or facing the threat of layoff is deemed to have led many to increased drinking as employees tried to "dull their pain" through alcohol. For those who were never able to recover from "the shock of losing a job" the consequences were slippage into chronic alcoholism and poverty.

What does policy say?

Policy is scattered: Policy instruments which may be said to be linked to tackling "problem drinking" are scattered and are, broadly speaking, ineffective. In some instances, also, strategies which are being followed to raise household incomes at the household level (see case study, below), or to raise revenue at the national level seem to contradict any objective of reducing excessive alcohol consumption.

A position paper is emerging in Ministry of Health: At the national level, the Ministry of Health (MoH) is in a process of developing a position paper on alcohol and substance abuse³. This paper broadly outlines the magnitude of the alcohol and drug challenge, the effects of drug abuse, the existing legal framework on alcohol and weaknesses therein, as well as current interventions and dilemmas. However, much of the focus in the conceptualisation of the problem dwells on the health implications of problem levels of alcohol consumption, leaving unaddressed the social, cultural, economic and other spheres which must be understood in order to propose a holistic intervention to the problem.

Some policies are "silent" or not enforced: A quick review of WHO's Global Status Report also has some other revelations of a policy nature. For example, for Uganda, there appears to be no policy on the production or sale of alcohol, or on licenses for production or sale. Similarly, there are neither off-sales restrictions nor adequate levels of enforcement of any existing laws. The age limit for purchasing and/or consumption of alcoholic beverages is set at 18 years, however there is extremely limited enforcement of this. It is also noteworthy that there is neither restriction on advertising for alcohol nor on sponsorship of sports and youth events. There is a ban on consumption of alcoholic beverages in Government buildings, as well as in health care and educational institutions, but enforcement is inadequate. Surprisingly, there are no restrictions on the consumption of alcohol on public transport, in parks or streets, or at sports and leisure events. Similarly, policy is silent on the consumption of alcohol at other workplaces (other than Government offices)⁴.

³ A draft report which was prepared in 2005 is available at the Ministry of Health headquarters.

⁴ It is common knowledge that alcohol consumption is high in many workplaces, especially retail shops in Kampala and other urban areas.

⁵ See Uganda Revenue Authority (2006): Annual Revenue Bulletin, 2005/6, Research & Statistics Unit, Kampala.

Case study: Alcohol as an income generation activity

Mrs. B has 11 children. Three years ago her husband proposed that she sets up a small enterprise of brewing **Waragi** (a local gin) from molasses. He provided the initial funds and bought the equipment. He also collected the molasses from Kamdini Trading Centre on his bicycle. Each month, Mrs. B distils 10 litres of Waragi which she sells at the market and from home. The proceeds from the business have enabled her to meet the household necessities as well as scholastic needs of her children.

However the market is small and many people drink on credit and then default (on payment). She also has to pay Uganda Shillings 500 as market dues. She has competitors, hence her turnover is sometimes low. She plans to continue small-scale brewing, by adding to her range another type of millet brew which is cheaper in order for her to attract more customers.

- Kwoyoatar, Apac.

(Adapted from quotation by Uganda Bureau of Statistics: Uganda National Household Survey, Qualitative Module Report, November 2006, p.44)

Uganda does set a legal limit for drivers (a Blood Alcohol Concentration (BAC) 0.08) and the Uganda Police has recently introduced the use of Random Breath Testing (RBT) but the scheme is limited to Kampala and its surrounding area and enforcement remains extremely low.

Revenue received from taxes on alcohol is tempting:

Tax data obtained from the Uganda Revenue Authority reveals that, over a six-year period (2000/1-2005/6), alcohol production and sales continued to bring in considerable amounts of revenue into the national treasury, in both sales tax and VAT⁵. The data reveals two important findings:

- (1) that the beer industry occupies a prime position in the long list of categories of tax payers [it is ranked fifth, the others being: banking (1st); telecommunications (2nd); fuel industry (3rd); cement (4th)];
- (2) that it is a tax category which has been growing very rapidly (from US\$0.812 billion in 2000/01 to US\$8.933 billion in 2005/06).

Evidence from other countries suggests that in the majority of cases the amount of money which is received from taxing alcohol is much lower than that the amount spent on treatment and other costs.

