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Alcohol Policy Process in Thailand

A thesis presented in partial fulfilment of the requirements for the degree of Doctor of Philosophy at Massey University, Auckland, New Zealand.

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Abstract

The thesis describes and analyses the Thai alcohol policy process in the period 1997-2006, in order to investigate the characteristics and areas for potential improvement of the Thai alcohol policy process. The analysis used several extant public policy models. The models covered three aspects of the process at the macro level: stages of development, the characteristics and behaviours of major policy players, and the policy context. At the micro level the analysis employs concepts of agenda setting, policy formulation, policy implementation, monitoring and evaluation, stakeholder relationships and policy context. Information on Thai alcohol policy was collected from two sources: secondary data included official documents, literature, technical publications and mass media; primary data was collected through stakeholder interviews.

Thai alcohol policy, during this period became more comprehensive and more oriented to public health. Problem-reduction values gained momentum while economic values remained significant. Thai policy stakeholders focused on the formulation process, while implementation, monitoring and evaluation were neglected. Limited resources, human capacity and ineffective management exacerbated this situation. Incrementalism characterised Thai alcohol policy formulation; existing policy or the policy precursor was very important to the decisions made. Limitations in the availability, accuracy and utilisation of knowledge about alcohol consumption, related problems and alcohol policy also affected the process.

The Thai alcohol policy process became a more open public policy sphere for stakeholders. Many new players made major contributions to the process. The mechanisms stakeholders use to influence policy have become more complex and included: technical knowledge, the use of mass media and civil movements, and coordination among stakeholders. A centralised bureaucratic administration and personal and institutional interests are critical features for official stakeholders, while connection to high ranking officials and representation in the process are significant for interest groups. The Thai cultural context had a crucial impact on the alcohol policy process; cultural features which are not explicitly covered in the Western policy models

utilised include cronyism, relationships, representation, commitment, negligence, and compromise. These characteristics make the Thai alcohol policy process difficult to fully explain in terms of the available public policy theories.

To

Dr.Yoshiki Nishikawa and Dr.Yongyuth Kajorntham

Two doctors whose entire life is dedicated to other people

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Abbreviation list

ACC Bill	Alcohol Consumption Control Bill
AMF	Alternative Medicine Foundation
AMRO	American region
APPA	Alcohol Problem Prevention Association
APPN	Alcohol Problem Protection Network
BAC	Blood alcohol concentration
B.E.	Buddhist Era
Boonrawd	Boonrawd Brewery
Care-4-Friend	Care-for-Friend Society
CAS	Center for Alcohol Studies
CEA	Cost-effectiveness analysis
CEO	Chief Executive Officer
CHD	Coronary Heart Disease
CIF	Cost, insurance and freight
CS	The Council of State
DALYs	Disabled Adjusted Life-Years lost
DDC	Department of Disease Control
DDD Foundation	Don't Drive Drunk Foundation
DMH	Department of Mental Health
DMS	Department of Medical Service
EAAP	European Alcohol Action Plan
ED	Excise Department
EMRO	East Mediterranean region
FACT	Federation on Alcohol Control of Thailand
FDA	Food and Drug Administration
GAPA	Global Alcohol Policy Alliance
HWA	Health Worker Association
IWSR	International Wine and Spirit Record
LCT	Lawyers Council of Thailand
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOI	Ministry of Industry
MOJ	Ministry of Justice
MOPH	Ministry of Public Health
MP	Member of Parliament
MPA	Minimum Purchasing Age
NACCC	National Alcohol Consumption Control Committee
NGO	Non Government Organization
NLA	National Legislative Assembly
NSO	National Statistic Office
OCPB	Office of the Consumer Protection Board
OFPP	Office of Fiscal Policy
OTOP	One Tambon, One Product project
PM	Prime Minister
PRD	Government Public Relations Department

PS	Permanent Secretary
RBT	Random Breath Testing
RDS	Rural Doctor Society
REACT	Responsible & Ethical Alcohol Consumption in Thailand
SAO	Social Aspect Organization
SDN	StopDrink Network
SEARO	South-East Asia region
TACCU	Tobacco and Alcohol Consumption Control Unit
TBPN	Traditional Beverage Producer Network
ThaiHealth	Thai Health Promotion Foundation
TTM	Thai Tobacco Monopoly
USD	The United States Dollar
WHO	World Health Organization
WPRO	Western Pacific region
YLL	Years of Life Lost

Chapter 1

WHY ALCOHOL?

Alcohol is not an ordinary commodity. While it carries connotations of pleasure and sociability in the minds of many, harmful consequences of its use are diverse and widespread. Globally, alcohol problems exert an enormous toll on the lives and communities of many nations, especially those in the developing world. Research has shown that when extrapolating from historical trends, the role of alcohol as a major factor in the burden of disease will be increasing in the future. Particularly worrying trends are the increases in average volume of drinking predicted for the most populous regions of the world and the emerging trend of more harmful and risky patterns in drinking especially among young people.

(World Health Organization, 2004a)

Alcoholic beverages are deeply embedded in global society. They have important value in various dimensions; historical, cultural, political, business and health. Alcohol has been used in many ways: as food, thirst quencher, medicine, mood changer or as an intoxicant at an individual level (Room et al., 2002), as well as a medium of socialisation in a societal context (Partanen, 1991). The World Health Organization (WHO) estimates that there are two billion drinkers worldwide (World Health Organization, 2004a).

Throughout the thousand years of human experience, it has been recognised that drinking is a source of both pleasure and harm. Its consequences are experienced by individuals, including both drinkers and surrounding people, at a collective level, in both the short and long term (Room, 1997), and at all levels of human interaction (National Institute on Alcohol Abuse and Alcoholism, 2000). Alcohol-related consequences include all outcomes associated with alcohol use, or that have alcohol consumption as a risk factor, or that are directly caused by alcohol (Pernanen, 2001).

This chapter responds to questions about why it is worthwhile to study the alcohol policy process of Thailand. In the first section, the chapter briefly clarifies the impact of alcohol on health and society, both positive and negative, and from an economic perspective. The second part roughly summarises the alcohol consumption situation, globally, regionally and specific to Thailand. The last section explains the rationale of this study and outlines this thesis.

1.1 Alcohol and its impacts

1.1.1 Alcohol and health

Alcohol is a leading global health-demoting factor. Alcohol consumption impacts on the aetiology, course and outcomes of a wide range of acute and chronic physical, psychological and social-behavioural health problems. It is associated with more than 60 diseases and conditions under the International Classification of Diseases (Rehm, Room, Graham et al., 2003; World Health Organization, 2002). Some diseases, however, have higher causality from alcohol than others, such as alcoholic cirrhosis and alcohol use disorders, including alcohol dependence. Alcohol affects all systems, directly or indirectly, through various mechanisms; no organ in the body is immune to alcohol (Bower, 1992). Globally, alcohol drinking accounted for 2.3 million deaths, or 3.7% of total deaths, and 38.2 million Years of Life Lost (YLL) in 2002 (World Health Organization, 2007b).

In aetiology, both alcohol consumption volume and pattern result in different consequences through three intermediate mechanisms: toxicity and beneficial biochemical effects, intoxication, and dependence (Rehm, Room, Graham et al., 2003). Many studies indicate a relationship between an average consumption volume and the burden of acute and chronic diseases and injuries, because most diseases have dose-response relationships (Babor et al., 2003).

Some specific drinking patterns create some health benefits (World Health Organization, 2002). These include the claimed benefits for diabetes, hemorrhagic

stroke, cholelithiasis and coronary heart disease (CHD). Compared to the others, CHD preventive effect has stronger scientific evidence (Babor et al., 2003), and significant policy implications, although its mechanisms remain unclear (Single, Rehm, Robson, & Truong, 1999). Light to moderate volume on average and per occasion, and regularity are decisive factors for this effect (Camargo et al., 1997; World Health Organization, 2004c), as is consumption with meals (Trevisan et al., 2001). In addition, host-factors, such as age, impact on this benefit (Rehm, Room, Monterio et al., 2003). However, most alcohol consumption is not motivated by a concern for CHD (Edwards et al., 1994). A meta-analysis of 14 European countries indicates that there is no significant cardio-protective effect at the population level, especially among males (Hemstrom, 2001). For most countries, the net effect of alcohol on CHD is negative (Room, Babor, & Rehm, 2005). Furthermore, the benefit can be detected in only some global regions with a relatively high CHD prevalence (Rehm, Room, Graham et al., 2003). As a result, the relationship between alcohol consumption and mortality, in areas with low CHD mortality, assumes more of a direct and linear shape (Murray & Lopez, 1996b), rather than the well-known J-shape.

Compared to mortality, data on alcohol-related morbidity is less reliable (Murray & Lopez, 1996a). However, the burden from alcohol is greater for disability than mortality (Murray & Lopez, 1997). At a global level, alcohol use was placed as the fifth greatest health risk factor in 2000, minimally less than tobacco and high blood pressure (World Health Organization, 2002). In 2002, alcohol contributed to 4.4% of the global disease burden when considered in Disabled Adjusted Life-Years lost (DALYs), with a much greater burden to males (7.4% of DALYs) than females (1.4%), and a greater burden to younger age groups (World Health Organization, 2007b). In Thailand, alcohol was estimated to be the second most significant health risk factor, with 5.8% of overall DALYs, with a greater gender discrepancy than global figures, 9.2% to males and 1.0% to females [(Thai Working Group on Burden of Disease, 2007) cited in (Somphaisarn et al., 2007)].

In 2001, the prevalence of Thai alcohol dependence was 19.4% and 4.1% among male and female adults respectively when screened with CAGE questionnaires. Among people with alcohol dependence, 51.2% suffered from severe stress, 48.6% had severe depression, 11.9% and 11.3% had suicidal and homicidal thoughts respectively

(Silapakit, Kittiratanaphaibool, & Phoomphaisanchai, 2001). Another study confirmed the association between alcohol dependence and night-time trauma (Lapham et al., 1998). Road traffic injury (RTI) is the most concerning of alcohol-related problems in Thailand. It is the second highest cause of death, with approximately 13,000 deaths annually in recent years (Wibulpolprasert, 2005), or 22 deaths per 100,000 of the population. In 1999, RTI accounted for 12.3% and 6.0% of YLL in males and females respectively (Thai Working Group on Burden of Disease, 2002). In 2004, alcohol was involved with three-fifths of road traffic injured people (National Statistic Office, 2005). A study conducted in 1995 indicated that 12.5% of drivers had a blood alcohol concentration (BAC) beyond the legal limit (50 mg%), with a higher prevalence among night-time drivers, motorcyclists, and drivers in rural areas (Chongsuvivatwong et al., 1999). Liver disease mortality rates (1977-2000) and road accident morbidity and mortality rates (1984-2000), correlate with the average consumption volume (Thamarangsi, 2005).

1.1.2 Alcohol and social impacts

The social consequences of alcohol consumption have received increasing attention in the research world and among the public, particularly traffic accidents, workplace-related problems, family and domestic problems, and interpersonal violence (Klingermann & Gmel, 2001).

Alcohol consumption and trade theoretically offer some benefits, at the individual and aggregated levels. At the personal level the alcohol industry claims that alcohol benefits life quality, including as a pleasure enhancer and stress relaxant (International Center for Alcohol Policies, 2000). The perception of positive consequences depends on many factors, such as the context of drinking, particularly among occasional drinkers (Lang, 1983). Heavy drinkers, however, report more positive effects particularly in idealised perceptions of friendship. In turn, these perceptions strongly relate to the frequency of intoxication (Hauge & Irgens-Jenson, 1990).

The economic benefits of alcohol consumption, including revenue generation and financial circulation are very important in the alcohol policy process. Alcohol-generated

revenue accounts for a substantial proportion of total government income, especially in developing countries. Alcohol is an ideal commodity for revenue generation, owing to its price, inelasticity of demand, and its ability to be taxed by many mechanisms and at many levels. In Thailand, alcohol excise tax generated 1.94 billion USD in the 2005 fiscal year (Excise Department, n.d.-a), equivalent to 5.99% of net government income, at 32.3 billion USD (at 40 Baht to 1 USD) (Ministry of Finance, n.d.). From its enormous market size, the alcohol business creates great financial circulation at local and on to global levels. In Thailand, the estimated beer market volume was around 80 Billion Baht (approximately 2 Billion USD) in 2004, with an average annual growth rate of 5-6% [Matichon Newspaper 4/01/2005].

Furthermore, alcohol production and trade provides substantial employment. In most scenarios, the proportion of indirect employment, such as in retail selling and the hospitality sector, is higher than direct or primary employment, such as in alcohol production and distribution segments (Room et al., 2002).

Other claimed social benefits of alcohol include social lubrication and support for cultural events. Some claims are made about the capacity of alcohol to substitute for other illicit drugs, where demand for intoxication exists (Meier, 1994). There was an observation by Thai psychiatrists of an increase in the number of alcohol-related patients while methamphetamine-related cases were dropping particularly at the time of a War on Drugs campaign launched in 2002 (Thamarangsi, 2005). In many circumstances, however, alcohol and drugs are used on a synergistic basis.

Alcohol impacts negatively at a social level in four major areas: 1) Workplace problems, such as loss of productivity, unemployment, poor performance, safety issues, sickness and absenteeism, 2) Family problems, including impact on relationships and the ability to take care of spouse and dependents, 3) Poverty at both micro and collective levels, and 4) violence (World Health Organization, 2004a). The causal links between alcohol and social problems is comparatively indistinct (Babor et al., 2003). This is because for most social consequences alcohol is part of a complex causality (Murray & Lopez, 1999), where the contribution of alcohol depends on, and is modified by, many other factors. In spite of this complexity, studies from high-income countries indicate a correlation between average consumption volume and the severity of many

social consequences, including criminal violence and homicide (Lenke, 1990; Norstrom, 1998), divorce (Cacses, Harford, Williams, & Hanna, 1999), and domestic violence and child abuse [(Norstrom, 1993) cited in (Babor et al., 2003)].

In Thailand, studies have shown the direct and indirect impact of alcohol on family and work-related problems, violence and crime. A teenager with an alcohol dependent father has an 11.5 times greater risk of psychological disorders (Sakulthong, 1988). More than half of alcohol dependent in-patients have marital or work-related problems (Intaprasert, 1988). A recent study indicated that families with alcoholic members have a 3.84 times higher risk of family violence (Kongsagon, 2005a). Data from provincial courts indicates that alcohol is related to a substantial proportion of crime, for example 59.1% of asset-related and 34.8% of sex-related offences, (Poshyachinda, 2001).

1.1.3 Alcohol in economic dimensions

From an economic perspective, consumers have their own preferences and rationally choose an alternative that maximises their utility (Leu, 1983). Consumers, therefore, are the best judge of what is good for themselves (Babor, 1984), and consumers rationally decide to purchase and consume alcohol. In reality, however, beverage alcohol is traded on a market failure basis (Lehto, 1995). Most consumers do not fully recognise the costs of alcohol consumption, particularly the externalities that are widely distributed to society. Further, demand for alcohol is also influenced by its addictive nature, not only by the price mechanism.

The cost of alcohol consumption can be categorised in many ways. One of the easiest methods is to divide it into private and social costs. The social cost is all the consequences of alcohol consumption that are not borne exclusively, knowingly and freely by the drinker (Single et al., 1996), including the costs of the negative impact of alcohol consumption on the material welfare of society (Gutjahr & Gmel, 2001). Social cost includes: 1) Direct core costs such as costs to health, judicial and social welfare systems, 2) Direct non-core costs which are the related costs of material damage from accidents, fire and offences, and 3) indirect costs such as loss of productivity (Harwood, Fountain, & Livermore, 1998).

The social cost of alcohol consumption has many complicated aspects. Firstly, it may not directly reflect the volume and severity of alcohol-related problems (Godfrey, 1992). For example, the most decisive element in the cost of treatment programmes of alcohol-related problems is not the number of patients, but the unit cost (Lehto, 1995).

Secondly, alcohol-related costs may not be linearly related to consumption volume. While many problems have dose-response relationships, some components, particularly prevention costs, could have an inverse relation to consumption level. If the demand for alcohol is fairly high, the cost to lower alcohol consumption at a very low level may incur extremely high costs, in addition to the costs of adverse consequences. National prohibition in the US, between 1920 to 1933, did reduce some alcohol-related problems (Prendergast, 1987), such as liver cirrhosis and mental disorders (Moore & Gerstein, 1981; Teasley, 1992). But on the other hand it also brought about negative consequences, including the emergence and growth of an illicit market, and organised crime (Room, 2000), which caused no less damage than the cost of alcohol-related problems (Grant & Ritson, 1983).

Thirdly, opportunity costs of alcohol consumption exist, although they are difficult to quantify in monetary terms. The avoidance or suppression of one activity might result in the adoption of alternative activities which generate costs of their own (Institute of Alcohol Study, 2003). Furthermore, the cost of policy by-products is extremely difficult to predict, for instance the cost of the illegal beverage trade and consumption.

Studies on the economic costs of alcohol consumption face four major limitations: Accuracy of estimation, Coverage of difficult to conceptualise burdens, Methodological limitations on including or comparing with benefits, and lastly the applicability of the result in policy process (National Institute on Alcohol Abuse and Alcoholism, 2000). Most studies estimate costs in a specific time and context, such as in a country, with many assumptions. This tends to make their results differ widely. Applying one study's findings to other contexts, times and places, is difficult and complicated, if not impossible.

Furthermore, most studies rely on a Cost of Illness approach, expressing in monetary terms the multidimensional impacts of alcohol consumption, including cost of health care, loss of productivity from illness and premature death, and other impacts (National Institute on Alcohol Abuse and Alcoholism, 2000). This methodology can hardly capture the opportunity cost, cost of implicit impacts and the cost of policy by-products.

Studies in industrialised countries reflect that the overall social cost of alcohol consumption accounts for 1.1-6% of GDP (World Health Organization, 2004a). Harwood (1998) estimates the overall cost of alcohol abuse in the USA at 184.6 billion USD or 683 USD per capita in 1998. Almost three quarters of the total cost is productivity losses, including the effects of individual alcohol-related illness, and lost future earnings from premature death. Health care costs, meanwhile, account for less than 15%, as shown in Table 1-1. This finding is in line with the findings from other studies that indirect costs are the majority component of overall cost, sharing between 49 to 86.5% (Gutjahr & Gmel, 2001) and less than half of the total costs borne by alcohol abusers and their families.

Table 1-1: Components and distribution of the cost of alcohol abuse in the USA 1998

Components of costs		Distribution of costs	
	%		%
Productivity losses	73	Abusers & household	45
Health care expenditure	14	Federal government	20
Traffic accidents	9	State and local government	18
Crime	3	Private insurance	10
Other	1	Victims of crime & crashes	6

Source: (Harwood et al., 1998)

Table 1-2: Economic costs of alcohol in Thailand 2006

Types of costs	Cost (million Baht)	%
Health care costs	5,623	2.8
Costs of productivity loss due to premature death	128,365	65.0
Costs of productivity loss due to absenteeism and presenteeism	62,638	31.7
Costs of criminal justice and law enforcement	171	0.1
Costs of property damage due to road traffic accident	779	0.4
Total	197,576	100

Source (Thavorncharoensap et al., 2007)

In Thailand, the social cost of alcohol in 2006 was estimated to be 197.6 billion Baht, from which productivity losses accounted for 96.7% (Thavorncharoensap et al., 2007), as shown in Table 1-2. The cost of road traffic accidents in 2001 was estimated to be 122-189 billion Baht or equivalent to 2.25-3.48 % of GDP (Thai Health Promotion Foundation and StopDrink Network, 2003), which is close to the figure of 106 billion Baht or 2.1 % of GDP from another estimation in 2002 (Asian Development Bank, 2004).

1.2 Alcohol consumption

Alcohol consumption is a multi-factorial behaviour. It is defined as the end product of three types of factors: 1) Top-down or environmental factors, 2) Bottom-up or drinker intrinsic factors, and 3) the interaction of these two groups at the level of drinking behaviour (National Institute on Alcohol Abuse and Alcoholism, 2000). Societal changes, economic conditions and demographic movement all affect the drinking situation. Culture manipulates alcohol consumption and its related consequences in a number of ways, including societal approval of drinking and intoxication, the regularity of drinking, intoxication norms, and the value of drinking occasions (Room et al., 2002). Drunken comportment also reflects culturally variable norms and expectancies with regard to the effect of alcohol in society (Room, 2001b). Taking these factors into consideration, tremendous differences in drinking character, including how much and in what way alcohol is consumed, and alcohol-related consequences, can be expected across countries and times, as well as among sub-populations such as age groups (Makela & Mustonen, 1996).

The social climate of alcohol, which includes how people think about drinking, alcohol-related problems and alcohol policy (Partinen & Montonen, 1988), affects the alcohol consumption situation (Edwards et al., 1994; Iwarden, 1983). Furthermore, drinking habits in social networks inevitably influence regulatory mechanisms (Skog, 1985). Understanding the consumption situation and the social climate on alcohol is therefore essential for an understanding of alcohol policy.

1.2.1 Consumption volume

Global populations differ vastly in terms of average consumption volume. Among WHO global sub-regions¹, members of the adult population of the EURO C region, including Russia and Ukraine, each consumed 13.9 litres of pure alcohol in 2000, 23 times higher than EMRO D, including Afghanistan and Pakistan, which has the lowest figure at 0.6 litres. However, consumption volume per drinker shows far less difference, with 16.5 litre of pure alcohol in EURO C and 6.0 litre in EMRO D (Rehm, Room, Monterio et al., 2003), a 2.75 discrepancy.

High-income countries have a comparatively higher consumption volume, although consumption volume in most developed countries has stabilised and decreased since the 1970s (Babor et al., 2003), with less diversity across countries (Room et al., 2002). Some African, Middle American and South American developing countries also share this trend with consumption volume reaching its peak in the mid-1970s and gradually declining since then. This decrease is more explicit in conventionally wine-consuming countries, such as France, Italy (Edwards et al., 1994; Gual & Colom, 1997), Argentina, and Chile (Room et al., 2002). However, consumption in some developed countries has increased against the trend, such as in Japan, Finland and Denmark (World Health Organization, 1999). They traditionally have had lower consumption than other developed countries.

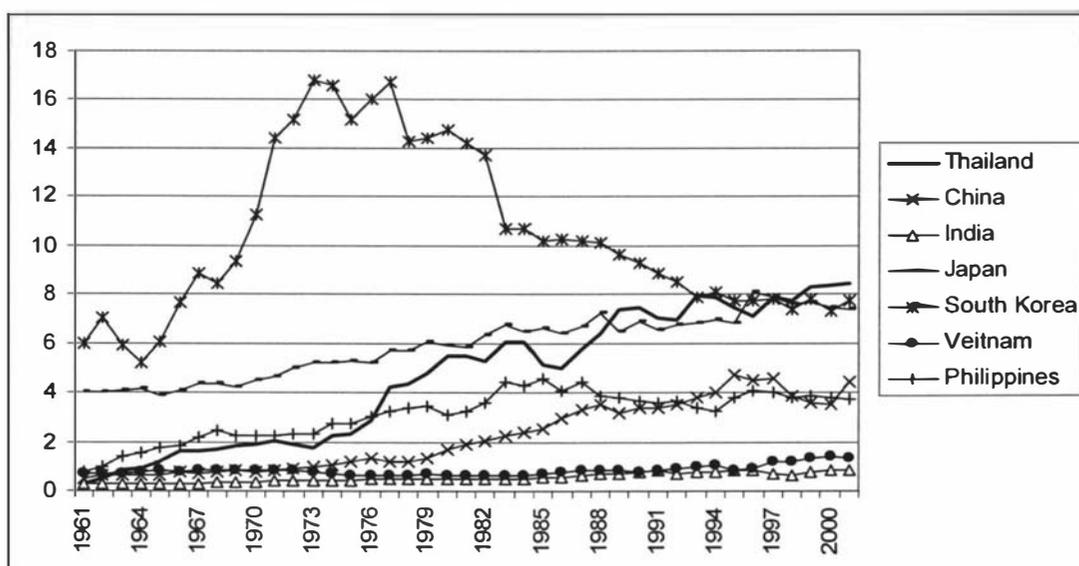
In contrast to the developed world, alcohol consumption has increased in most Asian and Eastern European developing countries. Apart from socioeconomic factors, a shift from unrecorded to recorded drinking is an important contribution to this growth (Babor et al., 2003). Figure 1-1 illustrates that alcohol drinking has increased in most Asian countries, to different degrees. The Republic of Korea is an exception, where consumption volume seems to match the pattern of the developed world. In contrast to the developed world, Asian countries seem to have greater differences in consumption volume. Thai commercial per capita consumption has increased continuously, particularly for spirits and beer, from 0.3 litres per capita in 1962 to 8.47 litres in 2001

¹ WHO sub-regions classification groups WHO Member States into six groups based on Regional Office: EURO, AMRO, WPRO, SEARO, EMRO and AFRO, then further according to health status, A, B, C and D, from highest to lowest.

(World Health Organization, 2004c), with most recently particular growth in western-style beverage consumption, including beer and whisky (Sornphaisarn et al., 2006).

Overall, a gradual harmonization of consumption volume across countries has been witnessed. This trend is due to traditionally high-consumption countries reducing their drinking volume, while consumption in former low-to moderate developing countries increased. With a ‘matured market’ situation in the developed world, many developing countries have become an ‘emerging market’ for the alcohol industry.

Figure 1-1: Per capita consumption (litres of pure alcohol) in some Asian countries 1961-2001



Source: (World Health Organization, n.d.-a)

1.2.2 Consumption patterns

The way alcohol is consumed, or drinking pattern, crucially determines the effects of alcohol consumption. The drinking pattern includes drinking frequency, types of beverage, drinking occasions and contexts. Drinking patterns are manipulated by numerous factors, from individual, local, and national to global levels. Globalisation has played a significant role in homogenising global drinking patterns; such as in the shift of consumption in traditionally low-consumption countries toward industrialised and western-style beverages (Room et al., 2002), and the shift of alcohol use from convivial and ritualistic use towards use as a means of entertainment and pleasure (Odejide,

Ohaeri, Ikuesan, & Adelekan, 1990). However, alcohol consumption patterns are still vastly different across societies.

Some countries consume alcohol in more harmful ways than others. Eastern European countries in EURO C, followed by Africa, South America and SEARO B, have more harmful drinking patterns than developed countries in WPRO A and EURO (Rehm, Monteiro et al., 2001). In many developing countries, the predominant drinking character is infrequent heavy drinking, particularly by male drinkers (Room et al., 2002).

1) Beverage types

In general, the predominant beverage type in society is fairly stable over time (Babor et al., 2003), as it reflects many societal characteristics, including environmental, agricultural, commercial, historical, cultural and lifestyle conditions. Shift in beverage preference is influenced by a number of factors. For example, a change in taxation policy caused the sudden shift of the predominant beverage from spirits to beer in Denmark (Bruun et al., 1975). In other parts of the world, the aggressively promoted European-style beverages, particularly beer, play a significant part in the growth of consumption in many developing countries (Jernigan, 2001; Kortteinen, 1988; Saxena, 1997).

Spirits have been the dominant beverage in Thai society in terms of pure alcohol volume, more than five times as popular as beer in 2001 (World Health Organization, n.d.-a). However, in terms of volume of beverage, beer consumption volume has overshadowed spirits since 1997 (Wibulpolprasert, 2005).

2) Drinking frequency

Worldwide, drinking has gradually become more of an everyday activity, rather than being concentrated on special occasions (Edwards et al., 1994). However, most drinkers in developing countries, including Asia, still do not consume alcohol on a daily basis (Room et al., 2002). Although both depend on the culture and environment, drinking frequency tends to correspond to consumption volume per occasion (Lemmens, 1991),

for example light daily drinkers are rare (Knupfer, 1987). Approximately half of Thai drinkers consume on average less than once a month (National Statistic Office, 2005; Wibulpolprasert, 2005).

3) Drinking conditions and context

Anthropological studies present a vivid picture of the enormous diversity in patterns of drinking, and in the relationship of drinking to many aspects of lifestyle (Room et al., 2002). Drinking conditions can be greatly different, even in neighbouring countries. Drinking occasions and their consequences are affected by cultural attitudes towards such issues as abstinence, rituals, utilitarian or self satisfaction and convivial drinking (Bales, 1946; Room & Makela, 2000), as well as two other values, the nutritional value of alcohol, and the value of alcohol as an intoxicant (Makela, 1983). In Thai culture, drinking is not generally integrated with the main meals of the day, occurring rather for the sake of drinking itself.

For many, drinking is a social activity. In the context of the group, drinking is a medium of solidarity, and in most places, drinking together has a symbolic implication of trust and a levelling of status (Room et al., 2002). Many studies conclude that the size of a group has a positive relation to the volume of on-premise consumption (Hennessy & Saltz, 1993). Socialisation is the main reason for drinking in Thailand (Laichuthai, Siritwongse Na Ayuthaya, & Poshayajinda, 2002), and the most common reason to begin drinking (National Statistic Office, 2001).

The environment of drinking affects consumption volume, the drinking pattern and the consequences of drinking, for instance with the correlation between drinking in a public place and heavy consumption and intoxication (Single, Beaubrun, & Mauffret, 1997). Countries differ with regards to dominant drinking locations, particularly among developing societies (Single et al., 1997). Social perception of drinking places is complicatedly related to social values. Taverns in most developing countries, for example, are primarily male-dominated spaces (Room et al., 2002). The homes of close friends and relatives are the most desirable drinking places for 58.6% of Thai drinkers (Poapongsakorn, Leelahanon, Laowakul et al., 2005).

1.4.3 The distribution of alcohol consumption

Social norms of alcohol use, including consumption volume, frequency, and intoxication, vary greatly among sub-population groups, in accordance with many lifestyle and demographic characteristics, such as socioeconomic status, education, and occupation (Greenfeild & Room, 1997; Midanik & Room, 1992). In most societies, the majority of alcohol is consumed by a minority segment of drinkers. For example, the top 20% of US drinkers consume almost 90% of the alcohol (Greenfeild & Rogers, 1999). Therefore, prevalence of heavy drinkers has a positive association with the average consumption volume (Gmel & Rehm 2000; Skog, 1985). The consumption distribution in the general population is more skewed in developing societies, where abstainer prevalence is comparatively high (Room et al., 2002). Consumption is concentrated in a smaller segment of the population in most low-consumption countries (Babor et al., 2003). For instance, the heaviest 12.5% of Chinese drinkers accounted for 60% of the total volume of alcohol consumed (Wei, Derson, & Shuiyuan, 1999).

1) Drinker prevalence

The proportion of the population who abstain varies from 2.5 to 99.5% across countries. At a sub-global level, EURO A (85%) and EURO C (84%) have the highest drinker prevalence, followed by WPRO A (82%), while the EMRO and SEARO regions have the lowest (Rehm, Room, Monterio et al., 2003). Furthermore, patterns of abstinence in any country also vary among sub-population groups and regions (World Health Organization, 2004c).

In 2004 the number of Thai drinkers was estimated to be 16.1 million, or equivalent to 32.7% of the population aged 15 or older (National Statistic Office, 2005). This figure shows that Thailand has a relatively low proportion of drinkers, when compared with most countries with close per capita consumption levels, for example 86.5% in Japan, and 73.9% in the Republic of Korea (World Health Organization, 2004c). This low national drinker proportion means that Thailand has a high level of consumption per drinker, 25.9 litres of pure alcohol (World Health Organization, 2004c), or 50.2 litres of spirits and 75.9 litres of beer in 2001 (Excise Department, n.d.-a).

2) Distribution by gender

Gender influences alcohol consumption at both individual and collective levels. Many drinking occasions have clear elements of socialisation, where gender roles and interaction have important functions (Room, 1996). For example, drinking among women may have implications for women's rights in that society (Room et al., 2002). Although female alcohol consumption has been increasing in many parts of the world, drinking among women is far less than among men (Rehm, Room, Monterio et al., 2003). This includes frequency of drinking and intoxication (Babor et al., 2003; Room et al., 2002). Alcohol-related gender discrepancies, including drinker prevalence, frequency, volume and intoxication, are more explicit in developing countries (Room et al., 2002). In China, 95% of total alcohol volume is consumed by men (Wei et al., 1999). Thailand is not an exception to this, although drinking prevalence among the young adult female population has increased in recent years (Sornphaisarn et al., 2007). Drinking among women, particularly binge drinking, is far less acceptable in a Thai context (Laichuthai et al., 2002). High consumption per drinker and a high gender discrepancy lead to a very high consumption volume mainly among male drinkers.

3) Distribution by age

In most countries, alcohol consumption is the privilege of mature adults. The acceptability of youth drinking differs widely across families, communities, societies and countries. Youth drinking has gained wide societal attention owing to its harmful patterns and long-term impacts. Studies of alcohol consumption distribution by age groups show mixed results. Many studies indicate lower volumes of consumption, drinker prevalence (Dawson, 1998; Makela et al., 1999) and heavy drinking (Hajema, Knibbe, & Drop, 1997) among middle-aged and elderly people. However, some research shows that the average consumption volume and the proportion of heavy drinkers do not vary much between age groups (Bloomfield, 1998; Perdrix et al., 1999). Some studies show a paradoxical trend between an increase in drinking frequency and a decrease in consumption volume among older drinkers (Clark & Hilton, 1991), this includes male Thai drinkers (Assanangkornchai, 1993).

4) Distribution by other demographic characteristics

The drinking behaviour of individuals is strongly influenced by the drinking characteristics of their social networks (Skog, 1985). It is not surprising that consumption vastly differs among different demographic subpopulations, including according to their ethnicity, social class, income and employment, urbanisation and migration.

While unemployment raises the consumption volume among British men, it is related to lower consumption among women (Goddard & Ikin, 1988). Evidence shows that the majority of Thai drinkers are low-income, with two-thirds of drinkers receiving less than 125 USD monthly income in 2004 (National Statistic Office, 2005), while the nationwide average income was approximately 213 USD.

Urbanisation of the population, commonly found in the developing world, has complex effects on consumption with changes in drinking frequency, accessibility, affordability, altered social control, and information perception (Room et al., 2002). Urbanisation seems to have mixed impacts on consumption. It is related to an increase in consumption for Mexican migrants to the USA [(Caetano & Mediana Mora, 1988) cited in (Room et al., 2002)], but to a consumption decrease in France (Craplet, 2005). In Thailand, drinker prevalence among residents in municipal areas is lower compared to non-municipal inhabitants (National Statistic Office, 2005). However, a survey has shown that urban drinkers have a higher consumption per occasion (Laichuthai et al., 2002).

1.3 Why study?

The information above leads to four conclusions:

1. Alcohol consumption is an extremely complicated behaviour, affected by many factors, at individual and collective levels.
2. Alcohol consumption causes many health and social problems for drinkers and society. Most of these problems are avoidable.

3. Owing to various positive and negative impacts, alcohol consumption involves many competing interests, making any policy decision on alcohol a complicated one. Balancing the benefits and harms of alcohol sounds straightforward, but is difficult to realise.
4. Thailand is facing an increasing burden from alcohol due to an increase in consumption.

What is required to competently deal with these issues?

Thailand needs an appropriate alcohol policy framework, and effective alcohol policy interventions to prevent and minimise alcohol-related problems.

What is necessary for Thailand to have an appropriate framework and effective interventions?

Firstly, comprehensive and accurate knowledge of the consumption and problem situations are of paramount importance. Secondly, in order to strengthen its alcohol policy Thailand desperately needs to review worldwide alcohol policy knowledge. Thirdly, as Thailand does not start with a clean slate, the performance, effectiveness, obstacles and opportunities of existing and former alcohol policies need a comprehensive review. These areas of demand require massive groundwork. And it cannot be covered successfully in one or two pieces of work.

What does this thesis bring about?

This thesis aims to describe the Thai alcohol policy process from 1997 to 2006, focussing on policy stakeholders, their characteristics, interests, and roles at each stage of the process. Although this thesis cannot thoroughly answer this prerequisite domain, it explores an unexplored area to enhance understanding of the Thai situation, which is an essential stepping-stone for effective and appropriate alcohol policy.

Why does this thesis focus on the 1997 to 2006 period?

Firstly, this decade is the liveliest period of Thai alcohol policy so far, with several policy decisions surrounded by the active policy movements of various stakeholders. Secondly, this ten-year period contains many significant events and phenomena that have substantially changed the Thai alcohol policy setting like never before. Lastly, the availability of information on alcohol policy in this period is higher than previous periods.

This thesis consists of three sections. The first four chapters lay down general knowledge about alcohol and alcohol policy. Chapter Two explains the public policy model used to analyse Thai alcohol policy. Chapter Three and Four explain the scope and content of alcohol policy, in many dimensions, including objectives, classifications, effectiveness, cost-effectiveness, and the major controversies of alcohol policy.

The next seven chapters specifically describe the Thai alcohol policy process section by section. Chapter Five provides basic information about Thailand and Thai alcohol policy. Agenda setting, policy formulation, policy implementation and policy evaluation are thoroughly described in Chapter Six to Nine, with a few policy cases studies in appendix C-F. Chapter Ten narrates Thai alcohol policy through the participation of twelve policy actors. Chapter Eleven analyses the significant policy context.

Finally, Chapter Twelve synthesises the lessons learned from the Thai alcohol policy process, in terms of major characteristics of Thai alcohol policy process, the applicability of public policy theory, and expresses room for improvement for Thai alcohol policy process.

Chapter 2

PUBLIC POLICY ANALYSIS

Alcohol inflicts a costly and unwelcome burden on the majority of societies, both in developed and developing world. Across space and historical time and within the context of culturally determined value system, administrative formulae and belief as to the fundamental nature of the target issues, these problems have provoked an extraordinary diversity of policy responses.(Edwards et al., 1994)

In human history, most societies have recognised the *prized and dangerous* quality of alcohol (Steele & Josephs, 1990). Public awareness on alcohol-related problems creates social demand for measures to mitigate problems, often calling for government responses. *'Whatever governments choose to do or not to do'* is known as 'public policy' (Dye, 1972), which focuses on *public* and its *problems* (Dewey, 1927).

This chapter describes fundamental ideologies of the study of public policy, beginning with definitions, the objectives of public policy study, and by introducing a number of classic public policy analysis models. It selects macro and micro analytical frameworks for this thesis, consisting of three major components of public policy process; policy context, policy actors and policy process, while explaining the selection of analytical models for each component.

2.1 Public policy

Public policy has been defined in a number of different ways, as an activity, as law and regulations, decisions, processes, the outcome of government, intentions, or as programs. The way it is defined is significant for the extent of policy studies and role of stakeholders in the policy process (Birkland, 2001).

Public policy definitions can be as simple as '*the most important choices*' (Lasswell, 1951) or '*an action which employs governmental authority to commit resources in support of preferred value*' (Considine, 1994). Or it can be more sophisticated, like '*a particular object or goal, a desired course of events, a selected line of action, a declaration of intent and an implementation of intent*' (Ranney, 1968). Among the dissimilarities of these definitions, there are two common elements: being 'public', and the 'central role of government'.

'Policy analysis' is the *process of multidisciplinary inquiry designed to create, critically assess and communicate information that is useful in understanding and improving policies* (Dunn, 2004). The main principle of policy study is to understand the policy discourse, or policy frameworks, that structure the analytical scope of policy problems, content and process (Parsons, 1995).

Policy analysis consists of two major objectives; *to understand* and *to improve* policies. These objectives require different technical approaches to achieve, although both may be accomplished together. Each of these goals is necessary for achieving the other. Without understanding existing policy, any recommendation made to improve it may not be based in reality. Similarly, analysis of policy without the intention to improve it is just another shelved paper.

Gordon et al (1977) identified these two objectives as demonstrating the range of policy analysis methods, where the analysis of policy occupies one end of the spectrum and policy advocacy the other. Within this range, also known as policy science (Hogwood & Gunn, 1984), there are two overlapping domains, '*Analysis of policy*' and '*Analysis for policy*'. Analysis of policy, or the '*descriptive approach*', aims to understand how policy is made, or, in other words, to strengthen *the knowledge of public policy*. Analysis for policy, or the '*prescriptive approach*', aims to explain what policy content should be, or to improve the *knowledge in public policy*. (Gordon, Lewis, & Young, 1977).

2.2 Objectives

In order to understand the Thai alcohol policy process, which is the primary purpose of this thesis, three domains needed to be explored: The stages of the alcohol policy process; the characteristics and behaviour of major policy players; the context of Thai alcohol policy, and the interactions among these three areas. Therefore, the specific objectives of this thesis are:

1. To systemically analyse the Thai alcohol policy process
2. To analyse the characteristics and participation of key policy players in the process
3. To analyse the Thai alcohol policy context

This thesis is an ‘analysis of policy’ which descriptively focuses on policy process elements, including how alcohol-related problems have been taken up by policy makers, how policy has been formulated, how it has been implemented and evaluated, who is involved with the process and how they influence it, and what are significant external factors. It is true that this thesis will not make any recommendations for alcohol policy content. However, knowledge about alcohol policy, including opportunities and weaknesses, will indirectly benefit the *alcohol policy process*. Although there is no guarantee that *good policy processes* will result in *good policy*, the risks of bad outcomes are much higher with bad policy processes (Keating, 1996).

2.3 Methodology

To achieve these objectives, this thesis employed four methods to retrospectively analyse the Thai alcohol policy process during the period 1997 to 2006. These are international literature reviews, reviews of secondary data on Thai alcohol policy, acquiring primary data on Thai alcohol policy, and lastly synthesising the information from the three sources.

1. Literature review of the international experience on alcohol policy and public policy process. This part was conducted by reviewing the available sources from the Massey University Library system, the centre for Social and Health Outcomes

Research and Evaluation (SHORE), the Internet, and the WHO system. These include knowledge from four areas: public policy theory; the development of alcohol policy; alcohol policy effectiveness and cost-effectiveness, and fundamental ideologies and controversial issues in alcohol policy

2. Review of secondary data on Thai alcohol policy and the policy process. This part aimed to explore the available knowledge on the development of Thai alcohol policy, alcohol-related situations in Thailand, and research on Thai alcohol policy including its evaluation. The sources explored include:
 - The Royal Gazette, the official record of Parliament, and related-documents from the Thai Parliamentary Library system including electronic files
 - Libraries of major Thai universities; Chulalongkorn University, Thammasat University, Mahidol University, Kasetsart University, and the Thai Thesis Database system of the Ministry of Science and Technology
 - Libraries of the Ministry of Public Health (MOPH), and Health System Research Institute
 - Publications of the Thai Health Promotion Foundation, Center for Alcohol Studies, and the StopDrink Network, including research reports and conference papers.
 - Review of major Thai newspapers, done by manually reviewing news clippings between 1990 and 1997, and searching electronically since 1997. The key words for searching include alcohol, liquor, beer, spirits, and specific names of key persons and organisations.
 - Searching through the Internet
3. Acquiring primary data by interviewing key informants. The secondary data allowed the researcher to compile a list of key stakeholders and people involved in the Thai alcohol policy process during the period of study. The questionnaires were then designed and tested. It consisted of general questions and a set of specific questions for each group of stakeholders (*see Appendix A*). The interviews were mainly face-to-face, ranging from free to semi-structured as time permitted and depending on the interviewing situations. The response rate among those approached was fairly high, although some key informants assigned their nominees to be interviewed instead,

and key executive people allowed only pen-and-paper interviews. Apart from interviews, the sources in this process also include the minutes and records from public hearings, and the National Alcohol Conference. At the end of the process, 49 informants were involved: ten informants from the MOPH; seven from the Ministry of Finance; three from other public agencies; five from the Thai Health Promotion Foundation; three from other civil society groups including one politician; two from the public media; ten from the alcohol industry and related businesses, and another eight independent informants, including professionals and academics.

4. Data analysis and synthesis. This process included data compilation, arrangement, filtering, and triangulation. Then, comparison between the information acquired and the public policy models and theories was made to synthesise the characteristics of Thai alcohol policy development.

This thesis retrospectively analyses the Thai alcohol policy process over a ten-year period. There were many difficulties and limitations. To name a few, firstly alcohol policy is a broad area consisting of numerous components with vast differences across sub-areas and over time. Secondly, the opinions and positions declared in the public media and in interviews might not be the actual stance of stakeholders, which can be distorted by many mechanisms, including the interests of public media and the interview situation. Many bits of information are based on opinion, suspicion, and rumour, and are difficult to triangulate and further explore.

2.4 Policy context

All elements of the public policy process are affected by the policy environment (Easton, 1965). However, the policy process also influences its environment. Furthermore, in the real world, the line between the public policy process and the policy context is blurred (Birkland, 2001).

Environmental impacts on public policy have been categorised in many ways. Easton (1965) divided them into two groups according to the boundary of the political system: the intra-societal environment and the extra-societal or international environment. By

contrast Birkland (2001) classified them into four groups: the structural, social, economic and political environments.

This thesis applies the Leichter model (Leichter, 1979), sorting policy context factors into four areas: structural, situational, cultural and environmental. Each group contains political, social, economic, demographic and cultural elements. The first three groups contain mainly domestic factors, although many elements also closely connect to factors beyond the national level.

- Structural factors are the relatively static conditions of the policy system, such as the political system.
- Situational factors are transient and impermanent conditions, including both sudden and gradual changes, such as social chaos, violence, economic surges and crises, political revolutions, and changes in knowledge and technical information.
- Cultural factors are values provided by groups within communities, or by the society as a whole.
- Environmental factors are events, structures and values beyond the boundary of the political system, including other countries' stances, international collaboration and trade agreements.

Alcohol policy is one of the public policy areas most affected by globalisation, which is defined as the state of interdependence among countries, both its positive and negative dimensions. International economic conditions and international agencies form a common policy context for policy makers all over the world (Harrop, 1992). Globalisation relies on three fundamental factors: imperialism and neo-imperialism; dependency on or domination by other nations; and the global capitalist economy. The trends it is responsible for include the rise of trans-national corporations, growing economic integration and borderless communication and media (Giddens, 1989).

2.5 Policy actors

Stakeholder participation in the public policy process is a complicated issue, affected by the political system, national history, national sovereignty and stability of the state

(Walt, 1994). Stakeholder analysis in the policy process focuses mainly on policy development rather than on implementation. The primary concern of policy stakeholder analysis is to determine how policy-influencing power is structured (Brugha & Varvasovszky, 2000). 'Elitist' and 'Pluralist' are the two main approaches in public policy stakeholder analysis. The pluralist approach considers power as diffused among society, and public policy as the outcome of interactions among different policy players who have different policy goals and means, and command unequal levels of resources and power (Harrison, 2001). Pluralist models in general do not deny the existence of social elites, but argue that social elites cannot dominate the process all the time, a condition known as the *plurality of elites* (B. Smith, 1977).

With the elitist approach, the public policy process is confined to a comparatively small circle, consisting of a few powerful members of society. Elite membership may be formulated within a social or economic class, among professional groups, business groups, interest groups or families. Conventionally, policy decisions are made among key politicians and bureaucrats, who control the institutional authority and monopolise the final approval of any decision or program (Considine, 1994). However, the pattern, degree and characteristics of the influence of elites vary across societies. In many developing countries, bureaucrats, businessmen, professionals, military and government make up closed policy circles that form, to all intents and purposes, a ruling or dominant class (Walt, 1994).

'*Bounded Pluralism*' is a compromise between elitist and pluralist models. In it, the characteristics of the policy determines stakeholder participation in the policy process (Hall, Land, Parker, & Webb, 1975). In *High politics*, particularly economic, issues are likely to be decided in smaller arenas than in *low politics* issues which involve more sectors, such as health or education policy. For this concept, stakeholders have higher participation the process of policy that does not affect the politico-economic fundamental structures (Lindblom, 1979).

The forming of coalitions among like-minded stakeholders, who share values, interests and policy preferences, is common. In many cases, a 'policy broker' acts as a compromising mediator among various conflicting coalitions (Sabatier, 1988). Furthermore, the participation and conditions of policy players are not static. The

merging and separation of players, as well as shifts between active and latent roles, is regular.

This thesis observes that Thai alcohol policy is not an area exclusive by reserved for formal policy actors, although some issues are conducted in a fairly closed system. It also acknowledges that power is not equitably distributed in society. This thesis classifies alcohol policy stakeholders into two groups: formal and informal. Formal, or official players, are political and bureaucratic officials within governmental institutions, who possess authority over the policy process. Informal actors are comparatively outsiders, and include interest groups, Non-Governmental Organizations (NGOs), academics, professionals, the media and individual citizens.

2.5.1 Formal policy actors

State institutions are central to all elements of the policy process, and act as methods of articulation for informal stakeholders. In modern states official policy players can often be divided into the three major components of the legislative, executive administration and the bureaucratic system, which consists of administrators, technocrats and implementers. However, the roles and interactions of these official players are very diverse. Furthermore, in many circumstances the lines that separate these components are hazy.

Political parties can be classified as both formal and informal actors. They can propagate their policy preferences in the pre-election period, and these preferences may become public agenda afterward. In many circumstances, the role of political parties may be blended with that of formal policy players, such as when a single party dominates the government. This thesis defines politicians as formal actors.

In more complex policy systems, official players can also include consultants, particularly when consulted on highly technical issues. These advisors can be part of public or private agencies, and can include professionals, consultants, foreign advisors and international agencies.

Aside from institutional conditions, the individual conditions of public officials, including their personal characteristics, connections and perceptions, are significant for the process. Adapted from theories of cognitive psychology, policy decision making is affected by four groups of factors: 1) Personal factors including preferences, knowledge and skills, 2) Perception of policy issues, 3) Perception of policy options and consequences, , and 4) other information (Kaufman, 1991).

2.5.2 Informal policy actors

Because of the lack of official authority, aggregation among informal players is more apparent. The collective participation of informal stakeholders is analysed by many approaches, including the ‘policy network’ and ‘interest group’ models.

Policy networks are informal and semi-formal linkages between individuals and groups with shared needs, to trade information, negotiate agreed values and ward off threats (Considine, 1994). Based on the pattern of relationships, policy networks can be divided into two groups: ‘policy community networks’ and ‘issue networks’ (Marsh & Rhodes, 1992). Policy communities are comparatively closed systems, with strong linkages among members, who regularly interact with the network and with other members. Leaders of policy communities have a greater ability to regulate their position and their participation in the policy process. By contrast, issue networks are large and diverse, with fluctuating levels of interaction.

Another school of thought defines policy interest groups as all individuals and private groups who aim to influence policy, and their interactions, as well as all government officials who go beyond the direct use of their authority (Jordan & Richardson, 1987). In a similar manner to networks, policy interest groups can be classified into ‘sectional groups’ and ‘cause groups’, which influence the public policy process differently. Sectional groups are relatively closed entities whose primary purpose is to protect their interests, while cause groups are relatively open to anyone who shares a common concern for the cause, and exist to promote a particular policy issue (Walt, 1994). In alcohol policy, for instance, alcohol operators and Social Aspects Organizations (SAOs) are sectional groups, while religion-oriented coalitions are cause groups.

In this thesis, both formal and informal policy players are analysed according to characteristics, their influence on Thai alcohol policy, their influencing mechanisms, and their internal and external relationships. It places emphasis on structural or organisational analysis, and decisions influencing factors for formal players, while focusing on the collective participation and influencing mechanisms of informal stakeholders.

2.6 Public policy process

Stagist models or approaches, which see the policy process as the continuation of many phases, are a conventional backbone of policy process analysis. Despite the advantage of simplicity, many argue that stagist models are unable to explain the realities of policy process, owing to the limitations on explaining the causality of the process from phase to phase, the inability to be verified, overemphasizing the top-down process, and ignoring policy actor interactions (Parsons, 1995).

Another difficulty with stagist models lies in the direction of the policy process. In reality, the public policy process is unlikely to be one-way or linear. Some stages may be omitted, and the beginning and end of the public policy process is ill defined (Dunn, 2004). Policy makers may build new public policy on top of other underlying policies and conditions. The momentum of policy can result in steps forward and backward in between phases, known as ‘dancing policy’ (Edwards, Howard, & Miller, 1991). Lastly, distinguishing lines between policy phases may be blurred or even non-existent. As a result phase overlapping is common. Once the policy decisions are made, their implementation may start immediately (Walt, 1994).

Stagist public policy models define the policy process in different ways. A basic, yet clear, approach is to partition the process into ‘upstream’ and ‘downstream’ stages. Put in an easy way, the upstream stage is how public policy is made, while the downstream is how it is implemented. This thesis applies Walt’s (1994) four-stage model, which includes 1) Agenda setting, 2) Policy formulation, 3) Implementation, and 4) evaluation.

2.6.1 Agenda setting phase

Policy agenda acts as a 'to do' list for government, while the setting of the agenda is the process by which a problem or condition is added to that list. By definition, the policy agenda is the list of subjects or problems to which government officials, and associated people, are paying serious attention to at any given time (Kingdon, 1995). Agenda setting is the process by which problematic conditions come to receive the attention of government, and the potential for policy alteration (Nelson, 1978).

Agenda setting is not a one-step process, but rather a combination of many elements with hazy boundaries. How to approach the division of these elements, and the terminology used, are controversial issues. Agenda setting process can be seen as the connection of two components: 1) the implicit way the issue or problem is described, and 2) the more explicit process of how the issue gains the attention of policy makers. Walt (1994) explains these two components as 'problem identification' and 'issue recognition'.

The first component, 'problem structuring', focuses on understandings and perceptions of a particular problem. Chambers and Wedal (2004) uses 'problem analysis' to explain how the problem is described. Problem analysis includes how policy players think and what they believe about the problem. It consists of stakeholder perceptions in four areas: problem definitions, causes and consequences, the values or preferences of players, and involved sectors. This component is the central guidance system, or steering mechanism, for all policy phases, not only for agenda setting (Dunn, 2004).

The second, 'issue recognition', phase is the more explicit part of the process, and focuses on how the problem or issue is taken up by the policy agenda, which is equivalent to Cobb and Elder's 'issue expansion' [(Cobb & Elder, 1972) cited in (Parsons, 1995)].

The government always plays a central role in agenda setting as it has official responsibility for the identification, definition, and prioritisation of issues. Mass media also plays a very crucial role in the agenda setting process, as gatekeepers of

information. The amount of mass media coverage of an issue associates with the progress of that issue into the policy agenda (Rogers & Dearing, 1988). The term 'media agenda' is defined as the intermediate stage in the metamorphosis of a problem agenda into a policy agenda (McQuial & Windahl, 1993).

Policy players can also halt, deviate, suppress or terminate the policy agenda setting process. In many circumstances, problem or policy agenda are held in stasis, and as a result fail to progress to other stages. This 'non-decision making' situation commonly occurs when a policy issue is contrary to the interests of the people with authority. For example, *"a ministry of health in a developing country may not even mention the long-term negative effect on the nation's health and the cost to the health services, when new contracts for tobacco and alcohol manufacture are being negotiated. Because of the anticipated response from other (stronger) sectors of government (the ministry of industry, the ministry of finance) which are more interested in building up industrial capacity and increasing government revenue."* (Walt, 1994)

There are many models to analyse the agenda setting process with. According to Birkland (2001), the progression of an issue onto the policy agenda consists of four stages, moving from a universal agenda, to a systemic agenda, to an institutional agenda and finally to a decision agenda. By contrast, Rogers and Dearing (1988) consider the agenda setting process as a continuum from issue to media agenda, public agenda and lastly to policy agenda (McQuial & Windahl, 1993).

The agenda process is affected by many factors, such as the legitimacy, feasibility and support of the problem (Hall et al., 1975). The likelihood of expansion of the issue is high, if it has: 1) Low specificity – the greater the ambiguity of an issue the more concern it engenders, 2) High social significance, 3) The potential for long term effects, 4) Low levels of complexity - non-technical issues are likely to receive broader attention, and 5) recent emergence or a lack of categorical precedence (Cobb & Elder, 1972).

According to the Kingdon model, the agenda setting process begins when the problem, politic and policy streams open their '*windows of opportunity*' at the same time (Kingdon, 1995). The perceptions of policy makers are the most vital conditions for the

first '*problem stream*'. Policy makers become aware of the problem through many mechanisms, including social awareness and feedback. However, they tend to attend to the problem only if it is perceived as something that needs to be altered. The second, '*politic stream*', focuses on the interactions of both visible and hidden participants. Visible participants are those organised interest groups, in and outside government, who have strong preferences relating to the problem, while hidden participants, such as technocrats, subtly influence the agenda setting process. Lastly, the '*policy stream*' focuses on the characteristics of policy. Policy makers tend to select problems that meet certain criteria, that include 1) Technical feasibility, 2) Forecasted constraints, 3) Congruence with existing values, and 4) public acceptability.

To understand the agenda setting process, this thesis explores the agenda setting phase in two parts: problem structuring and issue recognition. In the problem structuring section, this thesis will summarise how policy stakeholders perceive various alcohol-related situations. It will then apply Kingdon's three-stream model to analyse factors that affect the agenda setting process. This thesis also addresses the perceptions and roles of other players, outside the boundaries of government.

2.6.2 Policy formulation phase

Policy formulation, or the decision-making process, is commonly seen as the highlight of the policy process. It consists of many overt and concealed elements. Explicit components include the process of problem forecasting, the setting of objectives and priorities, analysis of options, comparison of advantages and disadvantages, impact assessments, public hearings, and finally the adoption process or policy legislating. However, policy formulation also commonly includes bargaining, lobbying and negotiation, most of which are conducted behind the scene.

Most policy formulation models are state-centred and occupy a position in the range between two extreme posts: *Rationalism* and *Incrementalism*.

At the rationalist end, policy decisions are the product of a rational and progressive process, in which policy makers have extensive access to information and possible

solutions, and reasonably select the best solution (Hill, 2005). In this concept, therefore, availability of knowledge and information to policy makers is the key condition to strengthen their policy making capabilities (Parsons, 1995). *Bounded rationality*, a compromised rational model, supposes that policy makers generally intend to be rational, but are faced with many constraints, which prevent them from being perfectly rational, one of which is lack of information. Bounded rationality concerns options that may not maximise the policymaker's values, but are 'satisfactory' or 'good enough' (Simon, 1957).

At the opposite end, incrementalism considers a tendency in policymakers to choose the policy option that is closest to existing policy, or which only proposes marginal changes. In this model, a good policy is one that all participants agree on, rather than the best to solve the problem (Sutton, 1999). In this conservative approach, major change is an accumulation of small isolated changes. The potential advantage of incremental decisions to policymakers is in flexibility of policy values and objectives (C.E Lindblom, 1959) and in order to avoid serious mistakes.

Etzoini's '*Mixed Scanning*' model occupies a middle ground between rationalism and incrementalism (Walt, 1994). It rests on a distinction between two interrelated decision levels, 'fundamental' and 'incremental' (Hill, 1997). In this concept, the policy formulation process is differentiated, in terms of information seeking, into two elements, *Macro* (fundamental) and *Micro* (specific/optional). Fundamental decisions aim to set the basic direction, and provide a context for incremental decision-making. In this concept, policy makers tend to scan broadly and try to make rational decisions in fundamental or strategic areas, but are likely to be incrementalist with operational or specific matters (Dunn, 2004).

This thesis sees incrementalism as the most appropriate model to explain the Thai alcohol policy formulation process, particularly when considering the exposure of policy makers to knowledge and information. However, it also borrows the 'two-step decision' concept from the mixed-scanning model to separately analyse fundamental and optional issues of Thai alcohol policy formulation.

2.6.3 Implementation phase

Implementation is a critical stage in determining public policy outcomes and effectiveness. Understanding the situation of policy implementation also aids later policy formulation, in particular with making policy decisions appropriate to the implementation setting.

Models for analysis of the public policy implementation process can be mainly identified by two competing approaches, 'top-down' and 'bottom-up'. The top-down approach defines policy implementation as the 'policy delivery process' vertically directed from high-ranking administrators. The main question for top-down analysis is how effectively policy decisions are transformed into the expected impacts. It conforms well to the linear policy model, particularly in the up and downstream separation. In the top-down model, policy implementation is an isolated administrative activity, clearly disconnected from policymakers, who are the core of the policy-making process (Grindle & Thomas, 1990). This setting allows policymakers to avoid responsibility for poor policy outcomes, or the so-called 'escape hatch' situation (Sutton, 1999), for example by blaming failure on implementation factors.

In the other direction, bottom-up approaches identify implementation as a part of the policy-making continuum. In this concept, policy is as an output of the implementation process: "*Policy is being made as it is being administered, and administered as it is being made*" (Anderson, 1975). This approach contends that the public policy process is an interactive process, rather than a linear one. Implementation always makes or alters policy to some degree (Lipsky, 1980), either by adapting, selectively distorting, or simply ignoring new policies (Juma & Clark, 1995). According to the *Street Level Bureaucracies* model, low ranking actors working in bureaucracies are not merely *the cogs in an automatic transfer of policy-making to outcome in practice* (Lipsky, 1980), but are involved with policy formulation.

The successes and failures of policy implementation are determined by many conditions of the implementers, administration, and sectors subject to enforcement. Furthermore, the effectiveness of implementation also depends on both policy types and policy issues

(Van Meter & Van Horn, 1975). Difficulty of implementation is lowest in *(benefit) distributive policy*, followed by *regulative policy*, and is highest in *redistributive policy*, which usually requires bargaining and politics (R. Ripley & Franklin, 1982). Moreover, predictive factors for policy implementation include levels of resistance and support, technical difficulties, scales of change, number of implementers (i.e. single or multiple agencies), visibility and clarity of target, and time frame factors (Walt, 1994), and also communication, attitudes and the organisational structure of implementers (Edward, 1980). These implementers are not neutral. Their conflicting values, key interests, and relationships to affected sectors can determine policy outcomes (Hill, 1997).

This thesis applies the top-down approach to analyse the process of Thai alcohol policy implementation by focusing on five groups of factors that determine policy outcomes: Implementers, administration, content, sectors facing enforcement and the implementation context.

2.6.4 Policy evaluation phase

The policy evaluation process is difficult to fit into stagist models as it does not always come after policy implementation in the time-line, but rather can overlap with other phases (Dunn, 2004). In many cases, public policy is monitored parallel with its implementation. Output from the policy evaluation process shapes the way stakeholders understand problems, and is closely linked to the agenda setting process. The decision of policymakers to continue, change or terminate policy is heavily influenced by these results. In reality, however, policymakers may not fully exploit the tool of policy evaluation. The linkage of policy evaluation results to other stages depends on a number of institutional and personal factors.

Policy evaluation, again, consists of many components, that are classified differently. Hogwood and Gunn (1984) divide it into three parts: 1) Monitoring and control, 2) Evaluation and review, and 3) Policy maintenance, succession and termination (Hogwood & Gunn, 1984). Another model sees it as a composite between: 1) Formative and summative evaluations in the policy information cycle, and 2) political feasibility analysis for policy termination (Palumbo, 1987).

This thesis sees *monitoring* and *evaluation* as two interconnected parts of the evaluation process. Policy monitoring aims to produce information about observed policy outcomes, while policy evaluation focuses on the ‘value’ of observed and expected outcomes (Dunn, 2004). Put simply, monitoring is for facts, and evaluation is for values. Although they have different purposes, these two components can be conducted together or based on one another.

Comprehensive public policy monitoring should take into account policy side effects: spillover and uncontrollable causes, including unforeseen events. Furthermore, it ought to cover four areas: 1) Policy compliance, showing whether or not policy implementation complies with standards, 2) Audits of resources and implementation, 3) Social and economic change, and 4) explanations of how and why policy outcomes differ (Dunn, 2004).

Defining public policy value, in order to evaluate, it is not a simple process. Dunn (2004) suggests that policy values can be defined through three approaches. These are:

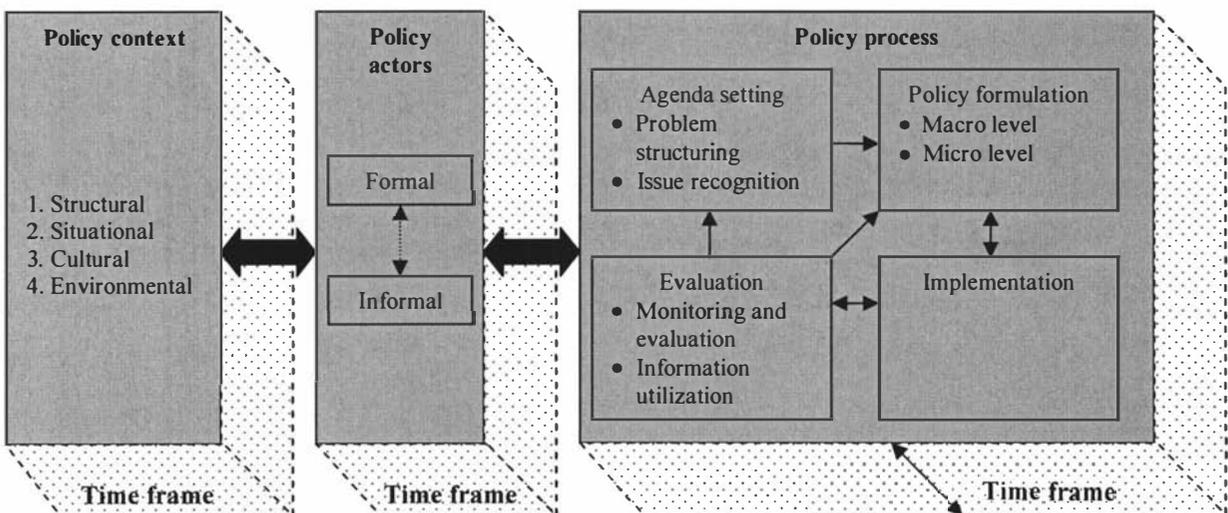
- Pseudo-evaluation: seeing facts or information as policy values. This is practically a policy monitoring.
- Formal evaluation: this methodology relies on policy objectives, seeing the announced policy target(s) as the policy values. Therefore, it focuses on the declaration of purpose and rationale by policymakers.
- Decisive-theoretic evaluation: this approach is a balanced value appraisal, between policymakers and other actors, taking into account opinions of the policy outcomes of all stakeholders.

Chapter Nine explains the alcohol policy evaluation process, describing evaluation mechanisms and methodologies, and the utilisation of evaluation results. For both the policy monitoring and evaluation sections, it values the opinion of all major stakeholders on the results and achievements of an alcohol policy, not only those of policymakers.

2.7 Analytical framework

To understand the Thai alcohol policy process, this thesis uses both *macro* and *micro* public policy models as analytical tools. Each tool and micro-analytical framework is further explained in later chapters. The macro analytical mainframe, as depicted in Figure 2-1, consists of three main parts: the policy context, policy actors and policy processes, where policy process is a function of the movement and interactions of policy actors, who are influenced by the policy context. These components have been in a pattern of dynamic interaction over time.

Figure 2-1: Analytical framework



2.8 Conclusion

Public policy is the response to public concern, particularly about undesirable situations. The public policy process is a series of interactive movements by policy stakeholders. Government has responsibility for managing public problems, and is the backbone of the process. However, policy stakeholders also include informal players, such as NGOs, civil society, professionals, and interest groups. These policy players shape and are shaped by the process. Both policy players and process, then, are effected by, many factors beyond the policy boundary. Stakeholders bring their concerns and interests to

the policy process. To influence policy process, players can act as individuals or join with other like-minded stakeholders to form networks.

Dividing the process into linear stages is the easiest approach in analysing public policy. This thesis sees the public policy process as the combination of four stages, agenda setting and policy formulation in the upstream phase, and implementation and evaluation in the downstream leg. In reality, however, the public policy process may not fall into line with stagist theories. The boundaries between stages may be blurred or even non-existent, the direction of the process may be non-linear, and one stage may not only link to the following stage in one direction but may also be linked to others.

Agenda setting is the process whereby someone's problem is upgraded with the intention of the government to do something about it. Agenda setting also includes the problem structuring process. At the beginning of the process, the windows of opportunity are important for igniting the process. Information on issues and options, as well as characteristics of policy makers and involved public agencies, is crucially important to the policy formulation stage. From this policy content is turned into action in the implementation phase. Evaluation is the stage for assessing situations and performance of policy. It also feeds into all stages of the process, including the re-start of the policy lifecycle.

Chapter 3

ALCOHOL POLICY: AN OVERVIEW

Any belief that alcohol is a circumscribed problem because, supposedly, its 'misuse' only affects a small minority of the population who can be tidied away and classified as deviants or 'alcohol abuses', is mistaken. (Edwards et al., 1994)

The first chapter indicates the massive and extensive consequences and externalities of alcohol consumption, in positive and negative dimensions at all levels, from individual to global. Adverse effects from alcohol consumption create a public demand for policy, pressuring government to formulate policy in order to prevent and mitigate these problems. The second chapter showed that the public policy process is not a simple and straightforward course, but a complicated interactive process, whereby competing policy players try to trade off values and preferences.

This chapter provides a fundamental outline of alcohol policy, starting with a brief history of the global alcohol policy situation, then going on to explain basic concepts of alcohol policy, from definitions and classifications to levels of comprehensiveness. The last part presents basic information on policy efficacy and cost-effectiveness.

3.1 Introduction

The alcohol policy arena is an area where multi-disciplinary players draw attention to, and attempt to convince policymakers of their values and preferences. Modern governments have generally had four areas of interest in alcohol: 1) The contribution of alcohol to the economy, 2) A fiscal interest including interest in taxation, 3) The productivity of labour, and 4) an interest in public health and social order (Makela & Viikari, 1977). Compared to the health impacts, social consequences of drinking and revenue generation have attracted far more policy attention (Room, 1997). Because of

value dilemmas, interest in and responsibility for alcohol are often split between different levels of government (Room et al., 2002) and between government departments (Osterberg & Karlsson, 2001; Room, 1999). The fundamental incompatibility of economic and political values and health-oriented values is easily recognised (Babor, 2002), particularly where consumption patterns have changed (Sulkunen, 1985). These different values direct the alcohol policy process in different directions. *Policies which are oriented to public health and order can reduce rates of problems, while policies which are oriented otherwise, which may generate alcohol-related benefit particular by the economic dimension, can increase rates of problems* (Room, 2000).

Conventionally, alcohol-related policymaking is situated in the agricultural and industrial sectors, rather than in health and social policy. In some countries, the concept of alcohol policy in public health may not even exist in official terminology (Holder et al., 1998). In the United Kingdom, public health has a low priority and a lack of identity in the alcohol policy arena, perhaps because it faces five major constraints: Information shortages, libertarian values, lobbying from the alcohol industry, inter-departmental conflicts, and a lack of political commitment (Baggott, 1990).

The alcohol policy experiences of many developed countries show the swing of policy momentum, in which policy and knowledge of the impacts of alcohol were underpinning factors (World Health Organization, 2004c) (Berridge, 2003). Knowledge advances regarding the long-term health impacts of alcohol during the 1950s shifted policy focus toward the treatment of alcoholism. Knowledge of the effectiveness of population-based policy and the broadening of public health concepts to cover health behaviour steered policy momentum toward health promotion in the 1970s and 80s.

3.2 Alcohol policy definition

The term '*alcohol policy*' originated in the Scandinavian countries (World Health Organization, 1994). Controversially, it has been used without consistency (World Health Organization, 2004c). Definitions of alcohol policy reflect its main theme at the time, in terms of the policy content and major players. Many definitions restrict alcohol

policy to particular areas of governmental or state authority (Bruun et al., 1975; Grant, 1985), while other broader definitions also include the role of non-governmental sectors. Definition of alcohol policy can be as narrow as '*state strategies to influence physical and financial alcoholic beverage availability*' (Bruun et al., 1975), which does not mention any individual or social control, or it can be as extensive as '*any purposeful effort or authoritative decision on the part of government or non-government groups to minimize or prevent alcohol-related consequences*' (Babor et al., 2003). In its broadest meaning, alcohol policy covers any strategies that target supply and demand for alcohol consumption, influencing at pre- and post-consumption stages, as well as rehabilitation and harm reduction.

The terms '*alcohol policy*' and '*alcohol control policy*' are generally substitutable (Institute of Alcohol Study, 2005; World Health Organization, 2004a). However, they are different in two dimensions: policy content and purposes. By definition, alcohol control is '*the interventions by government in alcoholic beverage market, in production, trade and purchase, without regard to purpose*' (Makela, Room, Single, Sulkunen, & Walsh, 1981; World Health Organization, 1994). By this definition, alcohol control policy does not cover measures that do not intervene in the alcohol market (Grant, 1985). Secondly, alcohol control policy is not only intended to reduce alcohol-related problems, but can also be used for other purposes, such as economically oriented objectives. The main targets for alcohol control are not consumers but commercial producers, distributors, and sellers (Room, 1990).

It can be deduced from the definitions of alcohol policy in three milestone alcohol policy publications that alcohol policy has expanded its comprehensiveness over time. According to Bruun et al (1975), alcohol policy is confined to state intervention in the physical and financial availability of alcohol. Meanwhile, many interventions in the current alcohol policy domain, such as education, advertising and harm reduction, are excluded. Edward et al (1994) enlarged the definition of alcohol policy to '*public health response to alcohol-related problems*'. Both definitions are still more or less limited to the authoritative decision of governments, who use rules, law and regulations as policy mechanisms. For Babor et al (2003) alcohol policy covers both the public and private sectors, and '*any purposeful effort...to minimise or prevent alcohol-related consequences*'.

3.3 Alcohol policy objectives

The ultimate goal of alcohol policy is to prevent and reduce the *range of adverse accompaniments of drinking alcohol*, also known as *alcohol-related problems*; in this, the term *related* does not necessarily imply causality (World Health Organization, 1994). The alcohol industry claims that the purposes of alcohol policy also include *promoting the benefit of alcohol use* (International Center for Alcohol Policies, 2005).

Although the ultimate goal of alcohol policy is fairly clear, the means to achieve this end are often complicated and controversial. To reduce alcohol-related problems, alcohol policy should consist of interventions in three areas: 1) Drinking decisions, 2) The manner and circumstances of drinking, and 3) insulating drinkers and surrounding people from harm (Institute of Alcohol Study, 2005; Moore & Gerstein, 1981). The first mechanism aims at prohibiting, delaying and discouraging alcohol consumption in the general population and specific sub-populations, such as youth. It targets both drinkers and non-drinkers. The second tool targets all alcohol consumers, and aims to prevent problematic consumption volume and patterns. Lastly, the third mechanism is specifically tailored for harmful drinkers, focussing on high-risk drinking. These three mechanisms lie in a continuous *trichotomy* range: *the phase of choice, phase of use and phase of consequences*, consecutively (Bruun, 1971), and are not alternatives to each other (Room, 2001a).

In another paradigm, Edward et al (1994) classified alcohol policy interventions into two groups according to their targets: interventions that target the general population and ones targeted at a specific group. Again, these two components are not substitutable.

3.4 Alcohol policy classification

Alcohol policy is the combination of various measures and strategies. These interventions are different by their characteristics. These interventions can be grouped

by a number of methods, including by their fundamental concepts or their policy content.

Alcohol policy interventions can be grouped into two clusters according to their fundamental concept: 1) Targeting individual changes, and 2) targeting environmental changes (Room, 2000). Another method of categorising alcohol policy is according to public policy theory and consists of two categories: *Allocative* and *Regulative* measures. Allocative interventions aim to provide, or allocate, net benefit to particular distinct groups or organisations, such as to alcohol dependence treatment programmes. Regulative measures, in contrast, seek to influence the actions, behaviour and decisions of particular groups through direct control of individuals and organisations (Longest, 1998).