Table 2, overleaf, confirms the importance of the beer industry, being ranked 6th overall in contribution to national revenue. With revenue from the sector growing, and given the ever-present need to expand and extend revenue sources, policies that seek to reduce production, sale and consumption may be unpopular. Policy needs to evolve and be informed by a detailed assessment of the social and economic costs outlined above and the benefits of accrued revenue. Evidence from other countries suggests that in the majority of cases the amount of money which is received from taxing alcohol is much lower than the amount spent on treatment and other costs.

Table 2: Six-year contribution of key sectors to national revenue

SECTORS	Total revenue for 6 years (2000/1– 2005/6)	Average revenue per year calculated over 6 years
Banking	207,082,940,692	34,513,823,449
Fuel industry	109,095,759,767	18,182,626,628
Telecommunication	97,552,040,211	16,258,673,369
Cement	34,501,187,560	6,900,237,512
Manufacturing	24,778,671,287	4,129,778,548
Beer Industry	23,292,066,665	3,882,011,111
Service	11,259,212,294	1,876,535,382
All other sectors ⁶	92,897,709,548	15,482,951,591

What needs to be done about the problem?

First, recognise that the problem exists: The first challenge is for key stakeholders (political and civic leaders; development practitioners; researchers and academia; the medical profession; cultural and religious leaders; various professionals, media, etc) to recognize that excessive alcohol consumption is a growing problem – one which, if not addressed, could seriously limit Uganda's social and economic progress, thereby plunging the country into deeper poverty. Alongside this recognition there is a further need to raise the profile of discussion and debate from a "personal"⁷ to a national issue.

Excessive alcohol consumption is a growing problem – one which, if not addressed, could seriously limit Uganda's social and economic progress thereby plunging the country into deeper poverty.

⁶ The totals here include the sectors of Trade, Sugar, Real Estate, Transport, Media & Print, Insurance, Hotels, Construction, Clearing & Forwarding, Agriculture, and Tobacco Industry. The soft drinks and water sector has been excluded from the analysis and information for this sector is only available for two years.

⁷ For a long time, in previous research and discussion, excise taxes on alcohol were needed a public response.

Create greater awareness about the problem: Following (hot-on-heels) the recognition that an alcohol problem exists, a sustained and wide-ranging awareness-raising campaign should be launched. This should aim to put issues of alcohol use and abuse permanently on the country's development agenda.

Invest in action-research: Action-research should be supported which aims at informing policy on the social and economic costs of current and projected levels of alcohol consumption in Uganda. The research should bring to light all the hidden costs of alcohol and in particular its impacts on poverty reduction programmes. Through findings from such research, we would have a better understanding of the issues, and at the same time be able to make a case for public policies on alcohol, targeting public expenditure, and assessing the effectiveness of policies and programmes against alcohol abuse.

Adopt an integrated approach: Excessive alcohol consumption has been identified as a key "driver" and "maintainer" of chronic poverty in Uganda. There are, however, many dimensions to this challenge. Hence, the prevention of alcohol abuse (and addressing the associated problems) requires an interdisciplinary approach which builds bridges between action research and policy analysis on one hand, and awareness creation and policy engagement on the other hand. It may, for example, be necessary to establish, through research, the socio-cultural and economic roots of the problem, and the poverty-alcohol-abuse dynamic, and to link this to understanding the interplay between low human development, weak local economies, lack of jobs, HIV and AIDS, landlessness, etc and excessive alcohol consumption, and then to advocacy. This would help in determining whether such social disadvantages are widespread, the two forces are mutually reinforcing, and if so how widespread the problem is. The study would be vital in guiding appropriate interventions and raising policy-makers awareness of the need to act.

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The author is lead researcher for a study on the links between excessive alcohol consumption and chronic poverty which is currently being undertaken by the Chronic Poverty Research Centre in Uganda. The study is expected to lead to more concrete evidence, analysis and recommendations on what needs to be done in the future on the issue of excessive alcohol consumption in Uganda. The author gratefully acknowledges the research assistance and support which has been provided by Ms. Betty Kasiko, Programme Officer at DR Tand which has primarily informed this briefing note.

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