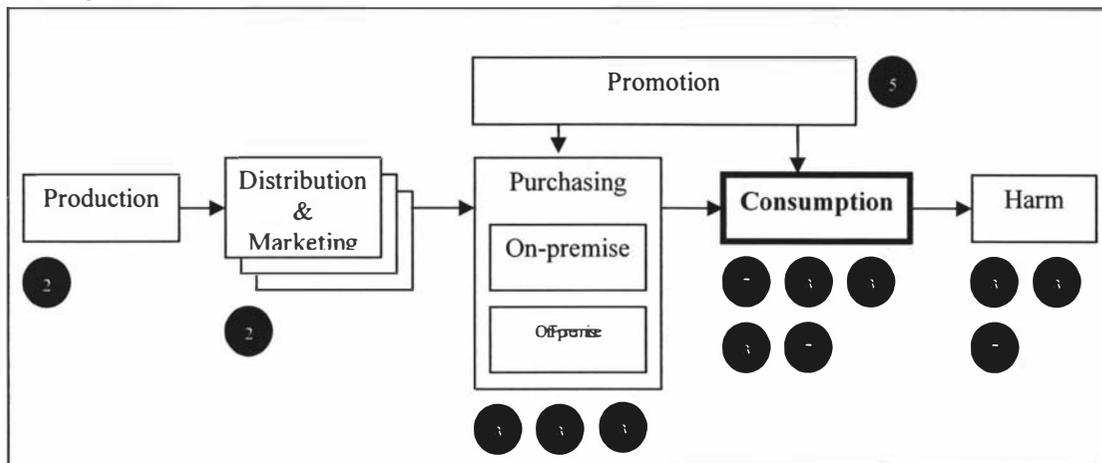
Classification of alcohol policy by its content is vastly different. The WHO Global Status Report on Alcohol Policy classifies alcohol policy interventions into five areas: 1) Alcohol availability control, 2) Drink-driving legislation, 3) Price and taxation, 4) Advertising and sponsorship regulation, and 5) policies aimed to promote alcohol-free environments (World Health Organization, 2004a). The National Institute of Alcohol Abuse and Alcoholism grouped alcohol policy interventions into nine clusters (Alcohol Policy Information System, n.d.). However, this thesis follows Babor et al's (2003) classification, categorising alcohol policy interventions into seven groups:

1. Pricing and taxation;
2. Regulating the physical availability of alcohol;
3. Modifying the drinking context;
4. Drink-driving countermeasures;
5. Regulating alcohol promotion;
6. Education and persuasion strategies; and
7. Treatment and early intervention services.

3.5 Alcohol policy comprehensiveness

Alcohol-related problems involve multiple factors, arise in many different situations, and have diverse effects. To capture this, comprehensive alcohol policy content and targets are important. *The needed policies will be mixed rather than a masterstroke* (Edwards et al., 1994). A modern alcohol policy framework should cover, and strike a balance between, individual and environmental level strategies, and target both the general population and specific objectives (Babor et al., 2003). According to the development of harms, alcohol policy should have comprehensive interventions, covering both the pre- and post-drinking periods, depicted in Figure 3-1.

Figure 3-1: Alcohol policy interventions in the different phases of alcohol-related harm development



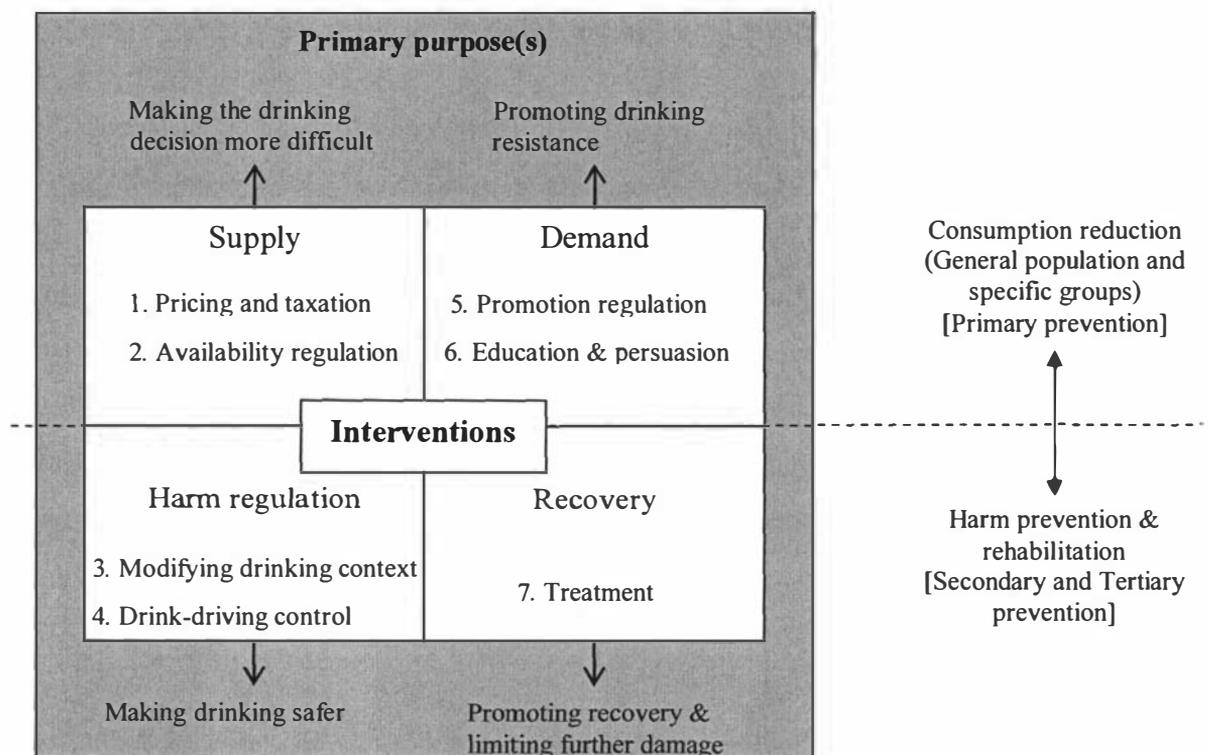
Note:

1. Pricing and taxation
2. Physical availability
3. Modifying the drinking context
4. Drink-driving countermeasures
5. Alcohol promotion
6. Education and persuasion
7. Treatment & screening

Analysed in another way, alcohol policy should comprehensively cover four policy areas: 1) Alcohol demand controls, 2) Supply controls, 3) Harm regulation and deterrence, and 4) Treatment. These four domains have different purposes and targets, the first two mainly involve the alcohol consumption of the general population and specific groups, while the latter two focus on problem prevention and recovery in risky contexts and problem-experienced groups. Applying public health disease prevention

concepts, defining consumption as a risk factor, an alcohol policy framework should strike a balance among primary, secondary, and tertiary preventions. Primary prevention aims to reduce exposure to risk factor, and consists of alcohol supply and demand regulation strategies aiming to reduce consumption. Secondary prevention aims to reduce harm probability and limit the extent of adverse effects for already risk-exposed populations, alcohol consumers. Lastly, tertiary prevention aims to promote and accelerate recovery processes among harm-experienced groups, such as treatment programs.

Figure 3-2: Contents of alcohol policy



3.6 Effectiveness of alcohol policy

Knowledge of alcohol policy effectiveness can support policy decision-making, by discriminating effective interventions from others. However, knowledge of policy effectiveness is not the only resource for policymaking. An upturned situation is common in the alcohol policy domain, where popular policies are ineffective and effective policies are politically impossible (Room, 2000).

Identifying alcohol policy effectiveness is a complicated process. Firstly, *Policy effectiveness* can be defined in many ways. One of the easiest is to focus on the achievement of its objective(s). Hence, effective alcohol policy can be defined by its ability to minimise alcohol-related problems.

Secondly, the outcomes of alcohol policy involve many factors, internal and external to the alcohol policy domain, including all elements of the public policy process and context. Specific conditions can decrease the applicability of knowledge of alcohol policy effectiveness, drawn from another area or time period. It is often difficult to apply studies from European and North American countries to developing societies.

Thirdly, it requires sophisticated evaluation and analysis techniques. To evaluate alcohol policy effectiveness, academics have employed various methodologies, in both quantitative and qualitative areas, including experimental study, historical approaches, time-series and before-after analysis, cross-sectional studies and natural experiments (Babor et al., 2003). However, the ‘gold standard’ randomised control study is difficult to fit in studies of alcohol policy effectiveness. Health education and treatment programs are perhaps the only areas where control and experiment groups can be distinguished. Inability to control variables and confounders, as well as difficulty in differentiating the effects of multiple contemporary policies, poses analytical complexity and can decrease research validity.

Furthermore, personal factors of analysts such as allocated value, discipline, analytical approaches, and hidden interests can determine a study’s result. Those who define alcohol-related problems in socio-cultural models view policy outcomes with different paradigms from public health preventive models (Heath, 1990). In many cases, effective analysis is not conducted with a scientific approach, but with personal preferences, such as the publication *Alcohol Education and its Effectiveness* of ICAP², the alcohol industry-organised institute (Foxcroft, 2005).

² International Center for Alcohol Policy, the global SAO

Room (2001a) classified nineteen interventions by their effectiveness into four groups, where interventions with the highest effectiveness include minimum purchasing age (MPA), servers liability for intoxicated customers, high taxation, low BAC, random breath testing (RBT) and immediate license suspension; while the five least effective interventions are alcohol education, voluntary code of bar practice, alcohol-free activities, regulation alcohol promotion content, and warning labels. WHO concluded that population based interventions are more effective, while education and persuasion have less effectiveness (World Health Organization, 2004b). With extreme difference, ICAP concluded that harm-insulation and interventions that target at-risk groups, such as education and treatment, are effective strategies. (International Center for Alcohol Policies, 2005)

Babor et al (2003) provided information on the policy effectiveness, technical support, external validity and implementing costs of thirty two strategies, shown in Table 3-1, and confirmed that *interventions directed at general populations have averagely higher effectiveness than those targeted at high-risk groups and harmful drinkers*. Overall, the ten best practices are minimum legal purchasing age, government monopoly on retail sales, restriction on hours or days of sale, outlet density restrictions, alcohol taxes, random breath tests, lower blood alcohol concentration limits, administrative license suspensions, graduated licensing for novice drivers and brief interventions for hazardous drinkers.

Table 3-1: Effectiveness, research support, and cost estimation of alcohol policies

Strategy or intervention	Effectiveness	Breadth of research support	Cross-cultural testing	Cost to implement
Regulating physical availability				
Total ban on sales	+++	+++	++	+++
Minimum legal purchase age	+++	+++	++	+
Rationing	++	++	++	+++
Government monopoly of retail sales	+++	+++	++	+
Hours and days of sale restrictions	++	++	++	+
Restrictions on density of outlets	++	+++	++	+
Server liability	+++	+	+	+
Different availability by alcohol strength	++	++	+	+
Taxation and pricing				
Alcohol taxes	+++	+++	+++	+
Altering the drinking context				
Outlet policy to not serve intoxicated patrons	+	+++	++	++
Training bar staff and managers to prevent and better manage aggression	+	+	+	++
Voluntary codes of bar practice	0	+	+	+
Enforcement of on-premise regulations and legal requirements	++	+	++	+++
Promoting alcohol-free activities and events	0	++	+	+++
Community mobilization	++	++	+	+++
Education and persuasion				
Alcohol education in schools	0	+++	++	+++
College student education	0	+	+	+++
Public service messages	0	+++	++	++
Warning labels	0	+	+	+
Regulating alcohol promotion				
Advertising bans	+	++	++	+
Advertising content controls	?	0	0	++
Drink-driving countermeasures				
Sobriety check points	++	+++	+++	++
Random breath testing (RBT)	+++	++	+	++
Lowered BAC Limits	+++	+++	++	+
Administrative license suspension	++	++	++	++
Low BAC for young drivers ('zero tolerance')	+++	++	+	+
Graduated licensing for novice drivers	++	++	++	+
Designated drivers and ride services	0	+	+	++
Treatment and early intervention				
Brief intervention with at-risk drinkers	++	+++	+++	++
Alcohol problems treatment	+	+++	+++	+++
Mutual help/self-help attendance	+	+	++	+
Mandatory treatment of repeat drinking-drivers	+	++	+	++

Sources: (Babor et al., 2003)

3.7 Cost-effectiveness of alcohol policies

Cost effectiveness analysis (CEA), a cost-benefit approach, consists of two evaluations: appraisal of intervention's effectiveness and cost (Levin, Glass, & Meister, 1987). Comparative to cost-benefit analyses, it defines effectiveness in terms of non-monetary values (Drummond, 1980).

In its conventional form, CEA is applied to the comparisons between or among interventions with single and specific outcomes. The CEA approach has less value if it has to consider many outcomes (Ludbrook et al., 2002). Theoretically, interventions in the same policy area, such as between treatment programs, have higher cost-effectiveness comparability. These outcomes are quantified through indicator(s), which should be specific and sensitive to interventions. Indicators for alcohol policy outcomes include general indicators for example consumption situations, as well as specific problem indicators, such as the incidence of re-admission of alcohol dependent patients.

The effectiveness, costs and outcomes of alcohol policy vary across countries, drinking cultures, and over time (Edwards et al., 1994). Therefore, cost-effectiveness studies of alcohol policy seem to have very limited applicability. No conclusion on the cost-effectiveness of different alcohol policy interventions can be used without significant adjustment (Lehto, 1995). This is perhaps because most cost-effectiveness studies are conducted as a snapshot within specific settings.

There is far less cost-effectiveness literature than there are studies of effectiveness. Among available research, many studies explore the cost-effectiveness of an intervention, or compare interventions in the same area, perhaps because comparing outcomes of interventions from different areas is difficult. However, there have been efforts to overcome the comparability limitation. Some assess cost-effectiveness on a non-full scale economic evaluation basis, such as Babor et al (2003), who simply conducted the experts' consensus for costs, and systematically review the effectiveness of thirty-two interventions. Godfrey (1995) compared the benefit and cost of six interventions, identifying benefits to individual and third parties and disaggregating total costs, displayed in Table 3-2.

Table 3-2: Costs and benefit of 6 strategies

Interventions	Benefits		Costs			
	Individual	Third party	Direct	Indirect	Lost benefit from drinking	Other individual costs
Taxation	M to H	M to H	L	V	M to H	L
Information	U	U	H to M.	L	0 to L	L
Advertising controls	L to M	M	M	M	L	L
Availability controls	M	M	M	M	M	M
Action on single problems	M	M*	V	M to H	0 to L	V
Services for individuals	V	V	M to H	M	L	L to M

Abbreviation: L=low, M= moderate, H=high, 0= none, U= unproven, V= variable

* high for drink-driving

Source: (Godfrey & Maynard, 1995)

Table 3-3: Ranking of 7 strategies by cost-effectiveness for 12 WHO sub-regions

WHO-sub region	Example countries	Hazardous user per 1,000 population	Taxation			Breath testing	Restrict access	Ads ban	Brief interven-tion
			current rate	Increase by 25%	Increase by 50%				
Afro D	Nigeria, Senegal	15.3	4	6	7	5	3	2	1
Afro E	Botswana, Kenya	49.9	3	2	1	7	5	4	6
Amro A	Canada, U.S.A.	82.5	4	3	1	6	5	2	7
Amro B	Brazil, Mexico	56.3	3	2	1	7	4	5	6
Amro D	Equador, Peru	14.9	4	3	2	7	6	5	1
Euro A	France, Norway	125.4	3	2	1	7	5	4	6
Euro B	Armenia, Poland	60.7	5	3	1	7	6	2	4
Euro C	Estonia, Russia	139.3	3	2	1	7	4	5	6
Searo B	Indonesia, Thailand	7	7	6	4	1	3	5	2
Searo D	India, Nepal	5.4	5	6	7	1	3	4	2
Wpro A	Australia, Japan	33.8	3	2	1	7	6	4	5
Wpro B	China, Vietnam	28.2	6	5	4	7	2	1	3

Sources: Modified from (Chisholm, Rehm , Van Ommeren, & Monteiro, 2004)

Another approach is to use the composite and comparable indicators among different areas of alcohol policy. Chisholm et al (2004) conducted the meta-analysis of alcohol policy cost-effectiveness from data on the epidemiology of hazardous consumption of 12 WHO sub-regions, cost in international dollar units, and the effectiveness of some selective interventions in DALYs. Apart from showing cost-effectiveness, this study concluded that the effectiveness of alcohol policy interventions depends on the prevalence of hazardous alcohol use, which further relates to per capita consumption. Population-based measures, particularly taxation, are likely to be cost-effective in moderate-to-high consumption countries, while narrowly targeted strategies, such as RBT and brief interventions, are relatively cost-effective in regions with lower consumption.

From Table 3-3, RBT and brief intervention are the two most cost-effective interventions for SEARO B, consisting of Thailand, Indonesia and Sri Lanka. However, this analysis does not take intra-regional variation into account. The alcohol consumption situations and policies of Thailand and Indonesia, the world biggest Islamic country, are substantially different. For example, Indonesian adult per capita consumption was only 0.1 litre of pure alcohol in 2001, compared to Thailand's 8.47 (World Health Organization, n.d.-a).

In Thailand, a group of researchers conducted the *Contextualisation of WHO-CHOICE for Thailand* project, which includes the cost-effectiveness assessment of five single interventions, shown in Table 3-4. This project has modified WHO-CHOICE methodology, as deployed in Chisholm et al (2004), with some available data and Thai experts' estimations. This study indicates that taxation, particularly the increase of the current tax rate by 50%, is the most effective and cost-effective strategy. RBT at 10% coverage is the next most cost-effective strategy, while brief intervention is costly, and therefore has a poor cost-effectiveness. The most cost effective combination is the bundle of increased tax and scaled-up RBT. Comparing this study and Chisholm et al (2004), the difference in the cost-effectiveness of alcohol policy interventions between Thailand and SEARO B can be identified, as displayed in Table 3-5 and Figure 3-3. Findings from this study shows that the Thai situation is quite close to other high consumption countries, whereby taxation is cost-effective and brief intervention is not.

Table 3-4: The cost-effectiveness of alcohol policy interventions in the *Contextualization of WHO-CHOICE for Thailand*

Interventions	Annual cost*				Eff**	Average C/E***
	Patient	Program	Training	Total		
Current Scenario (Tax and partial RBT)	0.0	451.4	0.0	451.4	244,837	1,844
Tax at current rates	0.0	373.6	0.0	373.6	232,947	1,604
Increased taxation by 25%	0.0	373.6	0.0	373.6	260,809	1,432
Increased taxation by 50%	0.0	373.6	0.0	373.6	296,573	1,260
Reduced selling hours	0.0	375.9	0.0	375.9	29,522	12,732
Comprehensive advertising ban	0.0	375.9	0.0	375.9	31,239	12,032
Brief advice in primary care	973.7	62.4	15.4	1,051.5	33,512	31,376
Roadside breath-testing****	0.0	233.4	0.0	233.4	35,624	6,552
Combination 1: Increased tax and RBT	0.0	576.6	0.0	576.6	325,554	1,771
Combination 2: Increased tax and Advertising Ban	0.0	712.0	0.0	712.0	321,256	2,216
Combination 3: Increased tax and Brief intervention	954.2	427.3	15.0	1,396.6	323,484	4,317
Combination 4: Increased tax + RBT + Ad ban	876.3	730.7	13.8	1,620.8	350,485	4,625
Combination 5: Increased tax + RBT + Ad ban + Reduced hours	0.0	1,222.9	0.0	1,222.9	373,310	3,276

Note: * Unit: million Baht

** Eff = Effectiveness, (unit: DALYs averted per year)

*** ACER = Average Cost-effectiveness Ratio (unit: Baht per DALY saved)

**** 10% coverage

Source: (Bundhamcharoen et al., 2005)

Table 3-5: Cost, effectiveness and cost-effectiveness for SEARO B, and comparable average cost-effectiveness for SEARO B and Thailand (in international dollars)

Interventions		SEARO B ¹			Thailand ²
		Cost ³	Effect ⁴	Average C/E ⁵	Average C/E ⁵
Taxation	Current	0.12	64	1855	133
	Increase by 25%	0.12	71	1677	119
	Increase by 50%	0.12	77	1531	105
Breath testing		0.16	392	421	544
Restrict access		0.06	45	1413	1057
Ad ban		0.05	33	1590	999
Brief intervention		0.11	135	812	2604
Highest tax + ad ban		0.16	108	1501	184
Highest tax + ad ban+ brief		0.27	238	1130	-

Notes: ¹ From (Chisholm et al., 2004)

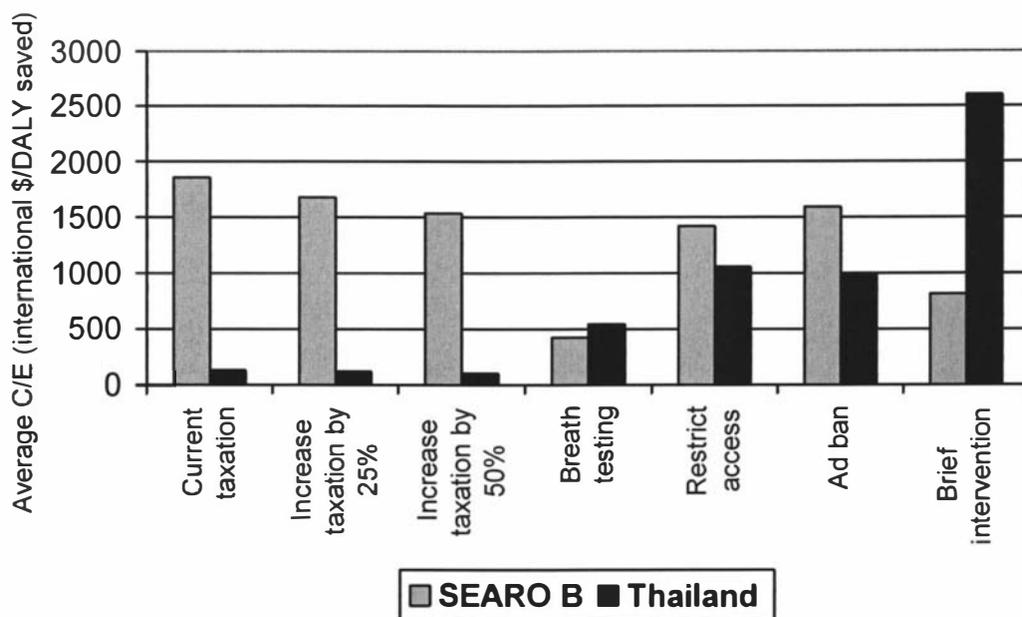
² From (Bundhamcharoen et al., 2005)

³ Unit: million international dollars per 1 million population

⁴ Unit: DALYs per 1 million population

⁵ Average cost-effectiveness, unit: International dollars per DALY (converted by Purchasing Power Parity)

Figure 3-3: Average Cost effectiveness ratio of five single interventions for SEARO B and Thailand



Sources: (Chisholm et al., 2004), (Bundhamcharoen et al., 2005)

3.8 Conclusion

Alcohol policy has a long history. Many competing values and interests have dominated it. In the modern period, the purpose of alcohol policy is to reduce alcohol-related problems, affecting drinkers, surrounding people, and society.

Alcohol policy comprehensiveness has become a priority. A balanced alcohol policy framework should address the appropriate contributions of governmental and non-governmental sectors; mix interventions optimally, cover the pre- and post-drinking phases, and target both the general population and high-risk individuals. Furthermore, it should exploit multi-policy intermediate mechanisms, namely to reduce alcohol consumption volume and prevent drinking, to deter harms or make drinking safer, and to help the recovery of people with alcohol-related problems.

Alcohol policy interventions differ in their rationales, mechanisms, difficulties and requirements, impacts and side effects, and effectiveness and cost-effectiveness. These characteristics are also inconsistent over societies and times.

Chapter 4

CONTROVERSY IN ALCOHOL POLICY

One problematic aspect of the present situation is the imbalance of power between private interests and public concerns. Today, two of the strongest supernational institutions, the EU and WTO, clearly favour commercial interests and trade priorities over concerns for public health and well being... a decision in one country to give up a restrictive alcohol policy measure will be almost impossible to reserve, even if it is vital for the well-being of the population in that country. (Stenius, 2004)

Alcohol policy was neither developed in a vacuum nor spontaneously. It is the explicit end product of a complicated interactive process involving many stakeholders with their own interests. The dynamics of alcohol policy reflects its changing and competitive underlying situations, which rock all stages of alcohol policy process.

The changes of alcohol policy mega-trends in the developed world have been witnessed. US alcohol policy in the twentieth century comprises five periods with different policy contents and values; 1) The triumph of prohibition in 1900-1919, 2) the enforcement of prohibition in 1920-1932, 3) the repeal of prohibition in 1932-1933, 4) Taxation and treatment in 1934-1970, and 5) the Neo-temperance or public health-oriented in 1970 and afterward (Meier, 1994).

Alcohol policy in fifteen European countries in the second half of the twentieth century shows two major trends. Firstly, alcohol control measures were loosened, and harm-specific and demand-targeted interventions became common. The second trend is the homogenisation of alcohol policy contents across countries. Alcohol policy did not show much difference as in the 1950s when alcohol policy distinction among *Spirits*, *Beer*, and *Wine Countries* was apparent (Osterberg & Karlsson, 2001).

Although situations and trends in the developing world have been less documented (Room et al., 2002), there has been a decline in the popularity and strength of alcohol control interventions such as taxation and the state monopoly system. Population-based interventions are losing their foothold, while interventions aiming at narrow specific groups have gained their priority (Osterberg & Karlsson, 2001; Sewel, 2002; World Health Organization, 2007a). International trade agreement, in the light of free trade, and common markets play the major roles in this change (Babor et al., 2003).

The changes of alcohol policy principle, extent, and momentum reflect the competition of many controversial fundamental ideologies on alcohol policy underneath. This chapter describes five controversial areas; 1) Alcohol policy values, 2) Scales of alcohol-related problems, 3) Governmental eligibility, 4) Policy target groups and mechanisms, and 5) Acceptability for alcohol consumption.

4.1 Values in alcohol policy

Alcohol policy is an area of morality politics, where *one segment of society attempts, by governmental fiat, to impose their values on the rest of society* (Gusfeld, 1963). In other words, alcohol policy is a *value-redistributive policy* (R. B. Ripley & Franklin, 1991). Alcohol policy has been dominated by many values: moral and religion, politics, trade and economic, agricultural, social order, and public health. According to Kingdon's concept, policy makers see these values floating in the primeval soup, aggregating to and disaggregating from each other intermittently, as well as de-prioritising other values (Kingdon, 1995). Conflicts between political and economic values on one side, and public health and social order on another are obvious in most societies (Babor, 2002).

The alteration in dominant values has been an implicit factor for alcohol policy dynamics. Alcohol policy development in many developed countries in the twentieth century can be roughly divided into three periods; 1) Temperance-related period, 2) Treatment period, and 3) Public health period.

The first period was the continuum from the temperance movement since the late nineteenth century, which has its roots in the UK (Berridge, 2003). Prohibition and

rationing system are the outstanding policy process outputs from this period while political and moral are the leading values (Berridge, 2003). In the U.S. prohibition movement the key players are religious groups, political parties and social coalitions (Meier, 1994). Public health had a small role mainly due to health-science knowledge limitation. The main themes of health knowledge in that period, for example sanitation and microbiology, did not greatly support health values in alcohol policy process (Hamlin, 1998; B. Harrison, 1994).

The second period began with the fading of the temperance movement when it lost public legitimacy, corresponding with socioeconomic and drinking pattern changes (Burnham, 1968-9). Emerged supremacy of middle class and urban inhabitants were claimed to be important factors for prohibition repeal in US (Meier, 1994). Most of all advances in alcoholism treatment, together with change in problem identity towards individual 'disease concept', were the key factors for policy direction in 1950s. As population-based strategies were abandoned, consumption in many developed countries increased significantly in the post-war period (Edwards et al., 1994; Osterberg & Karlsson, 2001).

The public health period began in the 1970s, when the progress of knowledge indicated the demand of public health-oriented policy needed to tackle increasing alcohol consumption and related problems. This process brought alcohol policy direction back toward population-based strategy again, but with a different paradigm from the temperance movement. The public health paradigm is arguably more comprehensive than previous two concepts. The temperance movement, as a moral approach, tends to focus on alcohol and ignores other elements, such as seeing alcohol as a sinful product; while the disease concept narrowly emphasises the conditions of drinkers (Hester & Sheeby, 1990).

While the main values in the health and social order axis changes, the economic values of alcohol trading have had high priority in alcohol policy history. For instance the alcohol industry had a significant role confronting the UK temperance movement in its strongest period during the late nineteenth and early twentieth centuries, continuing its influence after the temperance movement faded away (Baggott, 1990). Recently, trade

agreements significantly weakened alcohol control policy in many countries (Babor et al., 2003; Osterberg & Karlsson, 2001).

Apart from policy momentum, dominant policy values also shape the eligibility and role of policy players. While one extremity focuses on negative consequences on health, moral and social order; people in another edge highlighted the positive side or potential benefit from alcohol, economic dimensions in particular. In this ‘*war-like*’ competitive situation, alcohol producers, merchants and advertisers have formed one camp, whereas religious groups, public health alliances and a growing number of other scientists have formed the other camp (Mann, 2003). This thesis uses ‘*industry camp players*’ and ‘*health camp players*’ as proxy terminologies for these two groups. Not only enhancing their significance, these players often tone down the values and importance of players in the opposite camp. Close relationships between alcohol industry and policy-makers reduces the role and scope for public health-oriented policy (Babor et al., 2003; Sulkunen, 1985; Ulstein, 2004). For example, discussion with the alcohol industry was the main cause for the weakening of the European Alcohol Action Plan (EAAP) (Gual & Colom, 2001).

4.2 Scale of alcohol-related problems

Alcohol-related problems and their underlying conditions can be framed in different ways: as individual or collective scenarios, or mixed. This identification particularly by policy makers, as part of problem structuring process, plays a critical role in all elements of the policy process.

The concept of individual level problem goes along well with the ‘market justice’ approach, seeing alcohol problems located in those who deviate from the ‘social norm’ and ‘lack of individual control’ (Wallack, Dorfman, Jernigan, & Themba, 1993). These problematic groups are alcohol abusers, while the rest of society is not. Based on this ideology, alcohol policy should target self-discipline strengthening, such as health education, and bringing those deviators back to norm, using alcohol-dependent treatment policy.

The disease model concept is relevant with the individual level problem approach. Interventions protruded from this disease model directly target those patients and patient-like drinkers, who cannot control their drinking, and ignore other normal drinkers. The disease concept tones down the role of alcohol consumption as a risk factor at societal level (Room, 1984). In addition, preventive measures beyond case finding, or case screening, are irrelevant to this approach (Room, 1974). In alcohol policy history, the progress of treatment programs relates with the normalisation of drinking in society and the weakening of alcohol controls (Makela et al., 1981).

This individual level problem concept, therefore, is preferable for the alcohol industry, as it does not directly target the majority of their customers, or more specifically at consumption reduction. Individual problem conception still plays a significant role in modern alcohol policy, such as policy directions that target alcohol abuse and harmful use.

On the other hand, those who define alcohol consequences as collective problems are likely to support a broader policy framework. The concept of consumption externality and the '*prevention paradox*' strongly support this approach. Alcohol-related problems widely affect the whole society, not only drinkers and abusers. Further, alcohol consumption shapes, as well as is shaped by, social norms. Thus, it is a social responsibility to formulate policy that focuses beyond the individual drinker; although drinking is a personal act and an individual responsibility (Brundtland, 2001). The prevention paradox scenario, the second point, is the evidence that majority of alcohol-related problems does not come from alcohol dependence and heavy drinkers, but general 'social' drinkers (Moore & Gerstein, 1981) (Kreitman, 1986). Therefore, policy makers have full eligibility to target the sector where the majority of problems occur. This concept supports the policy rationale for population-based strategies that shape the environment to prevent, mitigate and limit alcohol adversaries (Meier, 1994).

4.3 Governmental eligibility

Eligibility, or appropriateness, of governmental involvement in alcohol policy is an arbitrary issue. The extent and pattern of state involvement in alcohol policy process

varies across societies, political and economic systems, and over time, as well as being dependent on many conditions, from personal characteristics and interests to collective situations. These include supra national factors, such as the effect of trade agreements in restricting the capability of government to intervene in the alcohol market in their own countries (Greshaber-Otto, Sinclair, & Schater, 2000; Osterberg & Karlsson, 2001).

State eligibility is well supported by social concern on alcohol externalities and the broader role of public health. Societal burden from alcohol negative externalities is the explicit demand for public policy, in which governments have to respond. Secondly, there has been an increasing recognition on the limitation of health care services in improving the health of population. Governments have tried to find better mechanisms to tackle with health problems, which have multi-sectoral involvement in their nature (Walt, 1994), including disease prevention and health promotion interventions.

On the other hand, governmental eligibility should be limited or minimised in the light of the 'consumer right' and 'market justice' concept. Recently, consumers have enhanced their role as independent consumers rather than common citizens, particularly in developed societies (Sulkunen, Sutton, Tigerstedt, & Warpenius, 2000). Market justice concepts relies on five key assumptions; 1) Individualism, 2) Self-determination, 3) Strong individual control and responsibility, 4) Limited individual obligation to the collective goods, and 5) Limited government involvement (Wallack et al., 1993). According to these concepts, if people are abused, it is because they choose to self abuse, and the corporate economy should not have any responsibility, or having minimally (Galbrauth, 1973). Thus, the accountability to control consumption and harm becomes the responsibility of the individual consumer (Room, 1997). In addition, *it is difficult to legitimate alcohol control by referring to its effect on alcohol-related harms, as sovereign alcohol consumers need no direct guidance from the state* (Osterberg & Karlsson, 2001).

These consumer sovereign and market justice concepts are well support by the alcohol industry. Consumer right, or 'consumer sovereign', becomes an increasing concern, (Babor et al., 2003), under the neo-liberal ideology (Roizen & Fillmore, 2000). In addition, some formerly effective policies seem to be inconceivable in the period of consumer sovereignty, such as the rationing system (Room, 2001a).

4.4 Target groups & intermediate mechanisms

Although the rationale for alcohol policy to reduce alcohol adversaries is clear, the optimal means toward that end is still ambiguous. To be specific, most debated areas include what should be done between consumption control and specific harm deterrence, what should be focused between consumption volume and pattern, and who should be targeted between general population and high-risk groups.

Bruun et al (1975) provides early evidence indicating the positive correlation between overall consumption and severity of alcohol-related problems. This message created a new perception that alcohol consumption control is a public health issue, and raised the recognition of the cost of unfettered consumption growth (Sulkunen, 1985). The major explanation for the association between collective consumption and harm is the inequitable distribution of consumption among drinkers, where a 'high-risk' minority of drinkers consumes the majority of alcohol. Adult per capita consumption, thus, relates to the prevalence of heavy use (Babor et al., 2003), and reduction of overall consumption can then lower alcohol related harm.

The Russian experience (Nemstov, 2000, 2005) confirms the benefit of consumption reduction. The decrease in adult per capita consumption by 25% from 14.2 to 10.5 Litre between 1984 and 1987, during Gorbachev's anti-alcohol campaign, promoted three more years of life expectancy. After consumption volume rebounded back to its former level five years later, life expectancy also returned to its initial figure. When consumption further increased to 15.0 litres per capita in 2001, moreover, an additional drop in male life expectancy was evident.

In terms of policy implications, the concept of collective consumption reduction has been broadly applied in the 1970s-1980s, such as in the WHO Report in 1978 and the World Health Assembly Resolutions in 1979 and 1984 (World Health Organization, 1978, n.d.-c). In recent periods, consumption reduction strategies have relatively faded in popularity. For example, WHO, Regional Office for Europe removed the target for consumption reduction, as well as other population-based strategies, from EAAP 2000-2005 (World Health Organization Regional Office for Europe, 2000).

The consumption reduction strategy has received substantial criticism particularly from the alcohol industry, by identifying the counter-evidence and the weakness of the volume-harm correlation (Meister, 1982; Pittman, 1980; Sulkunen, 1985). Some tagged this concept as a premature conclusion, ignoring consumption pattern and context (Makela et al., 1981) and stating it as unscientific (Heath, 1990). The additional argument is that most drinkers are harmless, and irresponsible abusers are only a minority. Therefore, drinking pattern is the best predictor for drinking outcomes, not consumption volume (International Center for Alcohol Policies, 2000). This concept goes along well with sociocultural model of alcohol policy, which defines social control, such as peer-pressure and adherence to norms, as more effective than alcohol control in the long run (Heath, 1988).

On common ground, many scholars indicate the necessity of modern alcohol policy to integrate and balance between both consumption and harm reduction; as these two intermediates are not an alternative to each other (Edwards et al., 1994).

4.5 Acceptability for alcohol consumption

The history of alcohol policy reflects the diversity in alcohol acceptability across society and time. At the peak time of the US temperance movement, alcohol was mainly perceived as an extraordinarily dangerous drug, which no one should use even in moderation (Hester & Sheeby, 1990). Comparatively, alcohol consumption has been widely accepted, in particular for non-harmful use, in the modern alcohol policy framework.

The acceptability of moderate consumption, by policymakers or the general population, affects the scope, content and the momentum of alcohol policy. Many factors, including historical and cultural context, concepts of consumer sovereignty and individualism, influence this acceptability. The more alcohol is accepted, the less likelihood that strong alcohol policy would be adopted. Therefore, it is no surprise that the alcohol industry has tried to make drinking a social norm, using the normalisation process.

In the alcohol policy domain, the eligibility of moderate alcohol consumption is well protected by the evidence of benefits from alcohol consumption at individual and collective levels, including tax, national economy and employment, and most importantly the benefit to health. Health benefits from alcohol consumption are a heated, continuous and extensive ‘fact and fiction’ debate area. Epidemiological data show a J-shaped relationship between consumption level and mortality rate, which may indicate that light to moderate consumers enjoy low mortality (Rehm, Greenfield, & Rojers, 2001). Furthermore, some even conclude that health benefits from alcohol consumption is greater than its detrimental effect (Hanson, n.d.).

On the other hand, many scholars disagree with policy implications of health benefits. The CHD protective effect was not found in under 45 year old consumers (Rehm, Gutjahr, & Gmel, 2001). Generalisation of claims on CHD prevention faces limitation, from many involving confounders including regularity of use and cross-society variation (Rehm, Room, Monterio et al., 2003). It was reported that there is no cardio-protective effect at aggregate levels (Hemstrom, 2001). Some evidence illustrates the negative effect of consumption and CHD (Shkolnikov & Nemstov, 1997). In this paradigm, consumers and policy makers should recognise the net negative health effect from alcohol consumption, where most diseases have dose-response (Babor et al., 2003) and many do not have threshold levels (World Health Organization, 2007b). As well as in social and economic dimensions, policy makers should be concerned with net effect, rather than short term benefits.

Perception of alcohol consumption plays a key role in ideological conflict among stakeholders. As beverage alcohol has many devastating externalities, many define it as a *non-ordinary commodity*, particularly among health camp players, who call for comprehensive and effective controls. On the other hand, beverage alcohol seems to be only ordinary goods in economic and trade domains, including international trade (Osterberg & Karlsson, 2001).

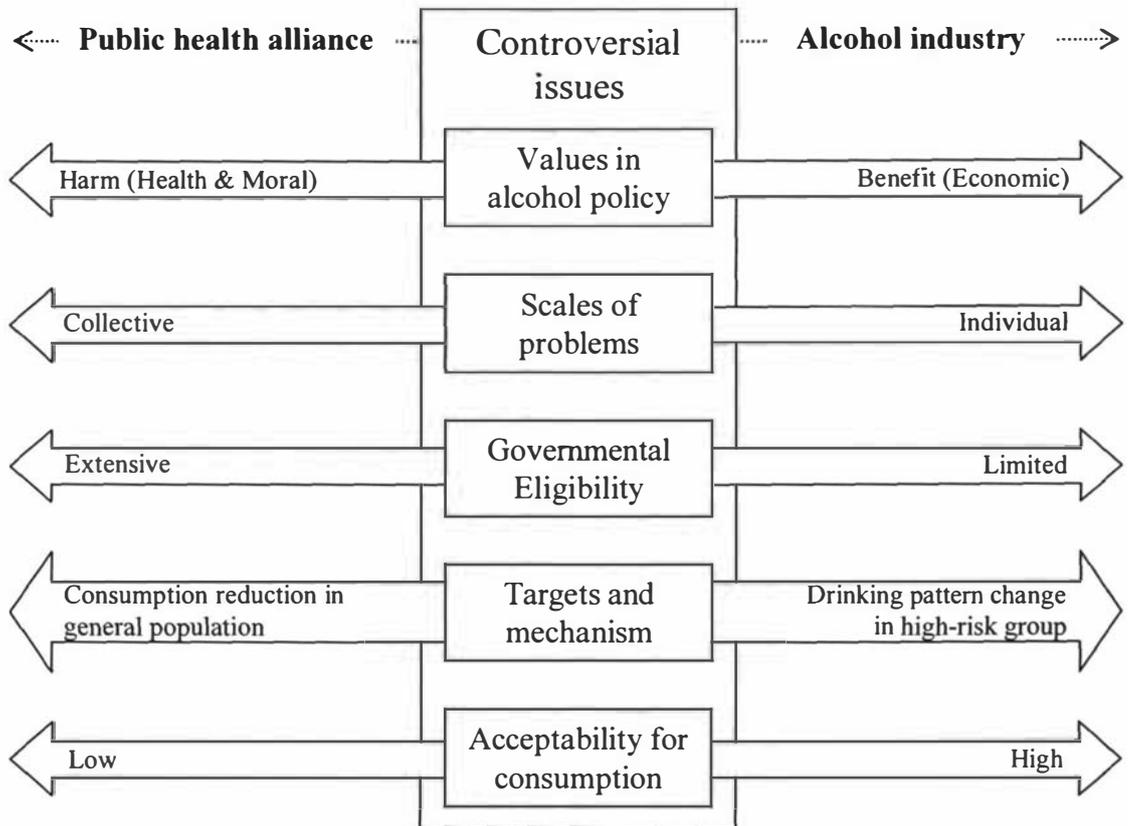
4.6 Conclusion

Ideological controversy in many specific issues plays a significant part in the conflict found in the alcohol policy process. Moreover, they shape the direction and areas of priority in alcohol policy development. Policy makers have to confront the dilemma between benefit and loss from alcohol consumption and trade. Economic, government income, moral, social order and health-protection are major values, competing for attention from policy elites.

Furthermore, the controversy is obvious in the appropriate approaches to manage alcohol-related problems. These are debates on what methods should be employed among the many available measures, who should be targeted among the general population and individuals, and who should be responsible or whether the government should intervene in the alcohol market or not. The acceptability of alcohol consumption in society is very important for the process and discourse of policy players. It depends not only on moral and cultural factors, but also the social perception on positive and negative consequences of alcohol consumption.

With regard to positions on these controversial issues, the splitting of stakeholders into two sides is apparent. This scenario boosts the confrontation in the alcohol policy process.

Figure 4-1: Incompatibility between health and industrial interests in alcohol policy and preferences on fundamental controversial issues



Chapter 5

THAI ALCOHOL POLICY

“In these twenty years, it is hard to deny that Chareon Siriwathanaphakdee was the most successful business person. It is no exaggeration to say that he is the richest Thai. Everything he has been involved with is so interesting. This is because his daring strategy was to buy everything he wanted. He paid money to buy powerful connection. His ‘big heart’ can buy key people in political, business and alcohol-related bureaucracies. His success runs parallel with strong political connections and his engagement with the public policy process. In conclusion, Chareon’s business reflects the main theme of Thai capitalism development, Crony Capitalism.” (Trirat, 2006)

The first four chapters have broadly addressed the alcohol policy and public policy processes in a general and non-Thai-specific way. The primary purpose of this ‘transitional chapter’ is to provide basic information about Thailand and Thai alcohol policy, which is essential to the rest of this thesis.

The chapter begins with history, demographic characteristics, administrative structure, and the socioeconomic situation of Thailand, followed by an account of alcohol consumption. Next, the chapter will provide an overview of the development of Thai alcohol policy, addressing seven major changes between 1997 and 2006. The final part comprehensively describes and analyses Thai alcohol policy as of 2006. The chronicle of alcohol policy development is in *Appendix B*.

5.1 Thailand-in brief

5.1.1 Thai history

It is believed that the Kings of the Sukhothai period, the first Thai kingdom founded in 13th Century, exercised their authority in the 'Father and son' system. Under the influence of Hinduism, the constitution was changed to an absolute monarchy in Ayuthaya, the second Kingdom that was established in the mid 14th Century. Deifying the Kings as the supposed god, this absolute monarchy system lasted for around six centuries.

Although European countries have had diplomatic relations with Thailand since the 16th Century, it was three centuries before they gained significant influence. Thailand remains the only Southeast Asian country that has never been colonised by Europe. This was due to its position as a buffer state between French and British territories, and also because the King Rama V made the decision to sacrifice some territory to maintain the majority of control. In the late 19th century under Western influence, Thailand modernised its infrastructure, including the civil service, by setting up an executive government.

In 1939, seven years after an administrative revolution had transformed Thailand into a constitutional monarchy, the name of the country was changed from Siam to Thailand. The royal family still has great significance. Thai bureaucracy can be considered to retain elements of the feudal system; in Thai 'civil servant' literally means 'King's servant'. The King, as head of the state, is a symbol of national identity and unity.

5.1.2 Demographics

In 2005, Thailand had approximately 64.76 million inhabitants. Population growth dropped from 2.7% in 1975-7 to 0.41% in 2005-6 (National Statistic Office, 2006b). As a result of this decrease, the percentage of the population that are of working age,

between 15 and 60 years old, increased from 50.0% in 1970 to 65.3% in 2000, which was matched by a similar increase in the proportion of residents over 60, from 4.8% to 5.3% in the same period (Wibulpolprasert, 2005). This has shifted the Thai population from a wide base to a narrow-base population pyramid model, usually found in developed countries. These demographic changes affect Thai alcohol consumption in terms of the growth of drinking age cohorts.

Several indigenous ethnic groups dominate Thailand's population. Due to the education system and the national identity formulation, most people understand Central Thai, the official language. Many non-Thai groups have strongly integrated into Thai society. There is also a significant Malay population in the South of Thailand. As well as the social climate, religious beliefs and practices affect Thai alcohol consumption (Phaisal Wisalo Bhikkhu, 1984). According to the 2000 census, 95% of Thais are Buddhists. Islam is practised by 4.6%, Christianity by 0.75%, while other religions, chiefly Hinduism, make up the balance.

5.1.3 Politics and government

Thai politics have conventionally been dominated by military and bureaucratic elites. Since Thailand became a constitutional monarchy there have been many successful and unsuccessful coup attempts, mostly bloodless. The business sector and the middle classes have played a significant role in the administrative system in the recent decades.

Between 1997 and 2006, Thailand has been administered under three different Constitutions; the Constitution B.E. 2534 (1991), the Constitution B.E. 2540 (1997) and the Interim Constitution B.E. 2549 (2006) following the political revolution in September 2006. The 1997 Constitution was drafted by an elected Constitutional Drafting Assembly, so it is regarded as the first people's constitution (Wibulpolprasert, 2005) and emphasises political participation and the role of civil society.

Under the 1997 Constitution, the King Bhumibol Adulyadej exerted his authority through the three administrative mechanisms: Executive, Legislature and Judiciary. He is also entitled to convene a Privy Council, consisting of up to 18 members, with

responsibility for providing advice to the King (The Constitution of the Kingdom of Thailand B.E. 2540, 1997). In addition, Privy Councilors can represent the King at official functions under royal command and draft amendments to the Palace Law regarding royal succession (The Privy Council Office, n.d.). Therefore, the Councillors are commonly perceived as close servants of the King. A number of the Privy Councillors have previously had official relationships with domestic alcohol entrepreneurs, including one who was a company board member (Crispin, 2001) [A Certificate of the Company Registration, cited in (Jaiyen, 2003)].

The 1997 Constitution established a directly elected, bicameral legislature consisting of a House of Representatives and a Senate. It also set up many independent public agencies to balance government power (The Constitution of the Kingdom of Thailand B.E. 2540, 1997). The Office of the National Counter Corruption Commission (NCCC) monitors the conduct of public officials. The Office of the Administrative Court has jurisdiction over the conflict between private parties and the government, and among public agencies. The alcohol industry has been active in petitioning this Court to enable its priorities.

Political volatility has been marked, particularly prior to 2001 when authority has been juggled between different political parties. The practices of vote buying and political party change are common with Thai politicians (Phongpaichit & Piriya-rangsan, 1994). The economic crisis in 1997 significantly shifted the political vector, forcing the current Prime Minister (PM) out and creating a public expectation for the next cabinet. In the period between 2001 and 2005, the popularity of the Thai Rak Thai party, led by the telecommunications billionaire Thaksin Shinawatra, brought stability and a landslide victory in the general election of early 2005 allowing him to set up an uncommon single-party cabinet. However, the PM decided to dissolve the parliament in February 2006 because of political pressure around perceived conflicts of interest. The Supreme Administrative Court ruled the general election of April 2006 to be illegitimate, but Shinawatra continued in the role of acting PM.

On 19/09/2006, a group of military officials conducted a coup that overthrew the Shinawatra cabinet, abrogated the constitution, dissolved Parliament and declared martial law. The junta appointed one of Privy Councillors, General Surayud Chulanont,

as PM, drafted an Interim Constitution, appointed a 250-seat National Legislative Assembly (NLA) and later a Cabinet, consisting of many retired civil servants.

Thailand has a complicated legal system, consisting of a hierarchy of laws with differences in priority and enactment mechanisms, as shown in Table 5-1. The highest law is the Constitution, followed by Acts and Statutes, Executive Decrees and Royal Decrees, all of which must be approved by the King. Minor laws include Ministerial Regulations, Ministerial Announcements, Notifications, Orders, and Local Administrative Rules.

Table 5-1: Law categories in Thai system

Law categories	Enactment mechanism	Alcohol policy-related examples
Constitution		
Act	Proposed by the President of the Legislative Branch	Liquor Act 1950, Thai Health Promotion Foundation Act 2001
Executive Decree	Proposed by the PM, with approval from the Cabinet	Excise tax rate adjustments in some particular periods
Law from special mechanism*	By announcement of the ruler in a particular period i.e. the Revolutionary group	The announcement to limit time of sales
Royal Decree	Proposed by the PM, with approval from the Cabinet	The Decree to exempt income tax for traditional alcohol producers
Ministerial Regulation	Enacted by a Minister, with approval from the Cabinet	Actual excise tax rates
Ministerial Announcement	Enacted by a Minister	Warning Label, Alcohol outlet licensing criteria announcement

*Note: Laws enacted in some particular administrative situation, such as the Announcement of the Revolutionary Group, are ranked at the priority level of an Act, and their effects are long lasting.

Lower ranking laws cannot contradict higher-ranking laws, and will be considered as illegitimate if it is ruled that they do. For example the Announcement of the MOPH on alcohol advertising regulations in 2006 was un-enforceable as it was ruled contrary to the Food Act 1979.

5.1.4 Administrative division

The Thai Administrative System consists of three major mechanisms; Central, Provincial, and Local Administration, as shown in Figure 5-1.

The Central Administrative System consists of 15 Ministries and 126 Departments. The alcohol policy process involves many Ministries, including the Ministries of Finance,

Commerce, Public Health, Interior, Transport and Communication, Justice, Education and Industry, as well as the Royal Thai Police Office (reporting directly to PM). The organisational hierarchy of the Central Administrative System is illustrated in Figure 5-2.

Figure 5-1: Thai Administrative System under the Constitution B.E.2540 (1997)

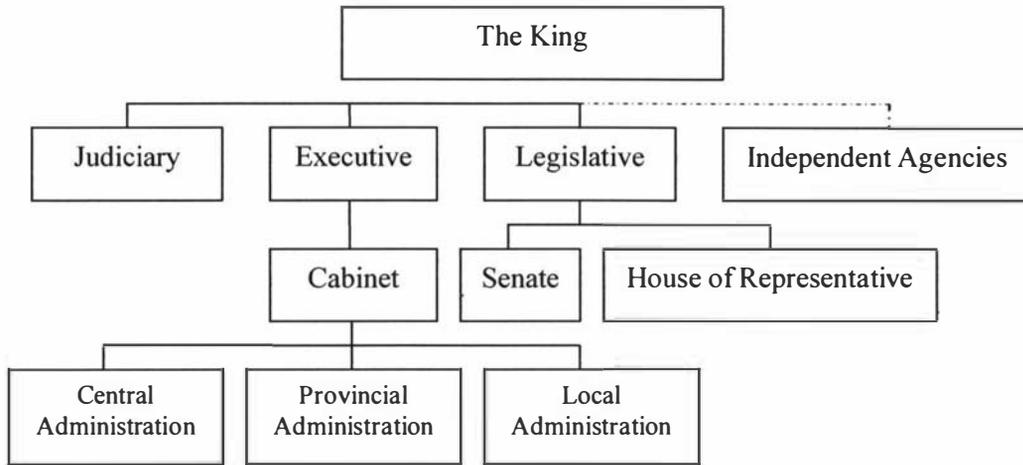
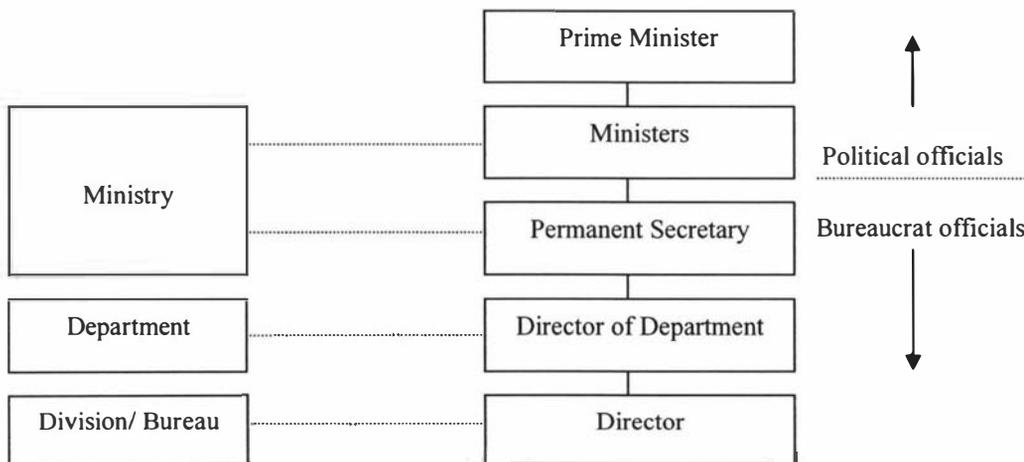


Figure 5-2: Ministry Hierarchy and responsible officers



Provincial Governors oversee provincial administrative authorities, which consist of ministerial and departmental officials in each jurisdiction. These authorities are assigned operation of specific administrative tasks, such as Provincial Excise Officers who

oversee all excise tax-related functions. However, being lower in the hierarchy, the central government can overrule local commands and decisions.

The local administration system consists of autonomous administrative bodies made up of people from the region, whether provincial, municipal, or sub-district. As distinct from Provincial authorities, these local officials are predominantly elected.

5.1.5 The Socio-Economic situation

The economic growth of Thailand significantly increased from the mid-1980s to the 1990s. Gross Domestic Product (GDP) per capita improved from 2,509 Baht in 1962 to 76,490 Baht in 1997 (The Office of the National Economic and Social Development Board, 2002). Damage from the 1997 economic crisis, which caused a 10.8% economic reduction, was recovered within a few years. The 1997 crisis forced Thailand to accept a structural reform loan of US\$17.2 billion from the International Monetary Fund (IMF). With this program came an effort to restructure the public sector, including an unsuccessful reform of the Excise Department.

Economic growth had a positive correlation with average alcohol consumption between 1962 and 2001 (Thamarangsi, 2006). However, economic growth is disproportionately distributed, and the gap between the incomes of the rich and poor has widened. The richest quintile increased its share of national total income from 49.8 to 57.6% between 1962 and 2000, while the earnings of the poorest quintile dropped from 7.9 to 4.0% in the same period (The Office of the National Economic and Social Development Board, 2002).

Historically, agriculture formed the core of Thailand's economy. Since the early 1980s, however, the economic share from the industrial sector has outweighed agricultural contributions (The Office of the National Economic and Social Development Board, 2002). Thailand's position as a newly industrialised country afforded it status as a middle-income nation. A boom in tourism was also significant for Thai economic growth. More than 10 million foreigners visited Thailand in 2003 (Ministry of Tourism and Sports, 2005). Income from the tourism industry is a major concern, as the negative

impact on tourism and the service sector has been commonly referred to in alcohol policy.

Thailand has been party to economic treaties since 1855, beginning with the Bowring Treaty with England, which limited custom duties for all imported commodities at 3% of cost. Since then, similar treaties with other Western nations have been adopted. Being taxed at a low rate increased the competitiveness of imported beverages, and in turn this situation kept the domestic beverage price low. This was not a favourable situation for alcohol taxation policy which aimed to maximise the revenue, subsequently leading to a major tax rate revision (Tonvigid, 2002).

In a trend towards free trade, on 30/12/1991 the government removed anomalies in the excise taxation rate between domestic and imported beverages. The ASEAN Free Trade Agreement (AFTA), signed in early 1992, is a comprehensive program of tariff reductions for commodities from the Southeast Asian region. For Thailand, AFTA became fully enforced on 1/01/2003. Tariffs on goods traded within the ASEAN region that meet a 40% ASEAN content requirement were to be reduced to 0-5% by the year 2002/ 2003 for the six founding countries, 2006 for Vietnam, 2008 for Laos and Myanmar, and 2010 for Cambodia. AFTA has cut the cost of imported beverage, changed the importation routes and has introduced many low-price beverages to the Thai market (Sornphaisarn et al., 2006). In addition, Thailand was a founding member of the World Trade Organization (WTO) in 1995.

Along with economic growth and industrialisation, urbanisation has been significant in the recent period. The majority of migrants is of working age and is usually better-off in terms of employment and education (National Statistic Office, 2006a). The percentage of urban inhabitants rose from 30.01% in 1990 to 37.28% in 2005 [Office of the National Economic and Social Development Board, cited in (Wibulpolprasert, 2005)]. A survey in 1997 showed that urban inhabitants have higher alcohol consumption and a greater likelihood to drink in a harmful way, compared with rural people (Laichuthai et al., 2002).

The literacy rate among Thai adults was 93.5% in 2005 (National Statistic Office, 2006b), increasing from 78.6% in 1970. Changes in the socio-economic system have

reshaped the traditional beliefs and culture of Thai people. Many Thai have distanced themselves from religious practices and local communities, and have become increasingly self-interested and stressed. The incidence of mental health disorders more than doubled between 1983 and 2003, while the suicide rate trebled for males and doubled for females between 1992 and 2003 (Wibulpolprasert, 2005).

5.2 Alcohol Consumption

Historical evidence shows that alcoholic beverages have been consumed in Thailand for many thousands of years; however, alcohol has traditionally had only a minimal role in Thai society, especially among ordinary people (Thanomsri, 1999). Four hundred years ago, a French crown servant noted that “*Siamese live in the most frugal style, ordinary people drink only pure water, and eat steamed rice with dried fish and some fruits*” (Anusart, 1991). The main reason for abstention and low consumption is the prevalence of Buddhism, which prohibits the use of alcohol. Lately, however, alcohol consumption has been increasingly common. Thailand has become one of the leading countries in Asia in terms of per capita consumption. Alcohol companies and beverages have mushroomed in Thailand’s alcohol market, particularly following the adoption of the alcohol liberalisation policy in 2000.

5.2.1 Drinker prevalence

It was estimated that there were 16.1 million drinkers, equivalent to 32.7% of adult population, in 2004 (National Statistic Office, 2005). As this figure indicates, Thailand has a lower proportion of drinkers, when compared to other countries with similar consumption levels.

In terms of gender difference, Thailand had 5.4 times greater male than female drinker prevalence in 2004, 55.5% to 10.3%. As shown in Figure 5-3, the proportion of male drinkers over time is fairly constant in the 25-49 year old range. Female drinker prevalence increases gradually with age and reaches its peak in the 40-49 year old stratum.

The survey data, as depicted in Table 5-2, shows minimal increases in overall drinker prevalence in both genders from 1991 to 2004. However, the percentage of drinkers among young females increased by 14% in the 15-19 year old group and by 50% in the 20-24 year old age group, while there was a 30% decrease in the over 50s female age group.

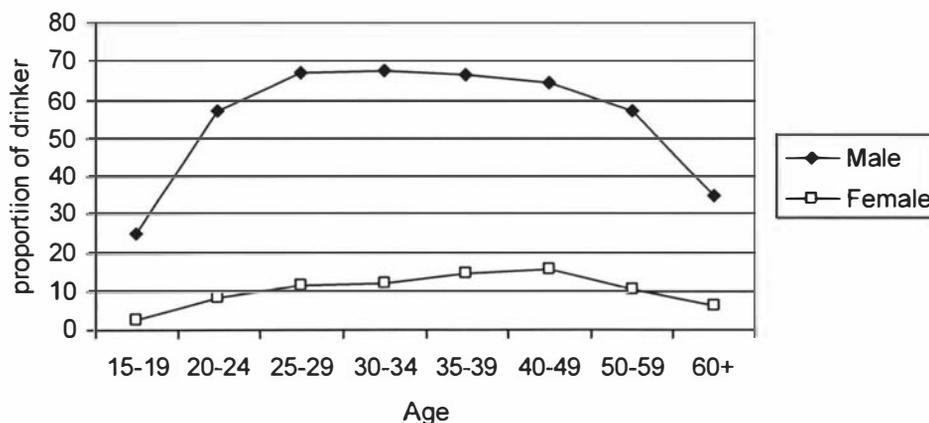
Table 5-2: Drinker prevalence in the general population by age group (1991, 1996, 2001 and 2004)

Age	Male				Female			
	1991	1996	2001	2004	1991	1996	2001	2004
15-19	21.7	20.8	19.9	24.8	2.1	1.0	1.9	2.4
20-24	59.5	56.0	55.8	57.0	5.4	5.7	7.2	8.1
25-29	66.7	67.6	68.1	67.2	9.2	6.9	10.2	11.3
30-34	68.6	67.7	67.0	67.3	11.9	9.5	12.3	12.1
35-39	66.2	69.0	69.2	66.7	15.3	12.2	14.2	14.8
40-49	65.1	65.8	67.5	64.5	15.6	12.9	14.2	15.5
50-59	56.1	59.9	58.7	56.9	14.2	10.1	11.5	10.2
60+	38.0	36.8	37.0	35.0	8.5	6.3	5.7	6.1
total	53.7	50.1	55.9	55.5	9.5	7.4	9.8	10.3

Sources:

1. 1991, 1996, and 2001 data from the Health and Welfare survey (Wibulpolprasert, 2005)
2. 2004 data from (National Statistic Office, 2005)

Figure 5-3: Thai drinker prevalence by gender and age group in 2004

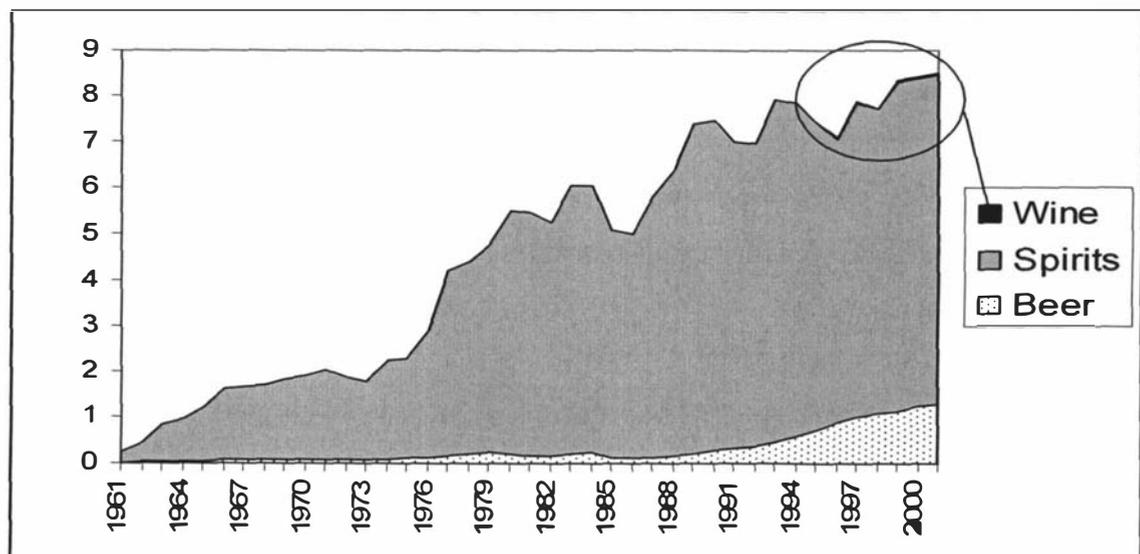


Source: (National Statistic Office, 2005)

5.2.2 Per Capita Consumption

As shown in Figure 5-4, the commercial per capita consumption of Thailand has increased from 0.3 litres in 1962 to 8.47 litres in 2001 (World Health Organization, 2004c). Data from the Excise Department (ED) confirms that drinking volume per adult (litres of beverage) doubled within 14 years, from 1988 to 2002 (Excise Department, n.d.-a). Thai unrecorded consumption was estimated to be 2 litres of pure alcohol per capita in 2003 (World Health Organization, n.d.-b). According to the WHO database (World Health Organization, 2004c), beer consumption increased twelve-fold between 1987 and 2003. Reports from the alcohol industry state that Thailand has the world's highest income elasticity of beer demand during the 1996 to 2001 period, with a 354% increase (Euromonitor, 2005). By contrast, wine consumption is exceptionally low, at 0.04 litre of pure alcohol per capita in 2001. The popularity of high-alcohol spirits is the main contributor to the high adult per capita consumption, despite the low drinker prevalence.

Figure 5-4: Thai Adult Per capita Consumption (litres of pure alcohol) by type of beverages 1961-2001



Source: (World Health Organization, n.d.-a)

Note: the missing figures in 1995 are extrapolated from data in adjacent years

A 1997 survey indicated the differences in drinking volume per occasion by gender, residential area and pattern of drinking (Laichuthai et al., 2002). Males, regular drinkers, municipal residents and group drinkers generally consume more, as shown in

Table 5-3. Another survey found that the average drinking volume per day is 11.8 and 0.4 grams per day among male and female drinkers respectively (Porapakkhram & Boonyarataphan, 2006).

Table 5-3: Consumption volume per drinking occasion (ml. of pure alcohol) among drinkers in Lopburi Province, 1997

	Regular drinkers*		Occasional drinkers	
	Municipal	Non-municipal	Single drinkers	Group drinkers
Male	153	87	51	92
Female	77	37	31	46

Source: (Laichuthai et al., 2002)

Note*: on average drink more than 20 days /month

5.2.3 Drinking frequency

In Thailand, drinking alcohol is not generally integrated with the main meals of the day. However, the increasing trend towards European style beverages like beer and wine is gradually changing Thai drinking patterns.

In Table 5-4, data from 1996 to 2004 shows that approximately half of drinkers drank on average less than once a month, identifying them as infrequent users. Around one third of drinkers consume between once a month and two times a week, with less than 10% drinking daily (National Statistic Office, 2005; Wibulpolprasert, 2005). The distribution of drinkers by frequency is comparatively static, although a growth in daily drinkers can be identified.

Table 5-4: Percentage of drinkers by drinking frequency in 1996, 2001 and 2004

	1996	2001	2004
Every day	8.6	7.9	9.5
3-4 per week	10.7	9.9	10.2
1-2 per week	17.4	17.2	18.6
1-2 per month	16.4	15.3	16.2
Infrequent user	46.2	49.4	45.5
Unknown	0.6	0.3	0

Sources:

1. 1996 and 2001 from the Health and Welfare survey (Wibulpolprasert, 2005)

2. 2004 data from (National Statistic Office, 2005)

5.2.4 Drinking patterns

Spirits have always been the dominant alcoholic beverage in Thailand, in terms of volume of pure alcohol consumed. In terms of volume of beverage, however, ED data shows that since 1997 the volume of beer consumed has overshadowed spirits, which remained roughly constant during the period 1988-2002 (Wibulpolprasert, 2005). Surveys on preferred beverages show mixed results. Some surveys found that spirits are the most popular (National Statistic Office, 2005; Poapongsakorn, Leelahanon, Laowakul et al., 2005; Poapongsakorn, Leelahanon, Suksiriserekul, Tasarika, & Mathrsuraruk, 2005), but a more recent survey indicates that beer is the most frequently consumed beverage by 86.7% of male and 78.7% of female drinkers (Porapakkham & Boonyarataphan, 2006).

A 2004 survey indicated that private residences, including the homes of close friends and relatives, were the most desirable drinking places for 58.6% of drinkers, while 41.3% preferred public venues, including restaurants, taverns, recreation areas, places of work and alcohol outlets (Poapongsakorn, Leelahanon, Suksiriserekul et al., 2005). In another survey, 87.5% of White spirits and 55.4% of beer consumers commonly bought beverages from neighbourhood groceries, and 83.4% and 66% respectively drank them at home [Thairath Newspaper 6/12/2005].

The majority of Thai drinkers can be identified as low-income. In 2004, 66.7% of drinkers had a less than 5,000 Baht (125 USD) monthly income, compared to the national average of 8,537 Baht (approximately 213 USD). Furthermore, 48.9% of female drinkers earned less than 2,500 Baht a month (less than 2 USD a day) (National Statistic Office, 2005).

Socialisation is the most common cause of drinking, particularly for non-hazardous drinkers (Assanangkornchai, 1993). 43.8% of Thai drinkers began as a result of socialisation, while peer inductive pressure accounts for 32.8% (National Statistic Office, 2001). Eighty eight percent of heavy users and 97% of people with alcohol

dependence drink for fun, as an appetiser, or for sleep induction (Assanangkornchai, 1993).

5.3 Alcohol Policy Development & Context 1997-2006

This section describes the situation and circumstances of Thai alcohol policy between 1997 and 2006. It then specifically describes seven major changes in alcohol policy and related spheres in the period. The chronicle of Thai alcohol policy development during 1997-2006 is in *Appendix B*.

5.3.1 The alcohol situation prior to 1997

Prior to 1997, the economic benefits of alcohol-related regulation were the outstanding concern of Thai policy makers, particularly with regards to alcohol excise tax. Meanwhile, the enforcement of many enacted interventions were practically ignored, such as regulations on time of sales, minimum purchasing age and BAC limitations for vehicle drivers. Historically, an alcohol production concession had been applied in Thailand since at least 1678. This concession, however, varied over time, in terms of both geographical area and beverage types. After the Liquor Act was adopted in 1950, production of all alcoholic beverages became regulated. The Liquor Act classifies beverages into two groups and several sub-categories, as shown in Table 5-5³.

In the late concession period, beverage alcohol in the Thai market came from three sources; importation, ‘public’ or state-owned factories, and ‘private’ factories. All popular domestic distilled beverages are monopoly produced and distributed by public factories. Special category spirits including western-style brandy and whisky, and fermented beverages such as beer were mainly produced in private factories and thus were not included in the concession system. However, the production licensing qualification is the main barrier keeping beer and Special spirit production in a *de facto* mono- or oligo-polistic system (Tonvigid, 2002). In this period, concessionaires for

³ the table does not cover a specific over 80% alcohol content category, which can be used either as raw materials for end-product beverage production, or in other industries

public factories had to pay both excise taxes and concession fees, while private factories were charged only the excise tax. The owners of state-owned distilleries, Ministry of Finance (MOF) and Ministry of Industry (MOI), normally sold ten-year concessions to the highest bidders at auction.

Table 5-5: Alcohol beverage categories under the Liquor Act 1950

	Definition*	Leading brands
Fermented Alcohol beverages	Un-distilled beverages and mixtures between fermented and distilled beverages, under 15% alcohol content	
• Beer	Fermented beverage from Malt, Hops and Barley rice	Chang, Singha, Archa, Leo, Heineken
• Wine & sparkling wine	Beverages from grapes	Spy (wine cooler)
• Traditional fermented beverages	Traditional beverages from Glutinous rice or Coconut sugar	
• Others fermented beverages	Beverages from fruit other than grapes	
Distilled beverages	Distilled beverages and over 15% alcohol content mixtures	
• White spirits	Non-coloured & non-seasoned Arrack	Niyomthai, Ruangkhao [but commonly referred to as <i>White spirits</i>]
• Blended spirits	Seasoned distilled alcohol	Hongthong, Sangthip, Chinese herbal spirit (Zeingchun)
• Special blended spirits	Seasoned distilled spirits produced by special methods	Mekhong (the only brand)
• Special distilled beverages	western-style brandy and whisky	Regency (domestic) Hundred Pipers, Spey Royal, Johnnie Walkers (Imported)

* Source: (The Liquor Act B.E. 2493, 1950)

Since the early 1980s, all beverage alcohol has been taxed on the basis of *maximum public profit*, using one of two calculation methodologies, whichever gives the higher figure, or the ‘two-for-one’ system. The first method is on an *Ad valorem* tax rate, using the price as the tax base, such as taxing beer at 55% of its price. The second method is a volume-related tax base, which has involved two techniques for calculation. Since 1950, ED applied a ‘*Specific* approach’ to charging, based on the volume of pure alcohol, to distilled beverages, but a ‘*Unitary*’ or fixed rate approach, based on the volume of the beverage, to fermented beverages. In 1991, the MOF replaced the *Unitary* rate of 28 Baht per litre of beverage with a *Specific* rate of 100 Baht per litre of pure alcohol. This adjustment was a considerable reduction of the actual beer tax rate. For example, the *Specific* tax rate for 6 percent beer was 466.67 Baht per litre of pure alcohol prior to the change, but 100 after. This can be related to an increase in beer consumption.

A Value Added Tax (VAT) was introduced in 1995, to replace selling taxes. The MOF had to change the *Ad valorem* tax base from the declared *last bulk selling price*, or the price at which the retail seller bought from the distributor, to the *Ex-factory price* for domestically produced beverages and the C.I.F. (Cost, Insurance and Freight) price for imported.

5.3.2 Alcohol production liberalisation

The concessions for state-owned distilleries, allowed to produce popular domestic brands, were terminated at the end of 1999. In the last decades, one business group, led by Chareon Siriwathanaphakdee, owned the concessions for all distilleries. Alcohol market liberalisation is a complex and prolonged process. Alcohol liberalisation affects alcohol consumption and triggers many alcohol policy interventions in its aftermath. It consists not only of the termination of production concessions but also involves alcohol management policy afterwards. Policy makers had to solve many questions:

- What beverages should be liberalised?
- What should the production licensing criteria be, as overseen by the ED, and what should the industrial factory qualifications be, as supervised by the MOI?
- What to do with state-owned beverage brands and distilleries?
- How to deal with the consequences of liberalisation, particularly the missing concession fees?
- How to promote fair competition and control market domination?
- How to control beverage quality?

The factors pushing toward liberalisation included the global trend toward privatisation and the 1997 Constitution, the Article 87 of which reads “*The state has to support free enterprise economic system, using market mechanism, support fair competition, protect consumers, prevent market domination direct and indirectly, remove and exempt laws and regulation that unnecessarily regulate business*”, and “*must not compete with private entrepreneurs, except for reasons of state security, to protect social benefit and promote public utility*”.

Former concessionaires did not want to lose their monopolies. It is reported that Chareon himself lobbied the ministries to keep concessions on all beverages [Matichon Newspaper 28/08/1995], and later to continue only White spirit concessions, when the chance to keep them in all sectors was slim [Than Wikrau Newspaper 29/06/1997]. The position of most, but not all, officials in the MOI and ED was to continue concessions, for ease of control and revenue collecting.

Jatumongkol Sonakul, MOF Permanent Secretary (PS), was one person who strongly advocated for a reduction of market domination. He proposed a regulation to limit the market share of each licensee to not exceed 30% of the overall market volume and to restrict cross share holding [Prachachat Thurakit Newspaper 09/06/1997]. The media reported on an effort by the alcohol industry to force Jatumongkol out [Than Wikrau Newspaper 29/06/1997], and subsequently he was replaced one month later.

On the 15/09/1998, the Cabinet approved the Alcohol Liberalisation proposal, based on these six principles:

1. The alcohol market in the post-concession period is still subject to state regulation
2. Separation of the role of public and private entities
3. Reduction of market domination and promotion of fair competition
4. Waves of implementation
5. Stabilisation and increase of state revenue in the post-concession period
6. Concern for economic effectiveness

Furthermore, the Cabinet agreed that the State should support alcohol exportation, including the removal of redundant taxes. The MOF and the MOI were urged to suppress illegal beverages. The Cabinet assigned the MOF to adjust tax rates, and urged MOPH, Ministry of Education, Ministry of Interior and the MOF to mitigate the potential negative impacts of liberalisation. The suggested mechanisms included public campaigns which were to be supported by the alcohol industry (Wachirawiroon, 2000).

In February 2000, the media revealed that the former concessionaire group successfully campaigned for the tax rate adjustment, to keep the White spirits rate lower than other distilled beverages, in the negotiation on liberalisation of all beverage sectors [Than

Setthakit Newspaper 24/02/2000]. In addition, it was reported that this group also lobbied the MOF to delay the announcement of producer licensing qualifications to block newcomers [Phoojadgarn Newspaper 2/11/2000]. The qualifications for new producers, with exemptions for former production sites, were announced 10 months after the concessions expired. Its content was criticised as a barrier to new entrepreneurs, as minimum production volumes and area were set high.

In the liberalisation period, the principle to mitigate market domination was neglected. The former concessionaires continue to control the alcohol market in both distilled and beer sectors (Nikomborirak, 2002). In mid 2006, the Thai Beverage Public Company (ThaiBev) stated in its prospectus for investors that the company's market share in beer and spirits are 60.4% and 74.4% respectively (Thai Beverage Public Company Limited, 2006). The alcohol liberalisation policy and process created major public confusion. This may be because the Thai terminology of this campaign, 'the free alcohol policy', led people to understand that everyone could produce alcohol.

5.3.3 Traditional Beverage Legalisation

Conventionally, traditional beverage⁴ consumption was part of Thai rural and agricultural lifestyles. However, traditional beverage production and distribution systems were not commercialised until recently [Siam Post Newspaper 9/10/1994, Phoojadgarn Newspaper 9/02/2001]. Traditional beverages were mainly produced and consumed on an intermittent basis, confined to local festivals and special occasions, and produced as a supplementary occupation. However, some areas were particularly well known for illegal production.

Apart from the confusion about the liberalisation policy, many other factors supported the legalisation of the traditional beverage. The concept of alcohol production as a citizen's right to preserve and utilise cultural wisdom has been developed by, and spread among, community-based NGOs and academics. Some further see the Liquor Act 1950 as a restriction of rights and therefore suggested that *it was the law, not the*

⁴ Traditional beverages in this thesis mean non-industrially produced beverages. It covers both distilled and fermented beverages. It used to be totally illegal in the pre-legalization period. Traditional beverages are also known as 'illegal', 'moonshine', and as 'folk spirit' in post legalization.

beverages, that was illegal (Wanlayangoon, 2003). In addition, many criticised the ED as the servant of both domestic and international capitalists [Phoojadgarn Newspaper 6/12/2000].

Traditional producers formed a network, which focussed primarily on resisting arrest for illegal brewing. The network helped its members when arrested, by paying fines, providing lawyers, and organising mass demonstrations. The motto of the network was '*no pay, no arrest and no seizure*' [Bangkok Post Newspaper 21/04/2002]. Illegal brewers knew that Excise Officers could do nothing if they were united [Phoojadgarn Newspaper 24/04/2001]. Later this network named itself the 'Traditional Beverage Producers Network' (TBPN), literally the 'folk spirit network', and gradually shifted its priority to traditional beverage legalisation advocacy. The 1997 Constitution supported this legalisation advocacy. Article 46 states that the state must respect traditional customs and culture, Article 50 focuses on freedom of occupational engagement, and Article 87 says that the state must support free and fair economic competition.

The most important factor for legalisation, however, came from political commitments. Some TBPN leaders worked closely with national politicians, particularly the Thai Rak Thai Party. The Thai Rak Thai policy 'One Tambon⁵, One Product' (OTOP) promoted traditional fermented beverages as a local commodity to enhance community economies [Krungthep Thurakit Newspaper 5/09/2001]. Although ED officials seemed not to agree with the legalisation, owing to its limited capacity for tax collection, the Cabinet urged the MOI and MOF to weaken the producers' qualification to include traditional producers in the excise tax system. Thaksin Shinawatra-PM, expressed his intention to legalise traditional beverage production, declaring that this would revitalise Thai cultural wisdom, free the buried capacity of grass-roots people, and provide opportunities for them to escape poverty [Khao-sod Newspaper 8/09/2002].

During Thaksin's Prime Ministerial period, the legalisation campaign was conducted in phases. First the Cabinet approved *fermented* beverage production in September 2001. In this approval, the Cabinet assigned the Deputy PM to explore the possibility to exempt or lower excise tax for traditional fermented beverages. However, the TBPN

⁵ Sub-district area

further advocated for distilled beverage legalisation, decreases in excise tax rates, and income tax exemption for producers. In late 2002, the Cabinet approved the traditional *distilled* beverage production in principle, and urged the ED to find an appropriate excise tax rate. On 21/01/2003, the Cabinet officially permitted traditional distilled production, by integrating it into the White spirits taxation category, where the excise tax rate was lowered at the time.

Traditional beverage legalisation led to a sharp increase in the number of licensed producers, many of whom were formerly illegal producers, and further to an over-supply situation [Than Setthakit Newspaper 12/09/2002]. Many of these producers could not compete with industrial manufacturers who had lower production costs. As a result, most producers discontinued their legal production within two years. The number of licensed traditional fermented beverage producers fell from 700 to 20 [Krungthep Thurakit Newspaper 23/01/2004]. Many conducted a 'dual practice', producing both legal and illegal beverages.

5.3.4 Trade agreements and alcohol

The tax rates on domestic and imported beverages once differed by six times, but this difference was abolished in late 1991. In the recent period however, the government still specifically aims to reduce importation by applying different tax rates to each beverage category.

Both bilateral and multilateral trade agreements affect the Thai consumption situation and alcohol policy in many ways. The ASEAN Free Trade Agreement (AFTA), enforced since 2003, allowed importers to engage in the practice of re-packaging. Many entrepreneurs repackage imported beverages from 'out-zone' Europe in 'in-zone' ASEAN countries and export the end product to Thailand. This mechanism lowers the custom duties by up to 12 times compared with direct importation, and has enhanced the competitive capacity of importers (Kongsagon, 2005b). Furthermore, with the free flow of in-zone investment AFTA allows foreign companies to build, takeover, or share production sites, and introduce new beverages to the Thai market. Bilateral agreements signed with China, Australia and New Zealand began to have an effect on consumption.

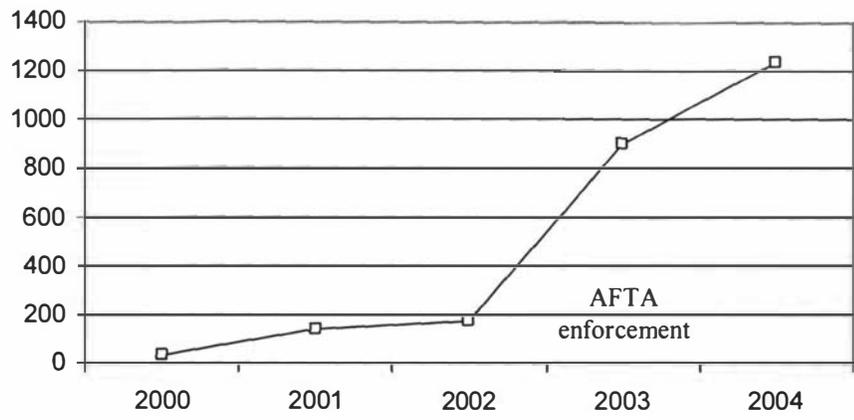
Australian wine has become increasingly popular due to its low price, compared with European wine, and this affects domestic producers [Thairath Newspaper 29/07/2004]. Custom duties are subject to further reduction to 0% in 2010 for AFTA, and 2015 for the Thailand-Australia Free Trade Agreement (Department of Foreign Affairs and Trades, 2004).

Thai drinkers enjoy the cheaper price of some beverage sectors and the mushrooming of international brand beverages, as a result of custom duty reduction, increase in cross-border investment, and competition. AFTA mechanisms significantly reduced the retail prices of imported beverages, many of which are popular among young people (Sornphaisarn et al., 2006). Imported branded whisky from the Philippines can be as cheap as 120-130 Baht a bottle (3.5 USD). As a result, consumption of imported beverages, particularly from ASEAN countries, has increased significantly recently (Pruitthiphinyo, 2005), as shown in Figures 5-5 and 5-6.

The verification of the in-zone status of imported beverages caused international conflict, when the Thai Customs Department (CD) ruled that some cargoes of imported spirits from the Philippines failed on local content criterion. The Philippines Government defended a Philippines Company (Diageo Philippines) from Thai accusations about their intention to use AFTA to avoid custom duties [Prachachat Thurakit Newspaper 15/04/2004]. This case was later taken to the ASEAN Arbitration and the ASEAN Senior Economic Officials Meetings [Post Today Newspaper 19/04/2004].

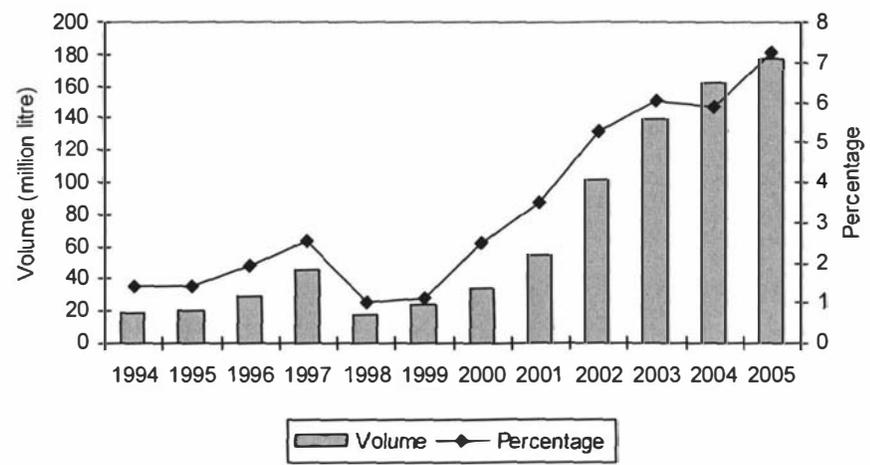
From 1997 to 2006, a number of alcohol importers threatened to file a complaint against the Thai government to the World Trade Organization concerning many practices. These included the total advertising ban and unfairness in the excise taxation system. As yet these complaints have not been submitted.

Figure 5-5: Value of imported beverages from ASEAN countries (unit: million Baht), 2000-2004



Source: (Pruitthiphinyo, 2005)

Figure 5-6: Volume of imported beverages (million litres) and percentage of total beverage volume, 1994-2005



Source: ED cited in (Sornphaisarn et al., 2006)

5.3.5 The Alcohol Consumption Control Bill

Policy for the control of alcohol consumption involves many ministries. The cooperation among these agencies, however, is still ineffective. Many agencies have overlapping tasks and responsibilities regarding alcohol. For example, responsibility for advertising regulation is confusingly shared among the Food and Drug Administration (FDA), Government Public Relations Department (PRD) and Office of the Consumer Protection Board (OCPB). The National Alcohol Consumption Control Committee

(NACCC) was established in mid-2003 as a coordinating platform for these scattered public agencies.

The fragmentation, redundancy and lack of clear common purpose of Thai alcohol-related laws has been commented on recently (Futrakul, 2006a, 2006b), and the idea of setting a common policy goal of problem reduction has been proposed (Futrakul, 2006b).

MOPH played a key role in the ACC Bill drafting process, including conducting several public hearing events nation-wide in 2004-5. In its latter versions, the draft Bill consists of two main sections:

1. The administrative part; to set up national and provincial committees and offices of the secretariat. The idea to set up a specific budget system from a certain percentage of the alcohol excise tax was omitted in later versions.
2. The policy intervention part; consisting of alcohol package regulations, warning labels, time and place of sales controls, minimum purchasing age restrictions, purchaser conditions, advertising and promotion regulations, and treatment for alcohol problems. However, taxation is not included to avoid overlapping with an existing high-ranking law, the Liquor Act 1950.

The processing of the ACC Bill occasionally stalled. In the very first schedules, MOPH planned to submit the draft ACC Bill to the parliament in April 2006 [Post Today Newspaper 23/01/2006], but in actuality it was not put forward until March 2007. The main reasons for its delay included political instability and because the Bill contained advertising control elements, which were explicitly opposed by the PM in early 2006 [Thai Post Newspaper 25/01/2006], as well as by the alcohol industry.

After the Coup in September 2006, the new Public Health Minister, Dr. Mongkol Na Songkhla quickly resumed the process and submitted the draft ACC Bill to the Cabinet eight days after his appointment. The Bill was then submitted to the Council of State (CS) for legal content consideration and further proposed to the NLA. If enacted, the ACC Bill would be the first comprehensive legal mechanism specifically for alcohol-related problem reduction (Futrakul, 2006a).

5.3.6 The Thai Health Promotion Foundation

In 2001, the Cabinet issued the *Thai Health Promotion Foundation Act, B.E. 2544* to establish an innovative financial mechanism for health promotion. This foundation, known as *ThaiHealth*, receives a 2% surcharge from tobacco and alcohol taxes, and works as a catalyst for civil movements to improve Thai well-being (Siwaraksa, 2005). ThaiHealth has developed an Alcohol Consumption Control Program, aimed at reducing consumption and harm, promoting sensible attitudes, particularly among youth, supporting alcohol control units, and strengthening research capacity (Thai Health Promotion Foundation, n.d.-b). In September 2004, ThaiHealth, together with the Health System Research Institute, established the CAS as a national alcohol research and knowledge management institute (Center for Alcohol Studies, n.d.-a).

In its early years, ThaiHealth supported nationwide health networks including the SDN, and advocated on alcohol policies. Particularly, ThaiHealth has been the main supporter of drinking context modification and public campaigning.

5.3.7 Movements against the listing of alcohol operators on the Stock Exchange of Thailand

In early 2005, the Thai Beverage Public Company Limited (ThaiBev) was invited by the Securities and Exchange Commission (SEC) to be listed on the Stock Exchange of Thailand (SET). ThaiBev is the biggest alcohol producer in Thailand, and the fourth largest global spirits producer by sales volume (Thai Beverage Public Company Limited, 2006). Its products cover nearly all beverage segments, including drinking water and soda. The declared reason for the listing is to strengthen its competitiveness in the international market. ThaiBev claimed that its listing could boost the Thai economy by increasing the SET market cap by 200 billion Baht [Prachachat Thurakit Newspaper 28/02/05]. After receiving criticism, ThaiBev strongly insisted on its rights and denied any effect of the listing on Thai consumption.

The first response to the ThaiBev listing came from a religious network, led by Major General Jamlong Srimuang, a political reformist and former Deputy PM. Thousands of

Buddhist monks and supporters rallied on the streets, demanding the SEC reject the application. The coalition later expanded to youth, Muslim networks and the health sector. A list of 50,000 people and 172 organisations opposing this listing was submitted to the Ministry of Finance [Matichon Newspaper 19/07/2005]. At a crucial time in the consideration, 20,000 people participated in a nine-day street protest in front of the SET.

After a technical review and brainstorming session among academics, the CAS published a document explaining why alcohol businesses should not be listed. This document lent support to the prevailing social movement. The CAS argued that listing could rapidly increase the industry's financial capacity, which would then increase its marketing budget and, in turn, consumption. Secondly, the number of stakeholders and their sense of ownership would expand, and the government, who commonly sees the stock index as an economic indicator, may be reluctant to launch any intervention that might harm the alcohol industry (Center for Alcohol Studies, 2005).

Despite this, many showed their support to the ThaiBev listing, particularly in the business sector. Debate became particularly heated when ThaiBev announced the possibility of being listed on the Singapore exchange market. Economists predicted losses to the national economy in such a scenario, including opportunities for market expansion [Matichon Sudsabda Newspaper 20/01/2006].

Key authorities were seen to support the listing, including the Secretary of the SET Board of Governors [Khao-sod Newspaper 18/02/2005] and the SET manager who declared that he would do anything to list ThaiBev and would resign otherwise [Prachachat Thurakit Newspaper 18/01/2006]. The decision became a hot potato, being passed around the authorities involved, including the SEC, Cabinet, PM and the MOF. Later on, the SEC decided to freeze consideration after the Finance Minister, as the SEC chair, stated the need for additional information [Matichon Newspaper 11/08/2005].

In early 2006 ThaiBev officially requested SEC permission to be listed on the Singapore market, as invited by the Board of Directors and Committee of the Stock Exchange of Singapore [Phoojadgarn Newspaper 4/01/2006]. The SEC approved the request on 16/01/2006.

During the protest, there were many negotiations, including a discussion between MOPH and the demonstration leaders. One issue for negotiation is believed to be the strengthening of alcohol advertising regulations.

5.3.8 Tied selling practices

Tied selling is a practice of alcohol producers and distributors to force retail sellers to buy other merchandise together with certain popular and profitable products. Although this practice had been conducted before, the most obvious example is of ThaiBev and its distribution system since 1997. This practice is effective in boosting the market share of newly introduced products (Nikomborirak, 2002). Retail outlets and distributors have to buy a certain amount of Chang beer if they want White spirits, for example. The average rate during 1998 for wholesalers was 3-6 dozen Chang beer per 32 bottles of White spirits (Trirat, 2006).

With this tactic, the Chang beer retail price can be extremely low. Although the production costs and tax levied on a Chang beer can together amounted to 12.50 Baht [Krugthep Thurakit Newspaper 21/02/1998], its retail price was reported to be as low as ten Baht, much cheaper than soft drinks [Than Wikrau Newspaper 26/10/1997]. The operator would increase the retail price of White spirits to compensate for the loss from Chang beer (Laichuthai et al., 2002; Nikomborirak, 2002; Trirat, 2006), for example increasing the price from 38 to 60 Baht, without any tax rate change [Krugthep Thurakit Newspaper 21/02/1998]. With the tied selling technique, Chang beer selling volume surpassed the former market leader, Singha beer, within a few years [Dokbeer Thurakit Newspaper 21/02/2000].

This practice can be conducted because, firstly, White spirits were practically monopolised by ThaiBev (Trirat, 2006), and it is the cheapest and the most popular spirit among the rural population. Secondly, ThaiBev also produces the second and third cheapest spirits. This means that they can maintain the price gap between White spirits and other cheap spirits. Thirdly, ThaiBev stockpiled a substantial volume of beverages, valued at about 40 Billion Baht [Prachachat Thurakit Newspaper 3/09/1998], and

charged a lower tax rate at the end of concession period. It was believed that ThaiBev could continue its 92% market share for three years without any new production (Jaiyen, 2003). This stockpiling was the main barrier for any new operators.

Although some key people in the company admitted to this practice, ThaiBev later officially denied it, claiming that, if true, the practice stemmed from the distribution system and not from ThaiBev, and it could do nothing to stop it [Phoojadgarn Newspaper 21/06/2000] (Trirat, 2006). Boonrawd Brewery (Boonrawd), the producer of Singha beer, filed a complaint with the Ministry of Commerce (MOC), claiming that ThaiBev's practice violated trade competition laws. Boonrawd also worked closely with a famous activist in creating public awareness of tied selling [Prachachat Thurakit Newspaper 8/07/1999].

After long consideration, the committee of MOC ruled that tied selling is inappropriate but legitimate, as there was no clear evidence that beer and White spirits share the same market. There was a report that ThaiBev had blurred the price of beer and spirits during the inspection to make judgement difficult [Phoojadgarn Newspaper 21/06/2000]. The media also reported allegations that ThaiBev influenced the decision of the committee [Phoojadgarn Newspaper and Prachachat Thurakit Newspaper 7/09/2000]. ThaiBev has expanded the practice of tied selling to other beverages, including drinking water [Krugthep Thurakit Newspaper 12/03/2002] and the new Archa beer [Prachachat Thurakit Newspaper 21/06/2007].

From a health perspective, this tactic led to a drop in overall beer price, not only of Chang beer, which inevitably boosted beer consumption. In addition, an increase in the price of White spirits from tied selling tactics also boosted consumption of illegal spirits, and partly triggered a wave of commercialisation among illegal producers (Laichuthai et al., 2002).

5.4 Alcohol policy interventions

This section applies Babor et al. (2003) format for alcohol policy, covering measures in both the public and the private sector, but mainly focusing on nation-wide interventions.

These broad interventions are the chief practice used in Thailand at the end of 2006. Overall, conflicting values, particularly between public health and the economy, can be observed in many policies. Some potentially effective interventions in Thailand, for instance taxation and physical availability controls, have been criticised as fiscally-driven or neglectful of public health values (Kajorntham, Kajorntham, & Sornphaisarn, 2004; Sornphaisarn, 2005b).

5.4.1 Pricing and taxation

The price of domestic beverages includes four indirect levies: Excise Tax, Local Administrative Tax, Health Promotion Tax and VAT. The ED has the authority to collect the first three taxes from alcohol producers. The Local Administrative Tax is an additional 10% above the excise tax collected. The ED sends this tax to the Ministry of Interior, which then allocates it to local administrative organisations on the basis of population proportion. VAT, which replaced the Selling Tax in 1995, is 7% of price levied on every transaction, for instance from producers to distributors and again from distributors to retail outlets. Apart from the four levies mentioned, imported beverages are also subject to Custom duties, collected by the CD.

Excise tax, the most significant alcohol tax, is levied on a *maximum public profit* basis, using one of two calculation methods, *Ad valorem* or a Specific rate, whichever gives the higher figure. Furthermore, the ED uses an ‘inclusive method’ for the *Ad valorem* approach, classifying the excise tax as part of the Ex-factory cost. This practice practically doubles the charge of the same rate on the real production cost, where the first charge is defined as part of the cost of production. For instance, if a beverage had a real production cost of 100 Baht and is levied at a 25% *Ad valorem* rate, the actual *Ad valorem* tax would be $[100 + (100 \times 0.25)] \times 0.25 = 31.25$ Baht.

Although is not clearly stated, the primary purposes of alcohol taxation are to generate revenue, support domestic industry development, and to mitigate national financial deficits (Wachirawiroon, 2000). The 2-for-1 system is based on two fundamental concepts: prevention of externalities and mitigation of luxury spending (Sornphaisarn, 2005a). The Specific rate, known as ‘more harmful-more tax’, defines alcohol volume

as the significant determinant of harm, while *Ad valorem* aims to reduce unnecessary expenditure, particularly on imported goods, or ‘more luxury-more tax’. However, the inconsistency of tax rates across beverage categories may distort these concepts.

Alcohol excise taxation is theoretically enforced on a basis of self-assessment. Excise officers mainly monitor from the records submitted by producers, without any given authority for taxation appraisal. The self-assessment approach was effective in the concession period with few licensees, but is not effective in a liberalised market (Tonvigid, 2002).

- Classification

The beverage classification system is considerably outdated, being a remnant of the concession system, in which the popular beverages, the White, Blended and Special blended spirits, were reserved for public manufacturing plants (Wachirawiroon, 2000).

- Ceiling and Enforced rate

The Thai taxation system has two separate sets of rates, *ceiling* and *enforced rates*. By law, the ceiling rate is the maximum rate that can be applied, given by the people, through the legislative body, to the government, under the Liquor Act 1950. The government then has authority to set the actual excise tax rate at less than or equal to the ceiling rate. Adjustments to the ceiling rate must be done through amendments to the Liquor Act 1950, which requires support from the majority of members of the legislature. Actual rate modification, by contrast, can be done at the Ministerial level. There have been only four ceiling rate adjustments since 1950, compared to 23 adjustments of the actual rate.

At the rate used at the end of 2006, shown in Table 5-6, many categories are actually taxed at a much lower rate than their ceilings. The great differences in *Ad valorem* rates are on traditional fermented beverages (42% of ceiling rate), White spirits (50%) and beer (92%). For Specific rates, White spirits are charged at only 17.5% of the maximum rate.

- Tax rate anomalies

Table 5-6 shows the differences in tax rates among beverage categories. The difference in Specific ceiling rates between fermented and distilled beverages is four times. The discrepancy of actually enforced rates is even higher, for both Specific and *Ad valorem*. The differences between the rates of White spirits and other distilled beverages are up to 5.71 times for Specific and two times for *Ad valorem*. These anomalies cause some beverages to be relatively cheap, including beer, traditional fermented beverages and White spirits.

According to current practice in the two-for-one system, beverages are divided into two groups, low price and high price. Domestic and cheap ‘secondary’ imported distilled beverages are charged at the Specific rate, while premium imported spirits and beer are levied at the *Ad valorem* rate. The difference in tax between the two rates can be more than five times, as shown in Table 5-7.

Table 5-6: Excise taxation rates on alcoholic beverages

Type	Ceiling rate		Actually enforced rate	
	<i>Ad valorem</i> (%)	Specific*	<i>Ad valorem</i> (%)	Specific*
Fermented Alcohol beverages				
Beer	60	100	55	100
Wine & sparkling wine from grapes	60	100	60	100
Traditional fermented beverages	60	100	25	70
Other fermented beverages	60	100	25	70
Distilled beverages				
White spirits	50	400	25	70
Blended spirits	50	400	50	240
Special blended spirits	50	400	50	400
<i>Special distilled beverages</i>				
# Whisky	50	400	50	400
# Brandy	50	400	40	400
# Others	50	400	50	400

* : Baht per litre of pure alcohol

Source: (Excise Department, 2005)

Table 5-7: Current excise tax on selected brands (actual levied amount in bold)

Brand	Beverage type	<i>Ad valorem</i>			Specific				<i>Ad valorem/ Specific</i>
		Tax base	Rate (ceiling/ actual)	Tax	Alcohol content (%)	Volume (cc)	Rate (ceiling/ actual)	Tax	
White spirits	White spirits	29.46	50/25	8.64	40	625	400/70	17.5	0.49
Mekhong	Sp.blended	52.45	50/50	58.00	35	750	400/400	105	0.55
Golden Knight	Whisky	26.81	50/50	29.76	35	700	400/240	98	0.30
Johnnie Walker Black Label	Whisky	277.9	50/50	308.44	43	750	400/400	129	2.39
Chang beer	Beer	10.75	60/55	14.95	6.4	640	100/100	4.096	3.65
Singha beer	Beer	14.62	60/55	20.87	6	630	100/100	3.78	5.38

Source: Modified from (Sornphisarn, 2005a)

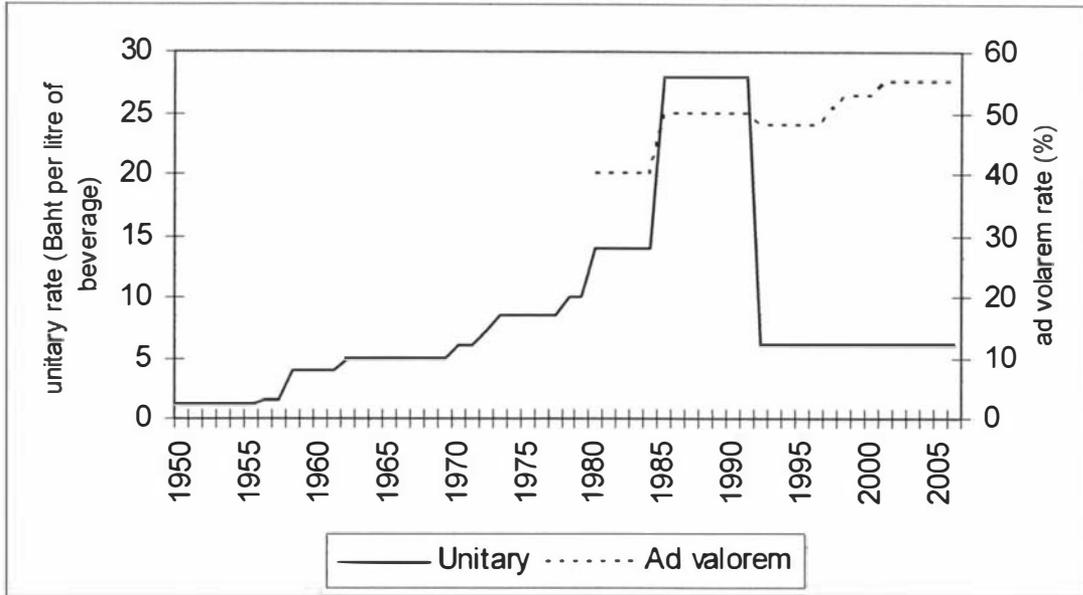
- Proxy tax base setting

Article 8 of the Liquor Act 1950 gives the authority to the Director of the ED to declare a proxy tax base, in case the price declared by producers or importers is considered untrustworthy, or if the price or alcohol content are not consistent over time or across brands, such as with traditional beverages. With this mechanism, the ED classifies beer beverages into three sub-groups, Premium, Standard and Economy. All sub-groups are taxed at the *Ad valorem* rate but at different tax bases. The Standard Ex-factory price for a bottle of beer is 37.95 Baht for Premium and 36.95 for Standard, both of which are much higher than the 27.20 for the Economy group. The method by which these proxies were calculated has not been revealed. Therefore, this system has been heavily criticised as a potential way for the ED to abuse their authority [Matichon Newspaper 24/01/2003 and 22/02/2007].

- Tax rate changes

Since 1950, the actual *Ad valorem* rates have fluctuated more than the Specific and Unitary rates. (The Unitary rate system, using beverage volume as tax base, was used for fermented beverages during 1950-1992.) However, changes in the *Ad valorem* and Specific rates remain roughly consistent with each other. The growth of rates became more obvious from 1980. Except for the decrease for White spirits in 2003, all changes in Specific rates have been increases as shown in Figure 5-7, 5-8 and 5-9.

Figure 5-7: Actual excise taxation rate for beer (1950-2006)



Note: The Unitary rate (Baht per litre of beverage) was replaced by the Specific rate (Baht per litre of pure alcohol) in 1992, and the Specific rate has remained the same at 100 Baht per litre of pure alcohol since then.

Figure 5-8: Actual excise taxation rate for White spirits (1950-2006)

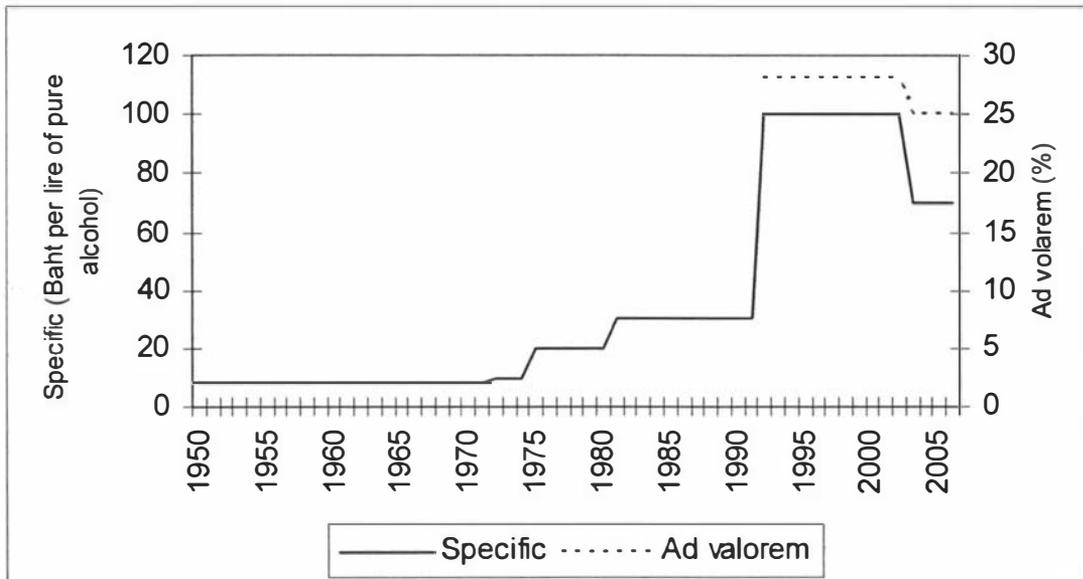
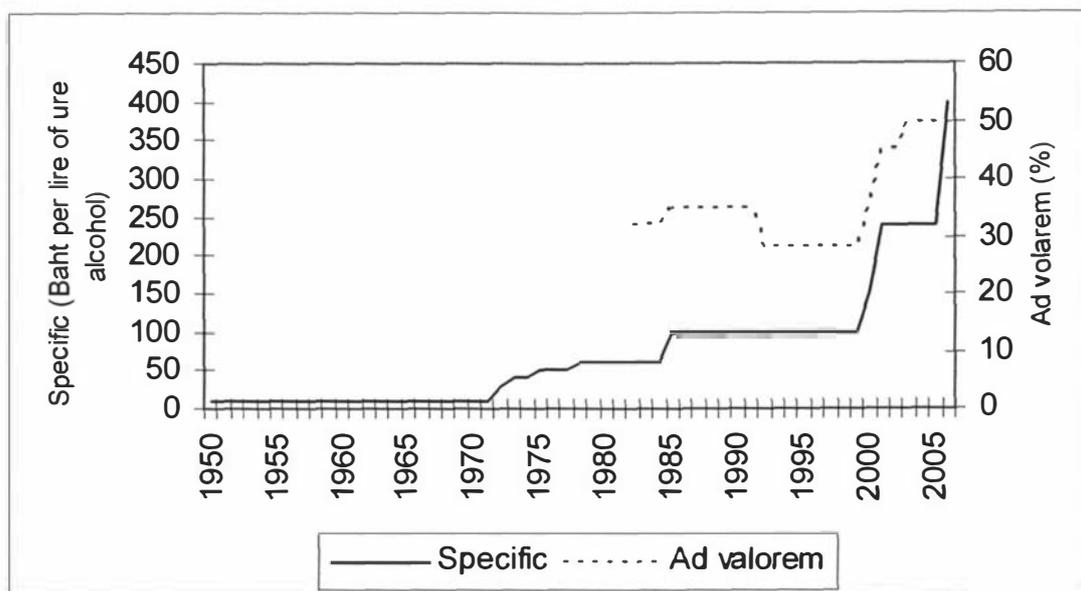


Figure 5-9: Actual excise taxation rate for Special blended spirits (1950-2006)



5.4.2 Physical availability regulations

- **Place of sale**

The ED is the regulatory agency for outlet licensing. Conventionally, MOF policy has been to expand retail selling to as many residential areas as possible (Laichuthai et al., 2002). This stance was affirmed by a recent reduction in outlet licensing fees, and the ED's One-Stop Service campaign to ease the license application process. In the 2004 fiscal year, there was an average of one authorised alcohol dealer for every 110 people and, on average Thai drinkers took only 7.5 minutes to purchase alcohol, and only 3% had to make significant journeys (Poapongsakorn, Leelahanon, Suksiriserekul et al., 2005). Moreover, a 1997 survey of Lopburi province showed that only 80% of retail sellers were licensed (Laichuthai et al., 2002).

Particularly after the King voiced his concern in late 2004, outlet licensing policy direction has shifted toward harm reduction. The Cabinet approved a proposal to ban the selling of alcohol in educational and religious institutions on the 14/12/2004, and MOF announced a requirement for outlets not to be in or adjacent to educational or religious institutions or petrol stations in 2005. In addition, the zoning policy of the

Ministry of Interior prohibits new entertainment venues in out-zone, chiefly residential, areas, and requires shorter operating hours for existing out-zone licensed venues.

- **Time of sale**

In 1961 the government restricted selling time to the periods between 11 AM and 2 PM and between 5 PM and 2 AM. In 1972 the Revolutionary Group shortened the second period to between 5 PM and 12 AM in its Announcement No.253. The main arbiters of this restriction are the ED and the Minister of Interior, who oversaw the Police Department at that time. In November 2004, MOPH reaffirmed the 1972 Announcement to limit selling times. This was quickly supported by a Cabinet resolution one month later. In late 2005, the ED declared the time of sales limitation a compulsory practice for authorised retail sellers.

However, the coverage and consistency of implementation is questionable. No information has been revealed on the penalties for violators. A survey of the northern region shows that 96.6% of outlet did not conform to time of sale regulations (Thaikla, 2007).

- **Minimum Purchasing Age**

The regulations on minimum legal purchasing age (MPA) have been implemented since 1972. The Revolutionary Group Announcement No.294 disallowed selling alcohol to under 18s and designated the Department of Social Development and Welfare, which was under the Ministry of Interior at that time, and provincial governors as the responsible agencies (The Revolutionary Announcement No. 294, 1972). The Youth Protection Act B.E.2546 came into force in 2003, and contained two alcohol-related Articles. Article 26 bans the selling or giving of alcohol to under18s in any circumstances except for medical treatment, and Article 45 prohibits under-age buying, drinking and the entering of venues dedicated to alcohol consumption. The Ministry of Social Development and Human Security and provincial governors are the chief regulators of this Act (The Youth Protection Act B.E.2546, 2003).

Along with other availability controls, a MOPH announcement in 2004 reiterated two existing laws that prohibited selling to youths, and also organised some symbolic action, including the arrest of a violator. Following this, ED prohibited outlet licensees from selling to youth. The performance of this regulation has not been well assessed. During the development of the ACC Bill, the MPA was increased to 25 but later dropped to 20.

- **Other regulations**

- By law, selling to intoxicated people was both directly and indirectly prohibited by the Entertainment Venue Act 1966 and the Revolutionary Announcement No. 253 (1972).
- In early 2006, MOPH made an announcement that banned the drinking and selling of alcohol in the area of its subordinate agencies.

5.4.3 Drinking context alterations

Interventions to modify the drinking context in Thailand have been mainly confined to the promotion of alcohol-free activities and periods, as well as some community mobilisation. The MOPH's alcohol-free Sunday in the Healthy Family Day campaign, which was approved by the Cabinet in mid-2004, has not yet come into force (Sornphaisarn, 2005b). Laws to prohibit the serving of alcohol to intoxicated people at on-premises sites, enacted since 1966, have not been explicitly implemented.

Most alcohol free-activities have their origins outside the public sector. Although ThaiHealth is not the first to advocate for an 'Alcohol-free Buddhist Lent period', it and its allies have marketed this campaign broadly since 2003. Over one million people declared their willingness to refrain from alcohol in the 2005 three-month Lent period (StopDrink Network, n.d.-b). Similar concepts have been applied to other periods, including both the Thai and international new years, other periods of religious significance and university orientation periods (StopDrink Network, n.d.-a). Many public agencies have participated in these alcohol-free programs. At the community level, ThaiHealth, the SDN and the Ministry of Interior, promoted the 'alcohol-free

temple' campaign, to ban drinking within temple boundaries, which are primary venues for socialisation, particularly in rural areas.

Policies from the industry sector, such as server training and outlet practices, have only been addressed recently. In 2006, alcohol industry representatives, together with the entertainment venues surrounding a University, declared a code of practice not to sell alcohol to students in uniform during the daytime. This was intended to demonstrate self-regulation as an alternative to the total advertising ban which was being considered at the time [Khao-sod Newspaper 5/12/2006].

5.4.4 Drink-driving countermeasures

Article 43 of the Land Traffic Act B.E.2522 (1979) prohibits driving while intoxicated and authorises police officers and some selected officials to stop vehicles (The Land Traffic B.E.2522, 1979). However, this law does not cover the verification of intoxication. For commercial vehicles, Article 102 of the Land Transportation Act B.E. 2522 (1979) forbids all drinking and driving while intoxicated for staff in control of a vehicle (The Land Transportation Act B.E. 2522, 1979). However, it was not until 1994 when the Ministry of Interior announced a regulation defining 50 mg% as the maximum legal BAC for vehicle drivers and legalising breath, blood and urine examination as verification methods (The Announcement of the Ministry of Interior No.16 B.E.2537, 1994).

The DDD Foundation has been the most significant promoter of the 'Don't Drive Drunk' campaign since 1999. This campaign has increased public awareness on the drink-driving problem, and promoted it to public attention (Sathapitanont, 2006a). ThaiHealth has also provided financial support for drink-driving campaigns in recent years.

Although social awareness of drink-driving has been on the upsurge recently, BAC testing has not been well implemented, being confined to festive periods. As a result, a 1995 study showed that 16% of night-time drivers were beyond the legal limit

(Suriyawongpaisal & Aekplakorn, 2003). A 2004 national survey reported that drink driving practices were evident in 36.6% of current drinkers (National Statistic Office, 2005). Moreover, legal loopholes have been identified as obstacles to enforcement (Chadbunchachai, 2006), such as the right to refuse a test and a lack of authority to draw blood and urine samples [Dailynews Newspaper 5/10/2005].

5.4.5 Alcohol promotion regulations

Article 39 of the 1997 Constitution states that Thai citizens have the right to freely communicate, which include publishing and advertising. Pre-distribution censoring of published and broadcast media by public authorities cannot be conducted, except during war time (The Constitution of the Kingdom of Thailand B.E. 2540, 1997) . However, the Food Act B.E. 2522 (The Food Act B.E. 2522, 1979) provides authority to the Food Committee to approve food product advertising in order to prevent misunderstandings which may lead to undesirable consequences.

Although many laws had previously regulated alcohol advertising, it was only in 2003 that the Cabinet endorsed the Road Safety Management Center (RSMC)'s proposal on specific and comprehensive regulation, known as the partial ban. Legal loopholes among laws and by media type are evident (Media Monitor Project, 2007), together with blurred and fragmented responsibility among the three central agencies and local authorities.

A. The Government Public Relations Department

The PRD, under the Office of the Prime Minister, is responsible for general broadcast media, television and radio programs. The declared rationale for control of alcohol advertisements on broadcast media is to reduce health problems, traffic accidents and prevent undesirable behaviour, especially among youth (The Announcement of the Government Public Relations Department on the Advertising Regulation of Alcoholic Beverages and Beverages that Contain Caffeine, 2003). The Ministry Announcements have included:

- Prohibition on advertising between 5 AM and 10 PM.
- Prohibition of consumption persuasion content. Only corporate images are permitted.
- Attachment of warning messages.
- Prohibition of giveaway and lucky draw campaigns.
- Permission for alcoholic beverage brand names and logos to appear during live sport broadcasts.

B. Food and Drug Administration

The FDA, under MOPH, focuses on two elements of advertising: content and warning messages. Apart from a prohibition on billboard advertising within 500 metres of educational institutions, an FDA announcement on 19/09/2003 (The Announcement of the Food and Drug Administration on Alcohol Advertising Regulation, 2003) prohibits these consumption persuasive practices in broadcast and non-broadcast media:

- Linkage between alcohol and sexual attractiveness, success or health
- Use of sporting personages or labour workers in advertising
- Use of celebrities in advertising
- Use of animation
- References to charitable donations
- Giveaway or lucky draw campaigns

With warning messages the FDA designates which messages to broadcast, publish or display, together with specific regulations about the size of the letters, the duration and locations of messages. Six messages, announced on 16/05/2005, include content about drink-driving, health, consciousness and Buddhism (The Announcement of the Food and Drug Administration on Alcohol Advertising Regulation No. 2, 2005).

C. The Office of Consumer Protection Board

Non-broadcast advertising, in particular billboard and cinema advertising, are specifically regulated by the OCPB, under the Office of the Prime Minister. According to a Ministerial Announcement on 12/05/2004 (Ministerial Announcement on

Advertising of Alcoholic Beverages and Beverages that contain Caffeine in Cinema and Billboard, 2004), forbidden advertising contents include:

- Persuasion to drink
- Creation of unclear corporate images
- Promotion of giveaway or lucky draw campaigns
- Linking alcohol to health benefits and life success
- Using celebrities (both sport and entertainment) as presenters
- Using labour workers as presenters
- Animation
- Reference to corporate social contributions.

D. Other agencies

The Ministry of Interior shares accountability for the regulation of published media with local administrative governments, who are responsible for advertising in their areas.

Table 5-8: Summary of alcohol advertising regulations

	Broadcast	Published	Billboard/Cinema
Content*	Yes	Yes	Yes
Warning messages	At least 3 seconds, with clear sound.	20% of the overall area.	20% of the overall area for billboards, 3 seconds with floating letters for cinema.
Specific	1) Allowed from 10 PM to 5 AM, except for live sport broadcasts 2) Allowed appearance of brand (name-logo) and product at the end of advertisements		At least 500 m. from educational institutions
Responsible agency	PRD, FDA	FDA	OCPB, FDA

* minimal difference among media types

5.4.6 Education and persuasion strategies

Currently, there is no nationwide alcohol specific education program or curriculum. However, non-integrated health education and other activities relating to alcohol are provided in schools, universities and some communities.

- **Public campaigns**

Alcohol-related public campaigns have been publicised through many mechanisms, including specific advertising, background and foreground banners in media, on costumes, in program agenda, and through non-broadcast communication.

The private sector, particularly the alcohol industry, has played an increasing role in the provision of alcohol-related messages, particularly on drink-driving, through many billboards and building advertisements. One alcohol company has set up an organisation to promote responsible drinking and drinking guidelines among tertiary students.

ThaiHealth and its allies, by contrast, have promoted public campaigns with broader content, including drink-driving, alcohol-free activities and periods, and the negative consequences of alcohol. Many of ThaiHealth's messages are widely recognised, such as the *Stop Drink-Stop Poverty* series in 2006.

- **Warning labels**

Interventions on warning labels were launched by the FDA and the OCPB. MOPH announced that the message '*Drinking reduces driving competency*' was to be attached to beverage labels on 12/04/1997. On 4/06/2003, the OCPB declared an additional phrase '*Under-18s should not drink*'. Only one month later, on 8/07/2003, MOPH replaced its 1997 announcement with Announcement No.272. This Announcement requires these three messages to be attached to beverage labels, "*Selling to Under 18s is illegal; Drink driving reduces driving competency; Under 18s should not drink*" (The Announcement of the Ministry of Interior No.16 B.E.2537, 1994). On 26/11/2003, MOPH reaffirmed these same messages in Announcement No.275 (*The Announcement*

of the Ministry of Public Health No.275 B.E.2546, 2003), perhaps to solve legal conflicts of authority.

5.4.7 Treatment and early intervention services

Alcohol dependence treatment is mainly the responsibility of publicly funded institutions, especially the MOPH's subordinate agencies. The Department of Mental Health (DMH) and the Department of Medical Services (DMS) are responsible for providing technical support to health care practitioners. However, a national treatment policy has not yet been formulated. Areas in need also include increasing accessibility, screening and treatment standards, including clinical guidelines, infrastructure development and systematic evaluations (Arunpongpaisal, 2006).

By law, Courts can refer convicted people with alcohol problems for compulsory treatment if appropriate (Sornphaisarn, 2005b). On 28/02/2006, MOPH made an announcement which urged its subordinate agencies to screen their public officials and staff for voluntary treatments (Sornphaisarn et al., 2006).

Self-help groups, such as Alcoholics Anonymous, have a minimal role in the Thai context. Adaptations of this mechanism have not been well accepted and most clients are foreigners (Arunpongpaisal, 2006).

Table 5-9: Alcohol policy interventions and the main responsible agencies

Interventions	Major responsible agencies
Price and Taxation	
Tax regulation	Excise Department, Office of Fiscal Policy (MOF), MOF
Tax collection	Excise Department, Customs Department (MOF)
Illegal suppression	Excise Department, Police officers
Physical availability regulation	
Outlet licensing	Excise Department
Outlet location/ Place of sales	Excise Department, Ministry of Interior
Time of sales	Excise Department, Ministry of Interior, Police Officers
Minimum purchasing age	Excise Department, Police Officers, MOPH
Selling to Intoxicated people	Excise Department
Modifying drinking context	
Promotion of alcohol-free events/period	ThaiHealth & associates, MOPH
Drink-driving countermeasures	
Oversee and monitor	RSMC, Department of Disaster Prevention and Mitigation (Ministry of Interior), DDD Foundation
BAC enforcement	Police Officers, Ministry of Interior
Regulation of alcohol promotion	
Advertising channels and content	PRD, FDA, OCPB
Warning attachment	FDA, OCPB
Education and persuasion	
Public Campaign	ThaiHealth & associates, MOPH, Private sector
Warning label	FDA, OCPB
Treatment and rehabilitation treatment	
treatment	DMH and DMS (both MOPH)

5.5 Conclusion

Thailand is administered by three separated mechanisms; executive, judiciary and legislative. As the chief of the state, the King has great significance to Thai society. Alcohol policy is legislated by many forms of regulation. Different levels of law require different procedures, and thus have a different process.

Thai alcohol consumption volume has increased significantly over four decades, while evidence shows a gradual increase in drinker prevalence in both genders, particularly in the young population. Many societal changes have partly supported this growth, including increasing income and affordability, urbanisation, increase in the proportion of adults in the population, and the lessening of social controls.

Many alcohol policy interventions were strengthened during 1997 to 2006. The termination of the alcohol production concession, traditional beverage legalisation, international economic agreements, the establishment of ThaiHealth, and the ACC Bill

development were the significant changes in alcohol-related areas. The practices of alcohol operators, such as tied selling and the attempt to be listed on the stock exchange market, also created spillover effects on the alcohol market, consumption situation, and alcohol policy process.

Chapter 6

AGENDA SETTING

“The profits are huge. Chareon reinvests them heavily, not in improving the product but in improving his protection. General Prem, who was the PM when he secured the first concessions, became a chairman of one of his companies. General Chatichai and his cabinet members, who renewed his concession without competitive bidding in 1989, were found to have received 900 million Baht gift cheques from Chareon companies. General Suchinda the next PM who once vowed to dislodge Chareon, fell under his arm later. General Chavalit is a long time associate. According to rumour, Chareon’s annual ‘Public Relations’ budget is 2 billion. That would go a long way even among generals. It would go even further among government officials who make and administer the liquor rules.”

[Nation Newspaper 23/07/2001]

Agenda setting is the process that turns problem(s) into a policy agenda. In many models, it is the first part stage of public policy process. However the agenda setting process links with and shapes all policy stages. This chapter explains how alcohol-related problems have been taken into account by those policy makers, through the analysis on the components of agenda setting process components. The agenda setting process of tax rate adjustments, advertising regulations, and ACC Bill, including the similarities and differences in their agenda setting processes are discussed in *Appendix C*.

6.1 Introduction

The boundary between the agenda setting and policy formulation phases may be indistinct; many elements are integrated, therefore many public policy models do not separate it out as another stage. This thesis applies Walt’s four-stage model (Walt, 1994), where agenda setting is the first of the four phases. The agenda setting process

comprises of two parts; problem structuring and issue recognition. Problem structuring is the process by which stakeholders see and understand the problem. This element, although implicit and difficult to identify, is vital as the steering mechanism for all policy phases (Dunn, 2004), not only agenda setting. The way policy players think about problems determines their role in the policy process. Issue recognition or issue expansion, the second element, is the explicit part of the process of developing a policy agenda.

Agenda setting involves most, if not all, policy players but some are more important than others. Policy makers, opinion leaders, organised interests and mass media have very important roles in the agenda setting process. These policy players can also stall the process by putting any issue in dormant mode, freezing or rejecting it.

Particularly in modern times, the mass media have had an essential role in both elements of the agenda setting process. It plays the role of gatekeeper in putting a problem on the media agenda, then on the public agenda and finally on the policy agenda, as well as maintaining momentum. The media is involved in not only publicising the problem, but also identifying the relevant factors, conveying the news to stakeholders, shaping the policy debate to extend the scale of problem from individual to public, and broadcasting news and data to support policy decisions (Wallack & Dorfman, 2001).

For issue recognition, this thesis employs the Kingdon three-stream model, consisting of problem, politic and policy streams. The windows of opportunity for agenda setting do not open by themselves, but through the facilitation of a *Policy Entrepreneur* (Kingdon, 1995). Many players can be facilitators, but the perception of policy makers is crucial and core to the process of taking up a policy agenda.

Actions in a policy area can create significant effect in other areas, in the forms of *feedback* and *spillover* (Kingdon, 1995). In the Thai alcohol policy process, many policy agendas were set up from the result of movements of other interventions and policies.

6.2 Problem structuring process

According to Dunn classification of problems by their structure (Dunn, 2004), alcohol-related problems are arguably '*Ill structured problems*', involving many decision makers, many alternatives, facing various conflicts and unknown or hard to predict outcomes. The differences in policy stakeholders' perceptions of consumption and problems direct their respective roles in the process.

Alcohol-related problems are different by nature, as are alcohol policy players. The stakeholder perceptions on each negative consequence, therefore, vary by the nature of the problem, as well as by the personal and institutional factors of those who structure it. This section explores policy players' conceptualisations of the following selective situations: overall consumption level, youth drinking, road safety, existing alcohol policy, and how they publicise their perceptions and see other's perceptions.

6.2.1 Consumption volume

Traditionally, information on average consumption volume has not gained much public attention, perhaps because it is not a concrete negative impact. In addition knowledge on the linkage between consumption volume and severity of problems has not been well publicised.

It was not until during the 2003 partial ban process that Dr. Yongyuth Kajorntham, Consultant to ThaiHealth, revealed stunning data, which indicated that in 2000 Thai adult per capita consumption ranked fifth in the world at 13.59 litres of pure alcohol. This shocked stakeholders and the general population, and has since provided strong momentum for health camp players. Later in 2005, the per capita consumption in 2000 was revised down by WHO to 8.40 (Center for Alcohol Studies, 2006), which changed Thailand's ranking for overall consumption in 2000 to 43rd. However, many pro-health advocates still continue to use the '*Fifth highest in the world*' phrase, and other ranking data in their actions, including the fifth rank for highest distilled beverage consumption

in 2001 (Sornphaisarn et al., 2006) and sixth rank for road traffic mortality [Krungthep Thurakit Newspaper 20/11/2004].

The expressed perceptions of increased consumption vary significantly. Players in the health camp frequently refer to the rapid increase in consumption volume and drinker prevalence in their advocacy. The target of reducing overall consumption was established by ThaiHealth Alcohol Consumption Control Program (Thai Health Promotion Foundation, n.d.-b) and Healthy Thailand Project of MOPH. However, many see that public awareness on the consumption situation is still not adequate to drive the policy agenda.

“Citizen movement on the alcohol issue is not strong; perhaps because they are unaware on the linkage between high consumption and the impact to them”
[An alcohol policy expert].

“We have a high social awareness of the consumption situation, like never before. But we still have little public pressure” [An SDN key person].

Players from the alcohol industry, on the other hand, almost ignore and reject the data on consumption volume, particularly the fifth ranking. Some explain the shift from unrecorded beverages as the main contributor to the increase in consumption, rather than absolute drinking volume. Increasing consumption is not a concern among entrepreneurs, who therefore do not rate the worthiness of reducing overall consumption. Some are even proud of their contribution in raising the consumption level [Prachachat Thurakit Newspaper 24/09/1998] and look for further opportunities to increase it.

“Thai beer consumption grew from 8 litres in 1994 to 12 litres per capita in 1996, but over all it is still very low compared with international level” [An administrator of an international alcohol company, Khoo Khang Raiwan Newspaper 4/08/1997].

“While ThaiHealth teaches others to follow the 5th Precept, they are violating the 4th Precept (5th Buddhist Precept prohibits alcohol drinking, 4th Precept

prohibits telling a lie). *ThaiHealth intentionally gives the wrong data to spin the policy makers, one day I will expose this dodgy organisation. They don't know the difference between production and consumption data.*" [A consultant to a domestic alcohol company]

"We don't think that there has been a significant increase in consumption in Thailand in this ten year period; the increase just represents a shift to include unrecorded consumption." [An administrator of an international alcohol company].

The ED officially declared its vision and mission to promote 'social value and natural environment'. The ED Director once clearly stated that *"We have to use tax mechanism, particularly on tobacco, alcohol and massage, to improve the society"* (Samitsarn Journal, 2005). However, the practical mandate for the ED is to maximise the alcohol-generated tax. This may imply that ED has not been much concerned with the consumption level. Another ED Director said *"It sounds nice to say that our department is to support society, environment and natural resources. But that is not our main mandate. We should be tax collecting experts."* (Samitsarn Journal, 2006) This practical stance is well accepted among officials in the ED and related sectors.

"The announced mandate is actually a minor one; the major one is still to collect revenue, not to support the social and environment as stated". [An MOF technocrat]

"Our mandate is to collect and deliver our target. If we cannot achieve the revenue target, we feel guilty. Our performance depends on the amount of revenue we can find". [An ED technocrat]

The position of Executive officers with regard to the consumption situation seems to be split. Some members have expressed concern about the trend while some; particularly in the economic sector, value the high tax revenue and economic benefit of high production and consumption volumes. A senator once commented on the position of the PM on alcohol policy that *"The PM (Thaksin Shinawatra) was only concerned about business and economics and ignores social issues"* [Krungthep Thurakit Newspaper

8/02/2006]. Furthermore, government support in the 1990s played a major part in the rapid increase in beer consumption (Laichuthai et al., 2002).

6.2.2 Youth Consumption

Youth consumption provides some common ground among policy players, who however often see this situation differently. The most important event that raised social concern about youth drinking in this period was the speech given by the King concerning youth smoking. This is although the King did not address alcohol consumption.

Players in the health camp continually cite the attention-grabbing data about the increase in youth drinker prevalence, such as ‘six-fold growth in a seven-year period among 15-19 years old females’, in their advocacy (Sornphaisarn, 2006b). They define high availability, cheap price and marketing including advertising as key factors. Most participants in the anti-alcohol public campaign agreed that preventing youth from becoming new drinkers is one of the two most important objectives (Sathapitanont, 2006c). However, many key players in the health camp configure youth consumption in different ways, particularly with regard to drinking guidelines and MPA.

“If over 18s are eligible to vote, they should be mature enough to think for themselves on anything else” [Dr. Thawat Suntharajarn- DDC Director, in response to the MPA raise, Nation Newspaper 19/10/2006].

“It is time to change the paradigm of the public campaign to reduce youth problems, from an anti-alcohol or prohibitive concept to responsible drinking education” [Dr. Tairjing Siripanich- Secretary General of DDD Foundation, Siamrath Newspaper 10/10/2005]

Equally, executives have different positions on youth consumption and its causes. Some stances seem to have a significant effect on the policy process. For example, the PM (Thaksin Shinawatra) stated that the implementation of MPA should not be too strict. He disagreed with the use of ‘Sting operations’ in trapping alcohol sellers to youth,

“This is not a serious crime. It is illegal because the law says so, not because the seller is bad by nature”. On the best solution he stated that, *“for youth drinking, we better organise the mental health camp during school holidays...we should organise the Tea Dance party in the afternoon as alternative for night time entertainments”* [Matichon Newspaper 18/12/2004].

Alcohol entrepreneurs claimed that they have avoided marketing to youth. However, evidence shows that many marketing practices may not conform with such claims, such as launching of the youth-friendly beverage, cheap little-bottles of White spirits [Thansethakit Newspaper 14/03/2004], and conducting promotions targeting youth , which was also done as brand-sharing products advertising. A beer company once admitted that using young celebrities as presenters increased their sales by 15% [the official record of Senate meeting 24/04/2003, cited in (Sathapitanont, 2006a)]. According to alcohol entrepreneurs causes of youth drinking include the weakness of parents, environmental influences, and lack of knowledge among youth. A foreign alcohol company administrator once proposed allocating 25% of advertising broadcast time to education about responsible drinking and drinking consequences. [Krungthep Thurakit Newspaper 13/10/2005]

“We have to think clearly on the cause of problems. Family is the origin of youth problems” [A representative from a beer company in the public hearing event for advertising regulation 16/10/2006]

6.2.3 Road safety

Drink-driving is a so-called open field for most alcohol policy players, and the alcohol-related consequence of most concern in Thailand. The high road traffic mortality and morbidity, particularly in festive periods, forced the Government to put road safety on the national agenda and set up the RSMC as coordinating agency. These actions reflect the high priority given to drink-driving by policy makers.

“In Thailand road accidents are considered one of the top three public health problems in the country. Despite the Government’s best efforts, there are sadly

over 13 000 deaths and more than one million injuries each year...The problem of road traffic injuries is indeed a highly serious one, but it is also a problem that can be dealt with and prevented through concerted action among all the parties concerned. Through the leadership and strong commitment of the Government, we are confident that our efforts will be successful.” [Thaksin Shinawatra (World Health Organization, 2004d)]

Drink-driving is the significant entry point for alcohol policy advocacy. It is the clearest evidence of alcohol externality and also provides a platform for creating stakeholder networks. The road safety situation is always on the media radar. Most media report the death toll on a day-by-day basis during every festive period; the so-called ‘(death) counting festival’.

“I began my involvement with alcohol around 2003, at that time there was the concern for road safety. The proposal of RSMC was postponed for many times. We identified that social support may help move this frozen process. Then the SDN was established”. [An anti-alcohol NGO leader]

“Historically, the consequences of most concern were alcoholism and cirrhosis. But what changed the setting is the drinking externality; now the concern is on traffic accidents and violence. Road traffic injury has lower frequency than violence, but it gains more social attention”. [An alcohol policy expert]

“Road traffic injury has a comparative advantage as the entry point for alcohol policy arena, as its effect are quickly seen and obvious, compared to violence or cancer. But this is more and more difficult to sell. We have no new attractive information. The media seemed bored with traffic injury... Some media start to question the worthiness of investing in drink-driving as the death toll has not decreased yet.” [A road safety expert]

Many alcohol operators participated in the drink driving issue through public campaigning, launching an alternative vehicle programme, setting up an agency to work with youth on this issue, and providing breathalysers for entertainment venues. 5 and

8.7 % of the population referred to Heineken and Johnnie Walker respectively, when they recalled drink-driving campaigns (Sathapitanont, 2006a). Most industry campaigns focus on drinker responsibility. Furthermore, some alcohol industry projects may be questioned on their hidden agenda. A foreign company introduced a campaign ‘Drink smart-Drive safe’ [Nation Newspaper 10/10/2004], instead of using the launched phrases ‘Don’t Drive Drunk’, or ‘Don’t Drink and Drive’. The involvement of alcohol entrepreneurs in the drink-driving issue is a controversial issue. The majority of the population and alcohol policy players disagree with such participation (Sathapitanont, 2006a), although some health camp key people take a different stance.

“Drink-driving law enforcement is so downstream, we will create the safe drinking culture which is more effective and solves the problem at its root cause”
[Kriangsak Lohachala, REACT Chairperson’s address at the launch of the ‘Road safety: Who is responsible?’ project to promote drinking guidelines, Naewna Newspaper 3/10/2005]

“I don’t care who will help us, it is a win-win situation, every body is happy. We are not trying to fool anyone, every partner agrees to join” [Dr.Tairjing Siripanich, General Secretary of DDD Foundation cited in (Pantawanan, 2001)]

6.2.4 Existing alcohol policy situation

The perception of the existing alcohol policy situation significantly determines the role of stakeholders in the policy process. The idea of developing the new ACC Bill originated from the collective perception of the fragmentation, redundancy and lack of common purpose in existing alcohol-related laws (Futrakul, 2006a, 2006b). Other undesirable conditions included the splitting of responsibility between many organisations, inadequate use of knowledge in the process, and the imbalance of the alcohol policy mix.

Most policy players seem to agree about the situation of poor policy enforcement. However the alcohol industry’s agenda in calling for stronger enforcement is possibly to avoid the enactment of stronger alcohol legislation. For example, industry

representatives recommended that the government strengthen the enforcement of the existing laws in a lobby against the 2003 partial advertising ban [Post Today Newspaper 9/07/2003].

“The difficulty is in how to strengthen the law enforcement. Lack of enforcement also backfires on those public campaigns and discredits all organizations.” [A road traffic injury expert]

“The first thing Thailand should do is to increase enforcement of existing policy, and just ignore new policy. We don’t have to fight on a new policy debate. Consistent enforcement of existing laws will clean up at least half of problems.”
[A former SAO staff member]

“The survey shows that 99% of the population know and agree with the Don’t Drive Drunk concept, but many still offend. This is because enforcement is weak.”
[A Drink-driving NGO administrator]

6.3 Issue recognition

According to Kingdon (1995), the chance for a problem to be upgraded to the policy agenda depends on the opening of the window of opportunity in the problem, political and policy streams.

6.3.1 Problem stream

Policy makers attend to a problem only if it is perceived as something that needs to be changed. Theoretically, policy makers sense a problem situation through many mechanisms; technical and general, directly and indirectly. Passive perception is more common particularly among politicians, compared to active problem searching. This passive mechanism can be in the format of a report, policy brief, lobbying, and most importantly through the media.

“Thaksin (the PM) was exceptional in being active in finding a policy agenda, he chose any agenda with which he could gain political popularity, and also forced the Cabinet members to come up with concrete results. His Cabinet explored NACCC, seeking ways to gain recognition. On the positive side, we don’t have to do much if the effort originates from politician.” [An alcohol policy expert]

Public media is increasingly important for problem perception. However, it is not neutral but has its own interests, in particular problems and related factors. Furthermore, alcohol is one of many problems competing for limited media space and attention. Policy players also have to compete for media space to move the policy momentum toward their preference, including buying exclusive media space for their policy advocacy.

“What we learnt from tobacco, we have to win the media first and public later. If media don’t take an interest in our issue, the public won’t either. Hundreds of agencies want to have media space, not only us. The alcohol industry presents some opposing data and also discredits and blames us.” [A ThaiHealth staff member]

“There are, of course, media that are close to the alcohol industry, particularly in the sports sector. However, there are also media who are anti-alcohol. There is some sort of balance, I would say. In the same newspaper we can see the diversity of messages on this issue. Media on both sides are competing for space” [A Newspaper Editor]

“Their tactic to buy newspaper space is to convince policy makers about raising the tax rate for White spirits. Those who don’t know this issue well enough would be convinced by their information, and may think that the tax rate is unfair.” [A consultant for a domestic alcohol company]

In terms of time variation, alcohol-related problems can be classified into three groups; stable, seasonal and interrupted. Each group grabs media and public attention differently. Stable problems such as the incidence of alcohol dependence may not be

very attractive compared to more dynamic problems. The media tend to focus on seasonal problems during the peak times, such as road safety in festive periods and youth drinking during university orientation period at the beginning of the academic year. Policy movements for such problems are also clustered in that period. Some occasional events can win media and public attention, if the content, impact and people involved are particularly attention grabbing. When asked about drink-driving, 21.8% of the Thai population refer to a movie star who was arrested for drink driving (Sathapitanont, 2006a). The fatal alcohol intoxication of an 11 year old boy in 2006 made youth alcohol accessibility a social issue [Thairath Newspaper 3/01/2007].

The spillover and feedback impacts also drive the problem stream. A perception of the failure of implemented interventions can open the window of opportunity. The executive's perception of the inadequacy and incomprehensiveness of the 2003 advertising regulation led to the total advertising ban process [Post Today Newspaper 20/10/2004].

The appearance of social elites, including policy makers, and their opinions on problem in the mass media has important implications for the policy process. It signals the interest, commitment and preference of policy makers on that problem. Conversely, such appearances also put pressure back on the policy makers themselves. Policy players, therefore, want to have media appearances by policy makers in support of their interests.

“For the Stop Drink- Stop Poverty campaign, we invited the PM to join our activity at the bus terminal. Having key people in the news can speak for itself.... Our aim is the first page newsWe have no difficulty in working with the PM and Executives. I think he feels happy to participate with us, as this helps his image and because we work on the truth.” [A ThaiHealth staff member]

“I still well remember that the PM once said in his radio program ‘Prime Minister Meets People’ and confirmed in his speech on the Youth Day, 8/01/2006, that he will protect youth from the businesses that delude our youth. Now I call on him to prove his word by banning alcohol advertising.” [Methira Insawang- a university student, Krungthep Thurakit Newspaper 8/02/2006]

The ways in which alcohol policy entrepreneurs work with the media on problems vary significantly. It partly depends on characteristics of policy players, the nature of the issue and the situation. One purpose for media advocacy is to create public awareness, which in turn is essential to the perception of the problem by policy makers.

“How I work with media is in the public relation text book. The concept is if you are accused as a defendant, you should seek the opportunity to transform yourself to be a complainant, or so-called aggressive public relation.” [A domestic alcohol company administrator]

“We have to ignite the trend, or raise the agenda, first and then feed the media with the follow up movements. Our content must be new, innovative and attractive. After gaining attention, we feed the technical knowledge to media and columnists. Normally, columnists don’t find the data by themselves. Only in exceptional cases such as when they are really interested or there is nobody to feed them information...If we are opposed, we have to decide on how to respond, some need news feeding, but some need an official statement. At that time we have to respond immediately...[we] cannot wait until it cools down.” [A ThaiHealth staff member]

6.3.2 Politic stream

The politic stream focuses on the interaction among policy players, including participants who have explicit roles, as well as those who influence the process implicitly, technocrats for example. The executive officers, including the PM and Cabinet members, are always important to other players. In particular, the action of the bureaucrat system is likely to depend on the position of executive officers.

“By mandate we can ban advertising on broadcast media. If the Cabinet urged us to announce the ban, we will do it. But I think the government has many other things to do, more important than alcohol” [A PRD administrator]

Multi-party Cabinets usually direct the Thai Government. Alcohol-related issues generally involve many political parties, who may have different stances. The Thaksin Cabinet was exceptional in this regard, as his party (Thai Rak Thai) dominated the Cabinet during 2001-5, and formed a single-party Cabinet during 2005-6. Unlike other parties, directions on many alcohol-related issues were promoted during pre-election periods. Their pledged manifestos, later fulfilled, include the OTOP project, traditional beverage legalisation, and Universal Coverage health insurance scheme. The first two were associated with traditional beverage production, authorisation and promotion, which led to further tax rate adjustment. The Universal Coverage scheme provides insurance for most diseases, including alcohol dependence, and disease prevention and health promotion interventions, including health risk factor management. Furthermore, Thaksin showed strong leadership in directing the Cabinet and all ministries. His personal position was very crucial for public administration in that period.

“Politicians (Thai Rak Thai party) are just interested in their popularity, and are not concerned with the consequences of and enforcement capacity for legalising traditional beverages.” [A former ED administrator]

“The PM already gave clear direction (not to have the total advertising ban), I don't need to give any additional comment.” [Suwaj Liptapallop, Deputy PM, Krungthep Thurakit Newspaper 7/02/2006]

MOPH and concern for health, social order and ethics seemed to gain less priority in the Cabinet. Politicians tended to focus more on economic interests in the agenda setting process, particularly for multipurpose interventions. For example, most alcohol tax rate adjustments are ignited by economic conditions, such as the financial deficit

“Ministers in economic sector have the loudest voice in the Cabinet. Money can talk, but health and morals don't.” [A public health expert]

In the extraordinary political conditions, the provisional governments, assigned by the Revolutionary military group, may have a different perception of alcohol problems. This is perhaps because most Cabinet members are not professional politicians and may be less dependent on industry support. Many see this period as a window of opportunity

for alcohol policy development. This is partly from the experience of the tobacco control legislation during the 1991-2 Coup period. On the other hand, the alcohol industry may prefer to work with professional politicians. During the ACC Bill process, a group of alcohol companies called for the process to be suspended until the election of a new government [Matichon Newspaper 16/04/2007].

“We have such good opportunity with this government and this parliament. In normal elected period, the alcohol industry will fight and pay as much as they can, particularly to politicians... Not being elected doesn't mean that you cannot do good things.” [A Law academic]

“The normal government are unlikely to be serious on a social issue like this, partly because they have to ask for financial support from industry.” [Dr. Mongkol Na Songkhla- Health Minister, Prachachat Thurakit Newspaper 13/11/2006]

The personal characteristics and connections of politicians has been crucial in agenda setting. The Alcohol Problem Prevention Association (APPA) advocated for drink-driving intervention by using its connection with the PM, who had initiated the establishment of the APPA when he was Health Minister. In another example, some Cabinet members during the 2006 Coup period had past associations with ThaiHealth, including being Board members. As a result, these relationships shortened and eased the connection-building process from ThaiHealth and allies.

“Generally, the process is more difficult with an elected government, but it mainly depends on who the PM is. Having someone who is personally concerned with a social issue, like Mr. Chuan Leekpai, will ease the policy process. Having those who prioritises business and economics will be difficult for us.” [A Public Health Expert]

“Dr. Mongkol is not a hot-tempered person... He knows the process (on a total advertising ban) from the beginning; he knows that the process was frozen. And he knows that this issue has to be dealt with this Government.” [An FDA officers]

The public administrative system allows public officials and technocrats formal channels through which to feed information to the policy makers, while private interest groups may have to create their own channel. However, mechanisms to accommodate stakeholder opinion, such as public hearings, have become compulsory in the modern administration.

“My boss has good connections with politicians, including many Health Ministers. He can make direct contact. Such a link has both positive and negative sides. Last year we were able to enact four tobacco regulations for tobacco, which had been unable to move much since 1992.” [A DDC official]

“The alcohol industry has invested a lot and for a long time, longer than us of course, to make connections with politicians and those potentially influential officials.” [A ThaiHealth administrator]

“We, as researchers, cannot move policy by ourselves. But we have connections with key people, both at MOPH and ThaiHealth.” [An MOPH technocrat]

Public media and street demonstrations are the most vital gateways for players in the health camp. Public media is the channel to publicise problem situations and advocacy events, and to reveal public support. Demonstration is a common method of gaining public attention. The protest against the ThaiBev stock exchange market listing allowed protesters to directly collaborate with the Health Minister.

“After nine days of protest, the PM urged the Health Minister to negotiate, asking us to stop. What he promised is that government will strengthen the alcohol law to be as strong as tobacco’s.” [A religion-based anti-alcohol leader]

Technical forums are another mechanism for facilitating interaction among stakeholders. These forums can work for and against alcohol policy interventions. The conference for beverage producers and like-minded academics provided a platform to strengthen their network, as well as policy advocacy. The Road Safety Conference, on the other hand, was a significant event leading to later advertising regulation. The

rationale for the ACC Bill development and advertising regulation were highlighted at the second National Alcohol Conference, organised by CAS.

“The RSMC effort to deal with alcohol advertising started when I reported the survey finding on the types of beverages consumed prior to accidents, which confirms the linkage between advertising and road traffic injury” [A road safety expert]

“We have to do something about the ease of buying alcohol. I think this is the key factor to reducing family violence. Perhaps we should prohibit product exposure at outlets as with tobacco, and limit outlet licenses” [A leader of a NGO for women stated in Drinking and Violence Conference, Matichon Newspaper 25/08/2005]

Most roles of alcohol industry in agenda setting are on a reactive and /or implicit basis. An exception, the process of the 2005 tax rate adjustment was ignited by an industry lobby [Khao-hoon Newspaper 14/06/2005]. Support from the industry to politicians is no secret (Trirat, 2006) and this connection is significant for agenda setting. The role of SAOs in the agenda setting process is different from the direct role of alcohol entrepreneurs. SAOs worked proactively with media as well as organised technical forums. For example, they organised the ‘Road safety: Who is responsible?’ and ‘Safe drink for the safety for the whole society’ conferences to promote responsible drinking [Naewna Newspaper 3/10/2005, Siamrath Newspaper 10/10/2005]. They also partly hosted the ‘Ad ban: Effective or getting lost’ conference which opposed advertising bans and called for self-regulation [Than Setthakit Newspaper 16/04/2006].

Foreign policy entrepreneurs have also connected with alcohol policy makers through different channels and conditions. Ministers from many countries revealed their interest in investing in alcohol [Phoojadgarn Newspaper 11/01/2003] and automobile businesses [Phoojadgarn Newspaper 25/11/2003], if the Thai government reduced the alcohol tax rate.

In contrast, traditional beverage producers have less opportunity to directly approach policy makers. Therefore, street demonstration and the submission of policy recommendations are their general approach.

“We plan to conduct a national demonstration ‘Assembly Day for traditional beverages people’ on the 9/09 day... under the theme ‘Cheap beverages to overcome illegality’ ... We have around 100,000 members nationwide. On the demonstration day, 500 representatives from 56 provinces will submit our policy request to and discuss with the PM in Bangkok, while the provincial nodes will submit statement to 56 Provincial governors.” [Chawakarn Tosawad-TBPN leader, Than Setthakit Newspaper 2/09/2004]

6.3.3 Policy stream

In the policy stream, many policies have to compete to seize the interest of policy makers. An alcohol policy intervention has to compete with others policies, within and external to alcohol policy boundary. Compared with other policy areas, alcohol policy is frequently seen as a non-urgent issue. An alcohol policy intervention has to then compete with others to solve the same and/or similar problems. Policy entrepreneurs frequently advocate for their preferred alternative, or trade off policies.

“The PM has many other issues to deal with, which are more important than alcohol. The Cabinet also has many problem to think about, particularly political issues.” [An SDN key person]

“We advocate for a self regulatory system among alcohol producers as we know that advertising bans are ineffective from experience of New Zealand, US, Sweden and Denmark” [An administrator of an international alcohol company, Phoojadgarn Newspaper 13/10/2005]

Necessity, feasibility, constraints and social acceptability are common criteria for any policy to win the attention of policy makers. Therefore, policy entrepreneurs have to persuade policy makers on the merits of a policy according to these criteria. Meanwhile

there may not have adequate concern about policy effectiveness. Communication about policy can be conducted through many approaches. The commonly used sources include expert opinion, public opinion from survey polls, and international experience. Again, the media are important for shaping debate and advancing policy (Wallack & Dorfman, 2001), after the problem has been publicised. Policy makers, however, can also open the windows of opportunity by themselves.

Recently, preventive interventions have gained more attention from policy makers, particularly after the establishment of ThaiHealth. This represents a significant swing by policy makers towards the problem-reduction value of alcohol policy. The declared intention of MOF and the Cabinet in their 2005 tax rate raise [Phoojadgarn Newspaper 6/06/2005] and 2007 attempt to amend the Liquor Act 1950 [Krungthep Thurakit Newspaper 4/07/2007], for example, was to control consumption.

“Currently, the policy momentum is toward problem-prevention side, particularly since we have ThaiHealth. I have never seen this phenomenon. Unfortunately, the treatment sector is neglected” [An alcohol dependence treatment expert]

“I am thinking about a tax rate rise, if we get more revenue from this rise we will set up alcoholism treatment centres...I discussed with Chareon (ThaiBev), told him to sell alcohol to only sober customers, to make drinking only for socialisation.” [Thaksin Shinawatra-the PM, Post Today Newspaper 22/04/2005]

The spillover effect from other policies, including the failure and the inadequacy of interventions, significantly affects the perception of policy makers. For example, the total advertising ban was raised when the Cabinet agreed that partial control was not enough and youth were still being exposed to advertising. [Post Today Newspaper 20/10/2004]. On the other hand, alcohol entrepreneurs used the failure to reduce traffic accidents in the 2004 New Year to call for the repeal of the partial advertising ban [Than Setthakit Newspaper 18/01/2004].

“You can see the difficulties the FDA has to face in declaring the advertising ban... The whole ACC Bill process is even more difficult. I don’t know how long it

will take. If support is not strong enough, this Government will end up doing nothing.” Dr. Mongkol Na Songkhla-Health Minister, in the Second National Alcohol Conference, 14/12/2006]

6.4 Conclusion

Agenda setting is generally symbolised as the beginning of the public policy process. It consists of two components; the implicit problem structuring part and the more tangible issue recognition part. The Thai alcohol policy process shows differences in how stakeholders think about and perceive alcohol-related situations, which shapes their roles in all stages of the process. This difference is easily spotted in the policy discourse of players from the health and industry camps. The fundamental controversial issues, mentioned in chapter four, and interests in alcohol policy partly underlie this conceptual dissimilarity.

Issue recognition is the process by which policy makers pay attention and commit to a particular problem. The Thai experiences confirm that the actions of stakeholders in three streams’ problem, policy and political, are important to open the windows of opportunity. Some players may have a particular role in opening the windows of opportunity for the process, including creating and facilitating such opportunity. There seem to be the big ‘click’ events, triggering the opening of windows in each stream. Some opportunities were unexpected, while many were spillover effects from movements in other areas. The public media are very crucial players in shaping the perceptions of policy makers and the general population in this stage.

Chapter 7

POLICY FORMULATION

“Alcohol policy should strike a happy medium. It is impossible to completely eradicate alcohol, but we should aim for preventing harmful consumption, particular among youth. Drink for socialisation is acceptable, if it is not too excessive. It is like how microbes are important for a healthy body. A healthy body should have 18% of germs; too few or too much both undermine healthy life.” [Thaksin Shinawatra- PM, Post Today Newspaper 7/07/2006]

Chapter Six explained how alcohol-related problems could be upgraded from problems concerning some into something policy makers have to respond to. Sequentially, this chapter then conceptualises on how policy makers use their responsibility and authority to create concrete output. Policy formulation, the ‘moment of truth’, is of critical importance in determining any impact the policy can contribute to.

This chapter explains the ‘panoramic’ formulation process for Thai alcohol policy that is comprised of fundamental and optional decision-making processes. The fundamental ‘macro’ decision is to set up the general policy direction and policy formulating strategy. In this section, the policy values of and influencing strategy used by various stakeholders are thoroughly analysed. The optional ‘micro’ decision section describes how a particular policy is made, and analyses process-differentiating factors, or factors that make the policy formulation process different. The formulation of alcohol taxation and advertising regulations is thoroughly discussed in *Appendix D*.

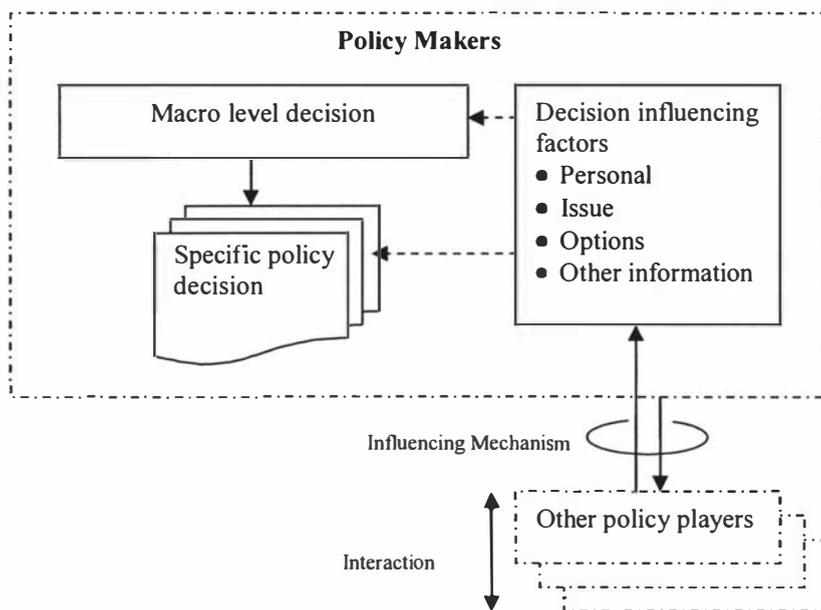
7.1 Introduction

The policy formulation is not only legislative process, but is also comprised of a series of overt and covert activities, depending on the policy system and situation. The explicit components include problem forecasting, objective and priority setting, public hearings,

options analysing and impact assessment. Most public policy formulation then includes behind-the-scene activities, such as lobbying and negotiation. The agenda setting and formulation process are not clearly distinguished. Many components of the formulation process could be considered as the continuum of an agenda setting process.

Taking into concern the availability and accessibility of knowledge and information, this thesis sees the incremental model as the more appropriate approach to explain Thai alcohol policy formulation. But it also borrows the ‘two-step decision’ concept from the Mixed-scanning model, Kaufman’s concept of the decision making process, and the influence of other stakeholders to analyse the formulation process. The Macro or Fundamental decision section describes how the policy direction is made, by focussing on the policy values given and policy formulating strategy used by policy makers and key players. The Micro or Optional decision section then explores factors that influence and differentiate the formulation process for alcohol policy interventions, focusing on how policy makers see the existing setting and how they make practical selections from the policy choices available.

Figure 7-1: Analytical framework for policy formulation process



7.2 Macro level decision

Considering alcohol policy as a whole entity, critical factors that mould policy direction include policy values held by policy makers and other stakeholders, and preferred policy formulation strategies. Alcohol policy values determine the participation of stakeholders in the process. For example, policy makers in the MOF may want to use taxation as a tool to maximise state revenue, while it may be viewed as a way to promote domestic industry by MOI and as a disease prevention tool by MOPH. Preferred formulation strategies given by stakeholders determine the way these policy entrepreneurs do their business. Apart from the general formulation strategy used in the Thai public administration system, other selective issues include the effect of tobacco control policy, social mobilisation strategies and issues of stakeholder participation.

7.2.1 Policy values and objectives declared by policy makers

Taking into account their value, alcohol policy interventions can be roughly divided into two groups; single and multi-purpose. Interventions that clearly have the primary aim of preventing alcohol-related problems include drink-driving countermeasures, advertising control and warning messages. Therefore, the fundamental intention and rationale in legislating for these policies are easily understandable. In contrast, values of multi-objective interventions as given by policy makers, such as alcohol taxation and physical accessibility regulation, are more complicated and may change over time. The change of dominant values in policy leads to a shift of the policy trend.

Table 7-1: Declared objectives for excise tax rate adjustments, 1950-2003

	1950	1956	1958	1962	1970	1972	1973	1975	1978	1980	1981	1982	1985	1987	1991	1996	1996	1997	1998	2000	2001	2003
Economic appropriateness			#	#				#		#		#	#	#		#	#	#	#		#	#
To raise revenue		#			#	#	#		#		#									#	#	
Legal consistency										#		#			#					#		
Others*				#										#						#		#

Note: * to increase domestic production in 1962 and 1987, fairness of competition and to be relevant to production liberalisation in 2000, and to promote for local wisdom and community economy in 2003

Source: the Royal Gazette

Particularly for multi-purpose interventions, Thai policy makers give less attention to the problem-reduction value of alcohol policy (Kajorntham et al., 2004). Meanwhile, economic values seem to have the principal priority in alcohol policy history. For example, health protection or consumption control are not addressed as declared objectives for 22 tax rate adjustments from 1950 to 2003, as shown in Table 7-1. This situation also can be seen in other interventions that have economic implications, such as advertising control and outlet licensing.

Apart from economic considerations, social order is another important value for Thai policy. The objectives of the first MPA regulation and time of sales control, declared in 1972, were to maintain social stability (The Revolutionary Announcement No.253,1972; The Revolutionary Announcement No. 294, 1972). Legal consistency has been a common rationale for policy decision-making, so as to remove legal conflict with other laws. The first time sales regulation was announced in 1961 it was relevant to the Commodity Regulation Executive Decree B.E. 2504 (1961) (Ministerial Law No.35 B.E. 2504 , by the authority under the Liquor Act B.E.1950, 1961). It was not about consumption reduction.

“...Currently, there is evidence that our youth have misbehaved, and are under unfavourable circumstances that can harm physical, mental health and our morals. With the lack of appropriate prevention, treatment and care, these could be hazardous to our society and country” [The Announcement of the Revolutionary Group to prohibit under age alcohol drinking (The Revolutionary Announcement No.253, 1972)]

It is only recently that alcohol-related problem prevention, health in particular, has been raised as a primary purpose (Poapongsakorn, Leelahanon, Suksiriserekul et al., 2005). The 2005 adjustment is the first ever tax rate increase claimed for consumption control. The ED's 2005 announcement on time of sales regulation is declared to decrease selling time leading to alcohol consumption control (Ministerial Law on Permission of Alcohol Beverages Selling Time for Group 3 and 4 Licensees, 2005). In the discussion, an NLA member stated that the ACC Bill is the signal of 'power shift' from MOF and MOI to MOPH [Phoojadkarn Newspaper 28/03/2007]. Many factors have reinforced the

health-protection value; including public awareness and emergence of alcohol-related agencies, such as RSMC, ThaiHealth, and NACCC.

“The rationale for this Ministerial Law is to reduce alcohol consumption among people, as drinking high percentage beverage causes more negative impacts than low percentage.” [Ministerial Law on beverage classification and taxation rate 2005, in (Ministerial Law on Beverage Classification and Taxation Rate No.2, 2005)]

“The first and second periods cover the management under a monopoly system and liberalised system respectively. The policy trend in both periods is just about revenue maximisation. This Bill will mark the beginning of the third policy period. In just ten years, there have been the attempts to control accessibility and marketing, to prohibit youth drinking, to protect consumers and risk groups. This draft Bill is the outcome of such efforts, and is close to being a first success. It is a landmark symbol that our alcohol policy is moving from control and revenue to harm reduction.” [Kamnoon Sithisamarn- an NLA member, Phoojadkarn Newspaper 28/03/07]

Although the positions of policy makers have become clearer, there is not a uniform trend toward health. Other values have not faded in importance; some have even been enhanced recently. In terms of direction, the promotion of traditional beverages to strengthen the local economy has created policy conflict and public confusion (Sangkhaman, 2005). In 2004, NACCC defined the attempt of MOF to abolish the Liquor Act 1950 and shift alcohol taxation under the Excise Taxation Rate Act B.E. 2527 (1984) as a threat to public health (The National Alcohol Consumption Control Committee, 2004c). This was because the Excise Taxation Rate Act is designed for generally less-harmful commodities and is concerned with tax collection efficiency and revenue maximisation. This effort indirectly stimulated the ACC Bill process.

“Most people are positioned between ThaiHealth and industry in the middle of a tug-of-war situation... I think now politicians are beginning to declare their position, although staying in the middle ground. But this is a better situation. Prior to this, politicians had no stance and did not think much about alcohol. So

forcing them to have clear position is good for the process.” [A ThaiHealth administrator]

“Currently the Liquor Act is going to be repealed. Alcohol taxation law will be merged into another law that is more appropriate for the current socio-economic situation. This will further simplify the licensing process and will focus on taxation collection. This process is being considered by the parliament. But overall, it is not aimed at controlling alcohol-related problems. Therefore, we need also to gather the scattered laws and merge them into one law aimed at problem control.” [The NACCC legal sub-committee report, (The National Alcohol Consumption Control Committee, 2004c)]

7.2.2 Policy values, given by other stakeholders

Seeing alcohol policy differently, the values given by stakeholders to alcohol policy depend on many personal and institutional factors. Focusing on interest in alcohol policy, the values of health and alcohol industry players are clearly distinguishable. There are, however, many health officers who locate their preference far away for their companions. Although most people in the industry camp share many common stances, their positions on some sensitive issues are vastly different.

Alcohol-related negative consequences are undeniable for stakeholders in both camps. Many agree with the ‘benefit and harm balancing’ concept, particularly for multi-value interventions. The ultimate goal in this paradigm is to achieve the optimum setting, where alcohol policy should not minimise the benefit.

A decrease in alcohol-generated benefits, or the negative impacts of alcohol policy particularly in economic terms, is a common policy discourse for the industry. For example, the CEO of an alcohol company claimed that a total advertising ban would create 100,000 unemployed [Post Today Newspaper 19/10/2006].

“These measures do not attack the root causes of the problem. They will destroy alcohol industry by the misconception that all beverages are bad and are

the cause of all problems...The advertising sector will lose 1.5 to 2 billion Baht (by the ACC Bill)... Related sectors such as bottle shops, restaurants and tourism will be affected by at least 10 % or about ten billion Baht” [Suthabodi Sattabut-Assistant Manager Boonrawd Brewery, Siam Thurakit Newspaper 21/01/2006]

“Some drinking causes no problem at all... We can be harmlessly happy with alcohol if we can control our drinking. The Student Orientation Program won’t be fun with out drinking... To control is the key, but to abolish is not...This will provide the balance policy”. [A former SAO staff member]

Stakeholders in the health camp tend to focus on problem reduction. Many perhaps are not convinced by the concept of benefit and harm balancing although alcohol-generated benefit is recognised. Their discourse commonly consists of the urgency, necessity and justification for alcohol policy and particular interventions. The rationale for consumption control has been commonly raised as a policy priority.

“The ideas of reducing consumption and getting more money are incompatible, mutually exclusive”. [A MOPH legal officer]

Some health camp stakeholders justify their strong and extreme stance as a negotiation tactic, or as institutional values, although with insight on being extreme.

“Although we realise that we do not have to say ‘no alcohol’ all the time, our organisational role doesn’t allow us to say otherwise. Otherwise, we will create a grey area. But if you notice, our campaigns did not send ‘No alcohol’ messages to all population.” [A ThaiHealth staff member]

Stakeholders in between two poles, including public officers in economic sectors and professionals, appear to have the most value diversity on alcohol issues.

“I used to be a ThaiHealth committee member, but cannot tolerate those doctors. They just blamed tobacco and alcohol, they do not have economic sense at all...We have to see the globalised and liberalised world... have to take into account policy feasibility in the real world first; we don’t need policy that is so

strong it wipes out all entrepreneurs. We have to find the mid way.” [A former ED administrator]

7.2.3 Policy formulation strategies

Thai alcohol policy formulation has been manipulated by many fundamental strategies and ideologies, including the strategy of following tobacco control policy and the role of social mobilisation. Among these, the most controversial strategy is perhaps the issue of stakeholder participation, particularly the alcohol industry.

A. Policy formulation strategy in general

The alcohol policy formulation process involves many players and competitive values. It is common for policy players to claim that policy decisions and situations will benefit others, their opponents in particular. Health camp players always define unfavourable policy outcomes as attempts to help or serve alcohol capitalists and the influence of the alcohol industry. Alcohol operators often complain that the formulation process is either conducted in closed circles or favours competing entrepreneurs. Frequently, players from both camps define the policy formulation process as inauspicious, premature, untimely, unbalanced and incomprehensive.

“One of the weaknesses is caused by discordance among public agencies, who have different interests...Alcohol is an area with lots of influential players; the alcohol industry seems to oppose whatever the MOPH and social networks want.” [A MOPH administrator]

“Careful action, no haste, and consultation with other partners and those who implement the laws on the feasibility of policies are the key to the compromised policy formulation process. I do not want to see the MOPH as the solo runner” [A newspaper editor]

Many identified the disadvantage of the one-size-fits-all policy formulation at the national level to cover all population sub-groups, which is common in the Thai

centralised authority system. Differences in policy impact in various settings have been frequently referred to in the formulation process. For example, the alcohol industry repeatedly opposed the total advertising ban, questioning the popularity of White spirits without advertising.

“The alcohol industry works differently to the public sector. They differentiate their products to fit with each consumer group. But government is trying to find a single bullet for the whole society, covering all groups. The alcohol industry will make selective claims about the effect on some particular group in their policy debate. For example, they claimed that tax increases are ineffective for chronic drinkers [An alcohol policy expert]

If there is a shared opinion between health and industry camps, it is on the inadequacy of knowledge utilisation in the process. However, it is true that domestic knowledge to support policy formulation is very limited. The number of studies on alcohol policy was far less than on supply and demand. Furthermore, the available data are repeated and redundant and mainly about consumption consequences (Sangkhaman, 2005).

“Policy makers did not take my research finding (against the total advertising ban) into consideration, because the Minister already knows what he is going to do. Overall, the process did not use research knowledge enough, particularly in decision making.” [A health technocrat]

The ways policy makers utilise information in their decisions comprise both active and passive mechanisms. Similar to agenda setting, public technocrats, including legal officers, play a significant role in the active mechanism, where they are assigned to explore possibilities and develop policy proposals. The passive mechanism, on the other hand, includes communications through media, technical forums, events, lobbying and meetings, and working together in public bodies such as ThaiHealth and NACCC. The inappropriateness of information, used by either policy makers or other policy players, is also a common discourse.

“Thai alcohol policy is solely formulated by and within the public sector, using incomplete, false and questionable data. This is one-sided policy, and those

who write it just copy from abroad. The main theme of policy is to blame alcohol. Faulty policy is hard to implement and get good results.” [A consultant to a domestic alcohol company]

These include aggressive approaches to the data created, used and referred to by opposing players. A study that concludes that advertising bans are ineffective was criticised for employing poor methodology and having a hidden agenda from an undeclared financial funding source [Phoojadgarn Newspaper 19/09/2006]. On the other hand, academics revealed that the alcohol industry threatened to petition them for using improper data, after they publicised alleged industry marketing practices [Phoojadgarn Newspaper 19/07/07].

“When publicising research findings, the financial source should be declared. The alcohol industry is always making claims based on data that opposes effective consumption control. This research lacks of morals ... It is just a superficial study.” [Dr. Bundit Sornphaisarn-CAS Director, Matichon Newspaper 20/09/2006]

B. Effect of tobacco control policy on alcohol policy

Tobacco control is a Thai success story for effective evidence-based policy (Beyer & Brigden, 2003). The positive impacts, such as a 23% reduction in male smoker prevalence from 1986-99 (Vateesatokit, Hughes, & Rittiphakdee, 2000) is a result of the anti-tobacco movement which began in the 80s (Vateesatokit, 2003).

The closeness of alcohol and tobacco policy is clearly acknowledged. Many public agencies integrate alcohol and tobacco issues together in their organisational structure, such as MOPH, ThaiHealth, and Excise Department Foundation (later renamed Decrease-Abstain-Quit Foundation). Many key people in alcohol policy impart their expertise from tobacco control. Therefore, to repeat the success of tobacco control a major strategy is to use similar policy interventions, such as advertising bans, tax increases, warning messages and public campaigns.

“Dr. Prakit⁶ once successfully pushed smoking to be a socially unacceptable habit. We should follow that step (for alcohol policy), by banning advertising and beverage placement in outlets” [A representative from a religious network]

“Now our tobacco control policy has explicit and clear direction, but alcohol control policy does not. While alcohol consumption still grows, growth in tobacco consumption has been frozen since 1993... So if the government follows the anti-tobacco experience, we will get the same result, lower consumption but higher revenue.” [A public health expert]

There is not only advocacy for similar interventions. Many identify the benefit of experience in the tobacco control movement, and want to follow in its footsteps.

“We almost need no research on what is effective or not...The alcohol industry is no different to tobacco. They will oppose only effective measures. The alcohol industry will not oppose monks teaching people not to drink, because it doesn’t work.” [Dr. Prakit Vateesatokit, in the Second National Alcohol Conference, 13/12/2006]

“The concept of the ‘Triangle that Moves the Mountain’⁷ works well in tobacco’s case, and would be also useful for alcohol. Experience from tobacco policy teaches us that we cannot move solely on health issues; otherwise the policy scope will be narrowed down to heavy drinkers only.” [A ThaiHealth administrator]

On the other hand, the industry points out the dissimilarities between alcohol and tobacco. This includes safe levels of consumption, potential benefits, and the historical and cultural implications.

“To follow tobacco control is a big mistake. Drinking is different from smoking; it is deeply embedded in our culture.” [A former SAO staff member]

⁶ Thai anti-tobacco policy champion

⁷ the concept to use movements in knowledge, legislative and social sectors to solve a difficult problem

Another recognised difference between alcohol and tobacco policy development is their policy entrepreneurs. The trigger for the anti-tobacco movement was pressure from the US to open up the Thai monopolised tobacco market in the late 80s and early 90s (Vateesatokit, 2003). The foreign entrepreneurs then introduced cigarette advertising to Thai society (Frankel, 1996). Prior to that, the Thai Tobacco Monopoly (TTM) had not marketed their product. TTM did not object to the advertising ban proposal because it could not compete with well-funded international companies (Vateesatokit, 2003). TTM's supportive, or at least silent, position has been seen as the key success factor for the tobacco-advertising ban. After it was enacted, TTM even made complaints against foreign companies for advertising regulation violations (Vateesatokit, 2003).

“The main player in tobacco is the Thai Tobacco Monopoly who was a good boy and did not use marketing. Therefore, it was easy to blame the foreign tobacco companies, the new comers. But in the alcohol field, the big player is domestic companies, who have had extensive connections for a long time.” [A Communication Art academic]

“The alcohol industry is much stronger than tobacco, there are many players. We feel like we are battling with many small but mobile rebels. Some do not respect any rules. Thailand Tobacco Monopoly never lobbies politicians. But alcohol companies reach all of them, every party. They have a way to influence those people, and try to isolate us.” [An anti-alcohol NGO leader]

C. Social mobilisation

Creating social support and pressure has been a common strategy used, particularly among health camp players. ThaiHealth and its allies employ the ‘Triangle that Moves the Mountain’ concept which links social mobilisation with policy development. SDN, as coordinator for anti-alcohol civil society groups, has played an important role in facilitating social mobilisation.

Social mobilisation was organised in many forms and ways. Apart from commonly used street demonstrations, the ‘Running Against Alcohol’ campaign gained 12 million supporters nationwide for the ACC Bill [Phoojadkarn Newspaper 18/03/2007]. Some

movements were more aggressive than others. NGOs for women and youth directly submitted a statement to three major alcohol entrepreneurs, requesting them not to obstruct the ACC Bill process [Phoojadkarn Online Newspaper 23/03/2007]. There were also demonstrations against alcohol policy, such as the ‘Beer girls’ protest against advertising control [Phoojadkarn Online Newspaper 25/04/2007].

“A social movement does not have to be in the format of street protest, it depends on timing. We can also create the right timing, but this also requires hard groundwork.” [An anti-alcohol NGO leader]

“Social support may be the only thing that can balance money and power. And social demand is something politicians cannot deny”. [An SDN key person]

“Social mobilisation is crucial to control alcohol problems in my opinion. We have to make them aware and armed with adequate knowledge so they can conduct demonstrations to create pressure” [A religious network leader]

Revealing the results of public polls is another common approach to show levels of support. Some recent surveys have included specific questions about impressions of the policy process, which creates direct pressure on policy makers. For example, a survey found that 46.4% of population believed there was a secret settlement between the alcohol industry and the government on alcohol advertising regulation [Phoojadkarn Online Newspaper 22/11/2006]. Another survey showed that only 20% of the population believe that the government is sincere in its commitment to solve alcohol problems [Phoojadkarn Online Newspaper 12/07/2007].

D. Stakeholder participation

Mechanisms to accommodate different values and opinions in the public policy process, such as public hearings, were introduced recently. The Article 59 of the 1997 Constitution provides that citizens have a right to information from the public sector if regulations, projects and activities could affect their environment, health, and well being including benefits and detrimental effects (The Constitution of the Kingdom of Thailand B.E. 2540, 1997). The Public Administration Act B.E.2539 (1996) and the

Administrative Court are official mechanisms to challenge public regulation. These mechanisms, however, have been employed in many ways, ranging from extensive consultation to information forums. For example, FDA organised public-private consultation for selecting warning messages, but the FDA's and MOPH's public hearing on advertising ban was criticised as a one-way speaking event.

“According to the Public Administration Act, we have to hear them (stakeholders) first, let them complain and take every comment into consideration if the draft law could affect them. But the law doesn't force us to follow their requests, it requires that we organise the meeting, consider all comments and make our own decision.” [An MOPH legal officer]

“Many forums are completely set up, to inform participants but not to listen at all. We could not call this participation. Of course, policy makers should not believe in all what the industry says, since the alcohol industry definitely has business interests, but some arguments are worth considering.” [A former SAO staff member]

The appropriateness of alcohol industry participation in the policy formulation process has been controversial, not only in Thailand. Conventionally, alcohol entrepreneurs influence the policy process behind-the-scenes through their connections with policy makers. This is perhaps because of the closed nature of business particularly in the concession period. But the increasing role of civil society means that such patronage has been relatively weakened (Trirat, 2006).

Foreign alcohol entrepreneurs have had a more explicit role in the alcohol policy process including lobbying for their participation. They were key participants in the meeting of 30 entrepreneurs in July 2003 to oppose advertising regulation [Post Today Newspaper 9/07/2003] and were criticised for delaying the decision [Post Today Newspaper 11/07/2003]. Subsequently, foreign alcohol entrepreneurs were the key players in setting up the SAOs. These SAOs influenced the formulation process through many modern approaches, including technical forums, activity with youth, and demonstrations of their preferred alternatives such as self-regulation.

Other policy players, including the Executive and Diplomatic officers of many countries, have also determined alcohol industry participation. In mid 2006, the US Ambassador took tobacco and alcohol entrepreneurs to meet with the Health Minister. In late 2006, The French Ambassador together with a few alcohol companies submitted their request to delay the regulation of advertising [Phoojadkarn Online Newspaper 22/11/2006].

“The alcohol companies, including whisky giant Johnnie Walker, said they wanted to have a say in the public hearings on the new Bill being drafted to completely ban all forms of alcohol advertising” [Pini Jarusombat-Minister of Public Health after meeting with US Ambassador and alcohol industry representatives, Nation Newspaper 25/08/2006]

The justification for industry participation in the process relies on the concept of public-private partnership, democracy, the benefits of self-regulation and corporate social contribution, and the opportunity to consider more comprehensive information.

“In any situation the alcohol industry will be a part of society, doing its legitimate business. Isn't it better if industry is responsible? The alcohol industry should have a foothold in any policy preparation; we are part of both problem and solution.” [An administrator of an international alcohol company]

“To formulate policy, decision makers should be clear on the situation. They should invite us for consultation. Listening to alcohol entrepreneurs does not mean that the alcohol industry will write policy. We do not want the participation in the public hearing-like events, but do want discussions with policy makers.” [A consultant to a domestic alcohol company]

The ideological concept that alcohol industry should not participate in the formulation process is a common belief among players in the health camp. These people believe that alcohol industry participation cannot be free from conflict of interest; a lesson gained from their experience in alcohol and tobacco controls.

“From the lesson learned from tobacco control policy, if what we have done gains no response from industry, it is useless. The issues that the industry supports are even more useless. We do not need to listen to them but have to educate the policy makers. Industry should not sit on the same table with policy makers, as we have no common ground. We want to protect health; they just want to protect their profit.” [A public health expert]

“Partnership is for like-minded people with common interests and working in the same way. Chareon cannot be my partner. Can the Singapore football team sit in our dressing room and help us plan how to play? Alcohol industry has a conflict of interest with us, how can we be partners.” [An anti-alcohol NGO leader]

Many health camp players share the belief that the participation of the alcohol industry in the process can bring more harm than advantage. Many also see benefits of revealing the mechanisms and tactics used by the industry to influence the process. This is based on the belief that publicising the many dodgy approaches and connections can create pressure on policy makers.

“Letting them join the table is a risk. How can we trust their sincerity? Participation with policy makers could help them to create and find regulatory loopholes.” [A medical law expert]

“Participating with industry does not provide additional knowledge, even about technical feasibility. It’s just a conflict between knowledge and profit.” [A FDA officer]

“The only way we can do this is to expose alcohol industry strategy, just like anti-tobacco strategies have done. This is to show the public that alcohol is in the dirty tactics business, using money and propaganda to mask their dirty strategy” [An anti-alcohol NGO leader]

However, many key people in the health camp still do not conceptualise industry participation as a serious threat. Instead, they think that the challenge of blocking the industry is good for the adversarial process and stakeholders, such as ThaiHealth.

“I do not mind if alcohol industry representatives participate with policy makers in the formulation, if their voice is not louder, both on and under the table. We have to rethink which approach will lead us to sustainable success. Compromise is my preferred option at the moment, after having considered the situation and resources.” [A road safety expert]

7.3 Specific policy decision

This section focuses on how ‘optional’ alcohol policy interventions were formulated. There were over 20 alcohol policy enactments between 1997 and 2006 and many other attempts, as shown in Table 7-2. Among these there are six tax rate adjustments, six physical availability regulations, five advertising control laws, five warning message regulations, one attempt to amend the drink-driving law and one on the ACC Bill. Given the differing nature of these decisions, describing common practice in their formulation process is not easy.

It is clear that most decisions between 1997 and 2006 were on an incremental basis, gradually increasing the strength of policy from a health perspective. This is despite some regressive decisions such as the reduction of the tax rate in 2003, and the legalisation and promotion of traditional cheap beverages. Many factors significantly influence these decisions, including the existing policy setting, the nature of responsible public agency, the nature of that particular policy, and the policy context.

Table: 7-2: Alcohol policy decisions made during 1997-2006

	Intervention	Decision	Compared to its precursor	Key players	Context
Tax and Price*	Tax rate adjustment 1997	Ministerial law No.113, 1997 (MOF)	Moderate increase for wine and whisky	MOF and ED	Economic crisis
	Tax rate adjustment 1998	Ministerial law No.114, 1998 (MOF)	Minimal increase for beer and wine	MOF and ED	Economic crisis
	Tax rate adjustment 2000	Ministerial law No.117, 2000 (MOF)	Moderate increase for domestic spirit (unchanged for White spirit)	MOF and ED	End of the Production concession
	Tax rate adjustment 2001	Ministerial law No.118, 2001 (MOF)	Minimal increase for wine and beer, Moderate to Major increase for spirits (unchanged for White spirit)	MOF and ED	
	Tax rate adjustment 2003	Ministerial law 2003 (MOF)	Moderate decrease for traditional fermented and White spirit, Minimal increase in other spirits	MOF and ED	Traditional beverage legalization
	Tax rate adjustment 2005	Ministerial law 2005 (MOF)	Major increase for spirits, (unchanged for White spirit)	MOF, ED, OFP	
Physical Availability	Hour of sales	Readopting of existing law by MOPH 2004	Does not change in content	NACCC, MOPH	
		Ministerial Law 2005 (MOF)	Does not change in content	NACCC, Cabinet, MOF	
	Place of Sales	Cabinet resolution 14-12-2004	Reaffirm and New[to ban selling in educational and religious institutions]	MOF, Cabinet, NACCC	the King's speech
		Ministerial Law 2005 (MOF)	Extend to prohibited to gas station	NACCC	
	MPA	Youth Protection Act 2003	Does not change in content	Many social ministries, Parliament	
		Readopting of existing law by MOPH 2004	Does not change in content	NACCC, MOPH	
Drink-driving	To increase enforcement capacity (on process)	Land Traffic Act 1979	To close down identified legal loopholes	Ministry of Interior, of justice, Police, DDD Foundation	
Advertising Regulation	Partial ban 2003	PRD Announcement 2003 (temporary), FDA Announcement 2003, Ministerial Law 2004 (the office of the Prime Minister), OCPB Announcement 2004	Extension the prohibited products for broadcast media from above 15 to above 0.5 percent alcohol	RSMC, Cabinet, FDA, PRD, OCPB, Private sectors	Lent period, awareness on road safety
	Total Ban 2006 (failed)	FDA Announcement 2006 (withdrawn)	Extension from partial	NACCC, OCPB, FDA,	
Education& Persuasion	Warning label	Ministerial announcement 1997 and 2003 (MOPH), OCPB Announcement 2003	New in 1997, add up in 2003	FDA, OCPB	
	Warning messages on advertising	Ministerial Announcement 1997, OCPB Announcement 2002, FDA Announcement 2003 and 2005	New in 1997, to amend and add up later	FDA, OCPB, Public-private committee	
Comprehensive	Availability, advertising ban, treatment	Draft ACC Bill	<ul style="list-style-type: none"> ▪ Extension of MPA from 18 to 20 ▪ Extension of ban from partial ▪ Extension of prohibited drinking place ▪ Extension of prohibited place of sales ▪ New on Administration issue 	NACCC, MOPH, Cabinet, NLA	

Note: *for tax rate changes: minimal= 0-20%, moderate 20-50%, major= over 50%

7.3.1 Existing policy setting

How the policy makers see the ‘policy gap’, or the difference between the existing setting and where it should be, is significant in the formulation process. It is clear that the closeness in content between new and already agreed policy simplifies the formulation process.

Many decisions during 1997-2006 did not bring in any new content, but totally repeated and renewed existing regulations, as shown in Table 7-3. For example, the reaffirmation of existing time of sales and MPA regulations by MOPH in late 2004 was a smooth process, almost without any expressed resistance. This was because these decisions did not introduce any additional content to the existing regulations, the Announcement No.253 and 294 of the Revolutionary Group adopted in 1972 and the Youth Protection Act 2003. Some of the decision rationales were to remove legal inconsistencies with other laws. For instance, one of the declared reasons for the MOF Ministerial Law (2005) is “*to make the selling practice relevant with the Announcement No.253 of the Revolutionary Group*” (Ministerial Law on Permission of Alcohol Beverages Selling Time for Group 3 and 4 Licensees, 2005).

Table 7-3: The policy decisions that repeat already adopted policies

	New regulation	Existing regulation
Time of sales	Re-adoption by MOPH (23/11/2004)	Revolutionary Group Announcement No. 253
	MOF Ministerial Law (8/11/2005)	Revolutionary Group Announcement No. 253
Minimum Purchasing Age	Youth Protection Act 2003 (24/09/2003)	Revolutionary Group Announcement No. 294
	Re-adoption by MOPH (23/11/2004)	Revolutionary Group Announcement No. 294 and Youth Protection Act 2003
Partial Advertising ban	PRD announcement on (31/03/2004)	PRD Announcement 2003 (temporary)

Many decisions made in the period did not change much from the existing policy content. The FDA and OCPB announced additional warning messages on advertising and product labels many times. Place of sale restrictions had been gradually extended

from just educational and religious institutions by a Cabinet Resolution in late 2004, to cover petrol stations in the MOF Ministerial Law 2005, and further to cover public areas, youth dormitories and public transport in the draft ACC Bill. The many tax rate adjustments created only minimal change and/or addressed only beverages with a minimal market share. The principles for production liberalisation included preserving any public benefit that previous policy setting used to deliver, to be implemented on a step-by-step basis (Ruenklin, 1999).

7.3.2 Responsible agency(s)

The characteristics of public agencies, including their alcohol policy values, organisational culture and capacity, certainly influence the policy formulation they are responsible for. The characteristics of the major agencies, in this regard, will be described in chapter ten.

“What is different between the Department of Disease Control (DDC) and FDA is that we play different roles. The FDA invites stakeholders to discuss with, including the alcohol industry, advertising agencies, importers and NGOs, as we are concerned with business feasibility. DDC as a technical agency, cannot participate with the alcohol industry, otherwise they will lose their position. This is not only because we implement laws. But this is also our common procedure for dealing with food and drug entrepreneurs, not just the alcohol industry.” [A FDA public officer]

Some responsible agencies may have better relationships with some interest groups than others. The MOPH stance in alcohol policy is no different to ThaiHealth and its allies, and therefore opposite from the alcohol industry. This relationship was built not only from the experience of working together and sharing the same health-oriented background, but also because ThaiHealth has supported MOPH in many ways. In contrast, public agencies in the economic sector, particularly the ED, are likely to have a strong relationship with the alcohol industry. The opportunity to work together as taxpayer and collector, financial supporter for the agency’s programmes, and perhaps the influence conducted behind-the-scenes all account for this connection.

“The position of our department is closest to ThaiHealth’s. The alcohol industry has the stance furthest from ours, followed by the ED...No wonder the alcohol industry has strong connections with the ED, in the same way that pharmaceutical companies and physicians do. This connection tones down health-oriented interventions, as both of them focus on financial interests.” [A DDC administrator]

“Inevitably the ED has a good relationship with alcohol industry. Support from alcohol entrepreneurs is very normal for our department, and also to the Cabinet.” [An ED technocrat]

Depending on the responsible agency, alcohol policy interventions can be generally classified into two groups; single- and multi-agency involved. Tax rate adjustments, for example, were solely formulated within the MOF. Meanwhile other public agencies were practically excluded as external players, although they may have an important role in the agenda setting process, such as public health agencies. Even though taxation is collectively seen as a crucial intervention, NACCC did not engage much with tax rate adjustment formulation other than a general call for a tax increase. In another example, the ED solely regulated outlet licensing. In this intervention group, characteristics of the responsible public agencies can directly influence the formulation process, with minimal interference from others. The formulation process for the single-agency policy is likely, but not always to be easier.

On the other hand, the formulation of many alcohol policy interventions involves many agencies. The multi-ministry committee seems to be the approach of choice in modern times. The RSMC and NACCC, consisting of representatives from various agencies, were the formulation platform for many interventions, including advertising bans and the ACC Bill. The Cabinet meeting is another clear example. The Cabinet resolution can reflect the political commitment, although it is not legally binding. For example, the Cabinet resolution on the advertising ban in July 2003 forced three responsible agencies to take action on it later. Also many Cabinet members disagreed with 25 years of age as the MPA in the draft ACC Bill, and a small ad hoc committee was set up to solve this controversy and finally agreed to a MPA of 20 years of age..

Opportunities for discussion among various agencies can be an advantage for multi-agency policy. However, it also disturbs the sense of belonging of bureaucrats who may be familiar with their own exclusive area of work.

“The new Bill (ACC Bill) may overlap with the existing mandate of the ED. With out good coordination, the authority will become redundant. If the Bill is to be adopted as is, there will be two duplicate agencies for outlet licensing. The New Bill should rather focus on what the MOPH could do.” [An ED technocrat]

In addition, agencies have different level of influences on these multi-agency platforms. The agency to which the secretariat of the committee attached seems to be more influential, and is inevitably seen as the practical responsible organisation. The Ministry of Interior for the RSMC and MOPH for NACCC are examples. Furthermore, the top administrators of many agencies may not give high priority to such platforms. Sending lower ranking representatives with limited authority as nominees to the committees outside their organisations is very common.

“In the Thai bureaucratic context, the meeting’s direction always depends on the chair person. So it is not a surprise to see the representative of the CS agreeing with the NACCC decision (on FDA’s total advertising ban) which was chaired and directed by MOPH. But back in their Committee, the loudest voice is about law, not health.” [An FDA legal officer]

7.3.3 Nature of policy

Alcohol policy interventions differ in their basic characteristics. The process of launching the alcohol-free period campaign and drink driving enforcement is much smoother than the process for advertising regulation or tax rate adjustments. Many characteristics of alcohol policy intervention influence their formulation including legal status of the regulation, the need for technical expertise, secrecy and openness, and potential impact and resistance.

- **Legal status of regulation**

The legislation processes differ fundamentally by their law ranking. During 1997-2006, there were efforts to formulate or amend four ‘major’ laws, which included one success, the Youth Act 2003, and three incomplete as of December 2006; amendments to the Land Transport Act 1979 and the Liquor Act 1950, and the enactment of the ACC Bill. The amendment and enactment of major laws is a complicated process, requiring approval from the Legislative sector. For example, NLA set up the ad hoc Committee to review the ACC Bill. Many Committee members were accused of having links to alcohol industry, with an agenda to weaken the Bill [Phoojadkarn Online Newspaper 8/05/2007, Matichon Newspaper 20/06/2007].

On the other hand, the formulation of low ranking ‘minor’ laws, such as Department Announcements, Ministerial Announcements and Ministerial Laws, are kept within the Administrative sectors. Thus the process is technically simpler. For example, the FDA Committee adopted the warning label regulations. However, minor laws are not assured of an easy process. The process of the FDA total advertising ban consumed considerable time, faced substantial pressure, and finally failed. Furthermore, it is also common practice to table the policy proposal to the Cabinet, although their approval may not have legal implications.

“Alcohol is a complicated issue. By law (The Liquor Act 1950), ED Director has authority to adopt many regulations. But the director hardly uses this authority. The common practice is to submit the proposal to the Minister. And in many cases, ministers transfer proposals on to Cabinet.” [A former ED administrator]

- **Need for technical expertise**

Technical expertise is important for the formulation of some interventions. Technocrats in public agencies are likely to have an important role in the formulation of these measures. Taxation policy formulation, a clear instance, is a relatively closed process for outsiders partly because it requires technical expertise, as well as access to relevant data. Economic technocrats within the ED and MOF always have major influence on

tax rate adjustments, although the agenda may be partly set by other factors, such as the legalisation of traditional beverages.

“We should raise the tax, and everyone knows we have called for it. But the MOF has not taken up this issue yet; it is not within our authority. ThaiHealth cannot pressure another public agency, it is not appropriate.” [A public Health Expert]

“The ED has a data collecting system, Provincial Excise officers report back the production volume and tax collected in their area monthly. We have the dedicated technical agency to analyse this data.” [An ED officer]

“The decision to adjust the enforced rate was mainly in response to social pressure...After the administrators agree to an adjustment, the ED Director usually urges our technocrats to calculate the appropriate tax rate. They then study elasticity and cross elasticity... by reviewing our own database.” [A former ED administrator]

In another example, specialists within the DMH and DMS solely conducted the process of drafting treatment guidelines and screening programmes. According to the interview below, poor coordination and perhaps organisational conflict were the hurdles for this process, as well as the characteristics of experts.

“We are trying to set up the treatment standard for alcohol treatment and establishing alcohol clinics. So we have to work with experts from both the DMS and DMH, as they are responsible for alcohol treatment issues. But because of conflict between these two departments, the process has been frozen.” [A DDC officer]

Knowledge on implementation feasibility and legal issues are areas of technical need in the formulation process. For example, operation level officers participated in the process of minimising legal loopholes on drink-driving. The NACCC contracted two groups of legal experts in the ACC Bill formulation process, the first to review existing

laws and the second to draft the Bill (The National Alcohol Consumption Control Committee, 2005).

“The legal issue is new for DDC. We know that it is important; we have to request for help from many law experts and try to make any decisions by committee. Having our own legal consultants, within our budget, should be better.” [A MOPH administrator]

- **Openness of policy formulation**

The adjustment of tax rates is an exceptional intervention that theoretically requires a quick and secret procedure to stay ahead of the industry, particularly the stockpiling to evade a higher tax rate. Four out of five ceiling tax rate raises were conducted through Royal Decree, outside the parliamentary process and carried out within one day [Thairath Newspaper 12/07/2007]. However, it is common for the alcohol industry to be alert to and well prepared for tax rate adjustments, perhaps from news leaking, insider knowledge and their own forecasts. Some tax rate adjustments are also expected, such as during economic crisis and the liberalisation of production.

“We predict that there will be a tax rate rise soon and this is for real, as we know that ED officers are reviewing tax data at the moment.” [An unnamed source in alcohol industry, Than Wikrua Newspaper 27/04/1997]

“Every tax rate adjustment has gainers and losers. We cannot organise an open public hearing about tax change... Tax adjustment, by principle, must be quick and secret. However, keeping it secret is rather difficult. Alcohol industry can also forecast the possibility of tax change and stockpile their product, and we can do nothing about that.” [An ED administrator]

Being secret and swift are desirable characteristics of the process for many players who are concerned about adversaries in the open formulation process. They therefore designed and shaped the formulation process to this end.

“We together with the DDC and MOPH have worked quietly over years (on the ACC Bill). When enacting law to control the alcohol industry, as with raising the tax rate, we like the process to be as quiet and short as possible. A long term fight is not good for us, as they can be better prepared and have more money to do the job.” [A ThaiHealth administrator]

- **Impact and Resistance**

Policy that poses vast negative impacts naturally induces more resistance and creates more stakeholder engagement in its formulation. The private sector in particular has more explicit participation in the formulation of interventions that can harm their interests, for example the 2006 FDA Announcement and the ACC Bill. This is because the industry sees advertising control as a major threat to their business (Thai Beverage Public Company Limited, 2007). In comparison, the development of treatment programmes did not encounter any external resistance at all.

“If the advertising ban does not affect volume of sales, and furthermore industry could save three billion Baht a year, as claimed, why do they have to resist, by using both on and under ground tactics.” [Wilasinee Pipitkul-an academic and ThaiHealth administrator, Thairath Newspaper 20/04/2007]

The intensity of private sector resistance also depends on their preparedness and policy dialogue rationale. The 2003 partial advertising ban proposal development was publicly recognised only a short time before it was tabled to the Cabinet, which meant the industry had only a short period to respond. On the other hand, resistance to the 2006 total advertising ban was high, as industry and related sectors had forecasted this effort for years. However, although it can reduce consumption volume (Sathapitanont, 2006c; Sornphaisarn et al., 2006), the Alcohol-free Buddhist lent period campaign has not faced industry opposition. This is perhaps because it is based on hard-to-argue religious logic, as well as underestimation of its effects by the industry.

“The partial ban went through firstly because we had the right channel in the Deputy PM, Jaturon, and secondly the alcohol industry was not ready, they underestimated the strength of the process. But at the moment, they are prompt to

react or to lobby, so the total ban process is difficult.” [A Drink-driving NGO administrator]

“Some stakeholders overuse religion-based rationale for their advocacy, but I understand them as nothing can do the job better than this holy issue. It is undeniable and cannot be disagreed with.” [A former ED administrator]

There was also policy resistance originating from players in the health camp. The CAS advocated strongly for keeping the 2-for-1-taxation system after the PM showed his intention to only use the Specific rate system. This advocacy was carried out in the public media [Thairath Newspaper 5/08/2005] and unusual dedicated technical forums [Thai Post Newspaper 5/07/2005], as well as through the technical paper ‘Alcohol taxation and consumption control’ released in July 2005 (Sornphaisarn, 2005a). The legalisation and promotion of traditional beverages was rejected by health professionals [Siamrath Newspaper 17/10/2002] and other like-minded people [Naewna Newspaper 17/12/2002].

The resistance not only opposes policy content, but also attacks policy makers, other stakeholders, and their relationships. The accusation of industry engagement to protect their business interests is common. ThaiHealth was accused of having a hidden agenda and supporting its close people to gain financial benefit in advocating for the advertising ban and the ACC Bill [Thairath Newspaper 9/04/2007].

7.3.4 Decision making context

Policy context is an influential factor for alcohol policy formulation. The fundamental policy direction, as stated above, is the significant context for specific policy decisions. The political pledge to allow traditional beverage production eased the legalisation formulation process. And this situation further led to the tax rate adjustment in 2003, setting up the new beverage category and lowering tax rates.

“As the Cabinet has passed a resolution to legalise traditional distilled spirits, we have to reduce the excise tax rate by 30%. This is to make grass roots

producers competitive with big entrepreneurs.” [Suchart Chaowisit-Deputy Minister of Finance, Phoojadkarn Newspaper 22/01/2003]

In a non-alcohol policy context, high public awareness of road safety put social pressure on the government, who then declared road safety as a national agenda, leading to the partial advertising ban in 2003. The concern of the King, expressed in late 2004, forced the government to quickly adopt the existing regulation. The economic crisis facilitated many tax rate adjustments between 1996 and 1998. Cultural context is the backbone of the alcohol-free Buddhist lent period campaign.

7.4 Conclusion

In general, Thai alcohol policy formulation is not really an evidence-based process when the availability and utilisation of technical knowledge are taken into account. Stakeholders have had increasing participation in Thai policy formulation in modern times. Thai alcohol policy formulation process is mainly confined to the national level. Experience gained from the successful tobacco control has strongly influenced the alcohol policy process and policy players.

Striking a balance between alcohol-generated benefits and negative consequences is the common principle for Thai policy makers. Although policy makers did not clearly declare their policy values, the problem-reduction value seems to have had less priority in the formulation of multi-purpose interventions. The policy discourse on the benefits of alcohol is frequently used by both the alcohol industry and economic-related public agencies.

The incrementalism phenomenon is clearer at the micro policy level. Existing policy is very crucial to the policy decision-making process. Furthermore, the characteristics and background of policy makers, characteristics and interests of responsible agency(s), the characteristics of legislation, and the nature of interventions all combine to influence the formulation process. These vital elements of policy interventions include the requirements of technical knowledge, swiftness and secrecy of the process, resistance and potential impact. The formulation of inter-agency mechanisms has become a

common approach in recent times. The sites of decisions and the influence of public agency(s) on such mechanisms are important for the results of decisions.

The case studies show that stakeholders have used numerous methods to influence alcohol policy process, both as individuals and through combined efforts. These include direct tactics and indirect approaches through their nominees, particularly public officers. Some mechanisms are explicit, while many are thought to be conducted behind-the-scenes. Many innovative mechanisms were introduced during this period, including the use of technical knowledge and public media, and the collective actions.

Chapter 8

POLICY IMPLEMENTATION

“Using Sting Operations for drug cases is suitable, but for alcohol and cigarettes we should do it naturally. I beg we do not use such strategies to catch those who sell alcohol and cigarettes to children. It is not a serious crime. They are not bad by nature” [Thaksin Shinawatra-PM, Matichon Newspaper 18/12/2004]

Implementation is critical to turning policy into effect. Without implementation, policy is merely ink on paper. No matter how good it is, the policy is hopeless if it is fed into a poor implementation system. Previous chapters have analysed upstream alcohol policy. This chapter describes the process by which the Thai administrative system responds to the adopted policies, how stakeholders respond to the implementation, how the implementation system and context are important to policy performances, and how implementation links upstream again. It applies a top-down analytical model to describe the implementation of Thai alcohol policy, focussing on various factors, influencing policy outcomes. In-depth analysis of three case studies; alcohol tax collection, illegal beverage suppression, and drink-driving countermeasures is in *Appendix E*.

8.1 Introduction

One of the few things all stakeholders agree on is that the implementation of Thai alcohol policy is far from perfect. Many identify it as the weakest link in the process. Commonly in developing countries, many public policies remain only symbolic statements and are not really implemented (Riggs, 1963). Generally, Thai alcohol policy enforcement has five major weaknesses: 1) Authority is spread among many agencies with little collaboration; 2) Lack of serious enforcement; 3) Many violation cases have been compromised and ignored; 4) Lack of strong punishment; and 5) lack of enforcement evaluation (Methasurarak & Reungjan, 2005).

This thesis employs the top-down approach as the appropriate model for policy implementation in Thailand's centralised-authority administrative system. Officially, the central administrative system, including ministries and departments, has jurisdiction over the local administrative systems at the provincial and district levels. Furthermore, policy makers, both politicians and bureaucrats, are senior to policy implementers. Therefore, Thai implementers are unlikely to be extensively involved in the policy making process.

The top-down approach focuses on the transformation of policy decision into expected impacts. It sees the implementation phase as separate to policy formulation. The system administrators are the key player in implementation, not policy makers (Grindle & Thomas, 1990). Frequently, policy is not implemented as designed. According to their own interests, these operational level bureaucrats play a significant part in distorting expected policy outcomes, by the so-called *Street Level Bureaucracies* model (Lipsky, 1980). They can adapt, enhance, integrate or even ignore policy content and intention.

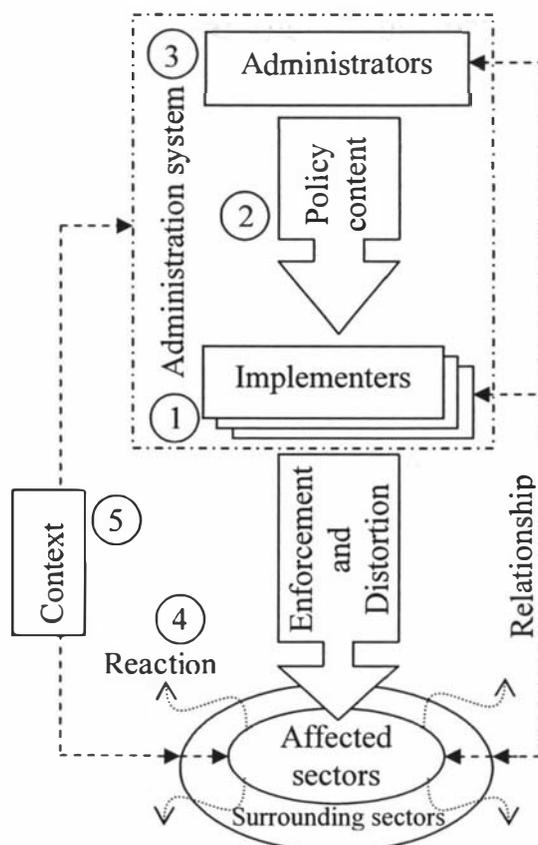
The affected sectors and their relationships, among themselves and with implementers, can also determine policy outcomes. In many cases, the reaction of these sectors to policy and implementation leads to policy results that diverge from the intended outcomes. For example, tax rises should have minimal impact on consumers if entrepreneurs absorb the increasing burden. Conflicting values and interests between the implementers and sectors facing enforcement can determine policy outcome (Hill, 1997).

The effectiveness of implementation varies across policy types and policy issues (Van Meter & Van Horn, 1975). Level of resistance and support, technical difficulties, the scale of change, number of implementers, visibility and clarity of policy and its objectives and time frame are all critical factors (Walt, 1994). Hence, finding the common ground for alcohol policy implementation is a complicated process when taking into account the diversity of various interventions.

Apart from the top-down approach, this chapter focuses on five groups of factors determining policy implementation and its impact. Shown in Figure 8-1, these are

factors involving; 1) Implementer, 2) Policy content, 3) Administration, 4) Sectors facing enforcement and 5) context.

Figure 8-1: Analytical framework for alcohol policy implementation



8.2 Policy implementers

In the Thai administrative system, alcohol policy implementers are primarily confined to public agencies, integrated into central and local administrative levels. Many interventions are implemented at both levels. The alcohol advertising surveillance under the MOPH system is carried out by the FDA as the central regulator overseeing centrally broadcast media, and the Provincial Health Office for local media. In contrast, some interventions, such as time of sale regulations, are implemented by area, although with the central coordination system. Many interventions, including education and persuasion, are mainly conducted by non-public sectors. The main implementers for policy interventions are summarised in Table 8-1.

This section focuses on the four characteristics of policy implementers that determine enforcement effectiveness. They are authority and capacity, organisational and personal characteristics, policy distortion, and relationships with others.

Table 8-1: Major implementers of Thai alcohol policy interventions

	Central implementers	Local implementers
Tax and Price		
Tax collection	ED	Local excise officers, excise officers at production sites
Illegal beverages suppression	ED	Local excise officers, police officers
Physical availability		
MPA	Many ministries	Local excise officers, Police
Time of sales		Local excise officers, Police, local administrative officers
Place of sales		Local excise officers, Police, local administrative officers
Context alteration		
Alcohol-free period	MOPH, ThaiHealth	
Drink-driving countermeasures		
Regulation enforcement	Ministry of Interior, MOJ, Royal Police office	Police officers, Justice system
Public campaign	ThaiHealth, DDD Foundation	
Advertising regulation	FDA, OCPB, PRD	Station, Provincial Health Office
Education and persuasion		
General issue	MOPH, ThaiHealth	
Warning label	FDA	
Treatment	MOPH (technical support)	Health service institutions under MOPH

8.2.1 Authority and capacity

In many cases, the legal authority given to implementers is insufficient to effectively enforce the regulations. Some implementation authorities are questionable particularly their legitimacy, such as the advertising regulation under the under the Food Act 1979 even though the FDA has been regulating the partial ban since 2003. Furthermore, some officials may not understand the extent of the authority. The lack of legal authority is a limitation to enforcement for many interventions, such as verifying the amount of tax paid by alcohol producers (Tonvigid, 2002), and forcing drink driving suspects to submit to a blood test. In some cases, the policy decisions of policy makers do not provide legal authority for their implementation. For example, the Cabinet agreed to ban selling in educational and religious institutions on 14/12/2004, but it was

not until a year later that MOF announced its regulation to legally prohibit such selling. These limitations can be also defined as weaknesses in policy content.

“As far as I know, we do not have any laws to ban alcohol sales in educational and religious institutions ...So what we can do is to inform sellers about this cabinet resolution and request their compliance.” [A police commander, Khao-sod Newspaper 15/12/2004]

The limitation of institutional and personal capacity of implementers is another constraint. The inability of some police officers to use and maintain breathalysers has been identified as a bottle-neck for drink-driving law enforcement (Pitayarangsan, 2006).

“The weakest side of ED is in the suppression of illegal beverages, particularly imported beverages. The mafia who commit smuggling are powerful. We know who does it, but we rarely arrest them. In addition, each arrest causes us some difficulty. Excise officials are neither gun users nor trained for these activities.” [A former ED administrator]

8.2.2 Organisational and personal characteristics

A lack of serious intent in enforcement is generally accepted as an obstacle to realising alcohol policy. In many cases, evidence shows that responsible agencies and key people do not seriously exercise their authority. Many argue that these agencies carry too many responsibilities and alcohol drops down in the pecking order. A high workload and the low priority given to alcohol by implementers are stumbling blocks for drink-driving policy (Chadbunchachai, 2006). The high priority areas for roadside checkpoints are general crime and traffic offences, not drink driving (Methasurarak & Reungjan, 2005).

“The evidence that sellers can sell alcohol in a tea bottle at two o'clock (prohibited time) means that the provincial governor is not paying enough attention” [Thaksin Shinawatra-PM, (Shinawatra, 2006)]

Organisational and personal conflicts in responsible agencies and among officials certainly affect policy implementation. ED has an incentive for maximising the number of alcohol outlets to boost alcohol revenue, but this is not desirable from a health perspective. Breath testing measures may also cause personal conflict for police officers (Methasurarak & Reungjan, 2005).

Apart from limited periods particularly after their adoption, many interventions were not enforced. According to the ‘Tobacco and Alcohol Hotline Center’ report, alcohol sales during prohibited times and sales to youth are the two most common complaints (Tobacco and Alcohol Consumption Control Unit, n.d.), and this reflects poor implementation. Many sellers, who breached the time and place of sales regulations during the Thai New Year in 2007, claimed that they were not expecting any enforcement, and had not been inspected by officials (Gerdmongkolkarn & Aekchalermkiat, 2007). Most entertainment venues practically ignored the operation time regulation of Entertainment Venue Act B.E. 2509 (1966) and only complied with the regulation when public officials come to inspect them, or periodically when the government acted rigorously against this practice (Methasurarak & Reungjan, 2005).

“Although we already have the Youth Act since 2003, selling alcohol to our youth is still common. This law has not been enforced yet.” [Suwat Liptaphanlop-Minister of Justice, Naewna Newspaper 16/07/2005]

“All grocery stores in residential areas sell alcohol all day long, from opening to closing time. This is because nobody is concerned with policing these violations.” [Noppadol Mekmeka-Inspecting Officer of the OCPB, in NACCC meeting, (The National Alcohol Consumption Control Committee, 2006c)]

8.2.3 Policy distortion

Partly because of their own interests, many implementers have adapted their responsibilities to suit their capacity, the context and perhaps their preference. Because of the limited infrastructure and significant additional burden caused by the legalisation of traditional beverages, many local excise officers have employed the flawed ‘monthly

quota' system for these grass-root producers. Using this practice, producers have to buy a certain amount of excise stamps every month to allow excise officers to collect tax, but can produce more than their quota. This implies that officers are sanctioning illegal beverage production to some extent. Some argue that full enforcement by taxing every bottle would push production back underground again.

“We are blamed whether we arrest them or not. So this leads to the final solution, give them the monthly quota and let them brew what ever they want. This common practice is the middle and practical way. We have some money, and they get their money.” [An ED technocrat]

In many settings, there is scope for personal gain for implementers. Among those in authority, abuse and bribery is common. A public survey found that bribery is more common in some sectors than others, especially the Police (Phongpaichit & Piriyarangsan, 1994). Therefore, police drink-driving checkpoints are often seen as channels for corruption.

“Illegal production and sales can be clearly seen, it is not hidden practice. Some police officers even act as middleman (distributor). These producers have to pay the police regularly. This is a practice we are familiar with. Nothing changed between pre to post legalisation.” [A traditional beverage producer]

“Excise officers have different characteristics. Some are straight, but some enjoy earning extra money from their authority. Some officials provide used bottles and caps to traditional beverage licensees. Their customers also feel safer to befriend excise officers, who control them as well.” [An ED officer]

“Drink-driving enforcement is fake. Why don't they set up the checkpoint in front of entertainment venues, instead of on the expressway? This is because it is easier for them to take a bribe without witnesses” [A domestic alcohol company administrator]

However, policy corruption is not only about personal benefit, it may be an institutional preference. The FDA and PRD were criticised for distorting the advertising regulation

enforcement from the intention of the Cabinet Resolution. This includes defining many forms of hidden advertising as legitimate.

“There are conflicts between the purpose of the Cabinet Resolution and the Regulations enforced by the FDA and PRD, which were influenced by Thai legal culture. The Regulations were clearly distorted from their primary intention. Although the Cabinet Resolution is strict, it was not enforced by these public agencies. Based on the intention of the Resolution, advertising about alcohol companies should be banned... The intention of the government to control advertising by issuing the Cabinet resolution... is just like ‘giving a blank cheque to the PRD and FDA’. Later, it is proved that the amount those agencies put in these cheques is far from what it should be.” [Chareon Kampiraphap- Law academic, (Media Monitor Project, 2007)]

8.2.4 Relationship

Relationships between implementers and other sectors are important to the policy outcomes. Poor coordination among regulators, particularly for multi-agency interventions, frequently creates bottlenecks. The affiliations between public agencies and the affected sectors can shape the policy outcomes at both upstream and downstream levels. Implementers may hesitate to fully exercise their authority because concern about the influence of people subject to enforcement and /or their relationships. The tax collection practice of stationing excise officers at each production site, may lead to familiarity between officials and entrepreneurs, which in turn could limit the effectiveness of taxation policy (Tonvigid, 2002).

Some relationship types can boost enforcement, such as bonus payments from entrepreneurs to excise officers, who arrest illegal beverage producers.

Many stakeholders can alter the implementation outcomes by acting as the co-implementers. These include the role of alcohol industry and related sectors in marketing self-regulation, the alcohol industry as a partner of the DDD Foundation, and

the media in public campaigns. However, many see that these approaches may be designed to divert policy direction and to promote the corporate image.

“We have to deal directly with the media, to keep them as our direct partner... this is to allow us to work with them on a very low budget, compared with private sectors...I am satisfied with our performance, as both the media and advertising agencies are eager to work with us on social issues.” [A ThaiHealth staff member]

8.3 Implementation aspects of policy content

The limitation of policy content in implementation aspect includes the ambiguity, incomprehensiveness, and inappropriateness to the implementers, situations and society. The mismatch between policy content and the enforcement setting partly comes from the lack of opportunity for implementers to engage in policy formulation. This section focuses on four characteristics of policy content; clarity, efficacy, practicality and the policy relationship.

8.3.1 Clarity

The authority to implement alcohol policy is integrated into many fragmented laws. Some regulations are, by content, contrary to others, and confuse both implementers and the affected sectors. These conflicts lead to non-standardised practices and poor enforcement. In a positive way, the inconsistencies in policy content, if appropriately identified, can trigger the upstream process.

The ambiguity in time of sales regulations is a clear example of legal conflicts, particularly prior to 2005. The MOF's Ministerial Law announced in 1961 allowed alcohol retail sales during 1100-1400 and 1700-0200 hours. In 1972, the higher-ranking law, the Announcement of the Revolutionary Group, shortened the second period to 1700-2400 hours, while the Ministerial law was not rescinded until 2005. This caused

confusion (Methasurarak & Reungjan, 2005) concerning the period between 0000 and 0200 hours.

To add to the confusion, the 2004 Ministry of Interior Law on the operation times for entertainment venues announced different operation times for each entertainment venue category and location (Ministerial Law on Operation Time for Entertainment Venues, 2004). For example, discotheques and other dancing venues can operate from 2100 to 2400 or 0200, depending on their location. And Pub-style venues are permitted to open from 1800 to 2400 or 0100 hours. This conflict creates confusion on the legitimacy of alcohol selling periods, such as between 1700-1800 and 0000-0200 for entertainment venues. Later, the ED legal officers explained that entertainment venues could operate till 0200 hours but cannot serve alcohol after 0000, which was criticised as unrealistic by the alcohol industry [Thairath Newspaper 11/11/2005]. For a time, strategies to circumvent the law were popular, such as ordering before midnight but drinking after midnight, and hidden sales [Kom-chad-luek Newspaper 10/02/2003].

Some regulations contain ambiguous wording. For example, the Entertainment Venue Act states that entertainment venues cannot locate ‘nearby’ areas such as educational, religious and over-night health care institutions, and should not be located ‘in residential areas’ (The Entertainment Venues Act B.E.2509, 1966). The phrases ‘nearby’ and ‘in residential areas’ are open to interpretation (Methasurarak & Reungjan, 2005).

After the Cabinet passed the partial advertising ban resolution, alcohol entrepreneurs and advertising agencies requested clarification in the meaning and coverage of the permitted ‘corporate image promotion’. The inconsistency and unclearness of advertising regulations between the Cabinet Resolution and Announcements of the FDA and PRD were identified as the cause of the ambiguous hidden promotions on free television (Media Monitor Project, 2007). The alcohol industry later asked the FDA to clarify the definition of ‘promotion’ in its 2006 total advertising ban. The industry also referred to the content ambiguity in opposing the FDA total ban Announcement [Post Today Newspaper 19/10/2006].

“At this time we cannot do anything because the government regulation is still not clear particularly about ‘corporate image advertising with out drinking

persuasion'. We do not know about its extent" [Chatchai Wiratyosin-Marketing Manager Boonrawd Trading, Than Setthakit Newspaper 21/08/2003]

8.3.2 Efficacy

By content, many regulations seem not to be able to deliver desirable impacts, such as providing inadequate authority to implementers and not being comprehensive enough to create a substantial effect. As an example, alcohol taxation is implemented on a 'self assessment' basis, where entrepreneurs declare the volume of production and importation, and amount of tax they have to pay, while excise officers have no authority to verify the tax amount (Tonvigid, 2002).

"The Liquor Act is a remnant from a former system (Concession system), the law is outdated. We still use the self assessment system for alcohol, not the authoritative assessment which has more taxation coverage." [An ED technocrat]

Thailand has prohibited drink driving *per se* since 1934. However, it was not until 1994 that the '*driving competency regression from alcohol consumption*' (used in the Land Traffic Act B.E.2477-1934) and '*drunkenness*' (used in the Land Traffic Act B.E.2522-1979) were defined as having BAC over 50 mg% which can be verified through blood, urine and breath testing. Prior to 1994, drunkenness was judged subjectively by police officers. The lack of authority to test and the legal complexity of breath and/or blood testing procedures have been frequently addressed. Most significantly, as of December 2007, officers still had no authority to force suspects to undergo such tests.

"We have had the drink-driving law for a long time. At a practical level, the problem is how to identify drunkenness. This is totally unenforceable. The law did not allow police and physicians to take a blood sample, they may be charged with assault if they do so." [A Medical Law expert]

The penalties associated with many regulations are unlikely to prevent violations. Many regulations do not even have penalty clauses, the FDA's requirements for warning messages on packaging and advertisements for example. The practice of the PRD when it

detects a breach of advertising regulations is to firstly give a verbal warning, secondly send a written warning, and lastly to prohibit that advertising spot and programme [Than Setthakit Newspaper 29/03/2005]. The violator is free from punishment, if they quit their advertising in time. Small daily fines provide little incentive to entrepreneurs to remove billboards located in restricted areas [Phoojatkarn Online Newspaper 22/10/2006]. Weak and incomprehensive penalties make it easy for alcohol entrepreneurs to underreport the Ex-factory and CIF price (Tonvigid, 2002). Some penalties have been used for a very long time and have lost their deterrent effect.

“Counterfeit spirits are everywhere...Entertainment venues buy these beverages so that they can dump the price down to attract more customers. The 5,000 Baht fine, used since 1950, is very low.” [Sompote Kaewnuam-Director of Suppression unit-ED, Phoojatkarn Rai Sabda Newspaper 26/06/2000]

Many regulations can be applied only to minor determinants of the whole scenario, and are unlikely to lead to significant impact. One of the MOF's outlet licensing criteria is not to locate 'in and next to' educational institutions. The Entertainment Venue Act prohibits the location of entertainment venues near educational institutes. But these regulations are identified as too superficial to decrease students' accessibility to alcohol. Most drinking places around universities are registered as restaurants, not entertainment venues [Khao-sod Newspaper 15/05/2004]

“The mushrooming of drinking places around university campuses is partly a result of the MOF regulation prohibiting only alcohol sales 'in and next to' educational areas...Excise officers then innocently assume that they can license all outlets that do not share a fence with a university” [A university administrator, Phoojatkarn Online Newspaper 15/06/2007]

8.3.3 Practicality

A mismatch between policy content and the current situation and enforcement capacity can be seen in many regulations. It is possible that policy formulations may not adequately take enforcement feasibility into account. The MPA regulations have been in

place for decades. Some regulations even penalise both sellers and parents. However these laws do provide clear detail on their implementation. It is no surprise that the MPA is one of the most ignored interventions in terms of enforcement. According to the advertising regulations it allows promotion of corporate images but not persuasions to drink. Advertising agencies thus faced difficulty with alcohol entrepreneurs, who want to indirectly insert content that promotes their beverages, not their corporation [Phoojadkarn Newspaper 13/04/2004].

“The performance of law enforcement depends on both characteristics of policy and the preparedness of implementers. How can police officers be serious on drink-driving while they have so many things to do and are faced with a limited budget and limited workforce. Don't just enact new law... How many officers do we need to abolish selling to youth from millions of outlets?” [An administrator of an international alcohol company]

“It is funny, how we try to prevent youth drinking. It is unenforceable. How can we prevent proxy buying. Who should be the one we arrest, the sellers or proxy buyers?” [A retired local administrator]

“Promoting social values is permitted in alcohol advertising but is impractical as it is contradictory to the product. The current broadcast advertising is so fake, it aims to make audiences remember the brands, but is not serious about the main theme of advertising, the social value.” [An advertising agency administrator, Phoojadkarn Newspaper 13/04/2004]

The content of many regulations can be seen as a gateway for, or incapable of preventing, abuse of authority in their implementation. The self declared excise tax base has been identified as a channel for bribing excise officers to help the entrepreneurs to pay less tax (Tonvigid, 2002). Conversely, policy enforcement can be easily perceived as open to bribery, although implementers may fully comply with the regulation as designed. For example, many regulations allow public officers to adjust the amounts of the fines.

“We should check feasibility with police before designing policy. In the existing setting, some police officers may gain their income from allowing alcohol sales to minors or in prohibited times or from breath testing.” [A Newspaper editor]

“Ad valorem rate is subjective, hard to prove, and it is easier for excise officers to abuse authority and get their payoff. Setting the Standard Ex-factory prices is the easy and obvious way for corruption. I don’t think the cost of beer production is much different among brands. ED has no capacity to verify the cost, it is just the Department whom we choose to listen to.” [An alcohol company administrator]

8.3.4 Connection to other areas

Many alcohol policy interventions have been implemented together or simultaneously with others. This is to synergise their effectiveness, as is the case with drink-driving breath testing and public campaigning during festive periods. In 2004, the MOPH promoted the times of sales regulation along with the MPA regulation [Matichon Newspaper 24/11/2004].

The implementation of many interventions particularly requires coordination among agencies, as the major responsible agency is unlikely to effectively enforce the regulation alone. In previous practice, policemen had to ask health officers to test BAC levels in drink driving suspects. Police officers and local administrators provide crucial backup to excise officers in the suppression of illegal beverage production and trading, as excise officers have limited experience of violent scenarios.

Many interventions allow private sectors to support policy implementation as co-implementers and/or conduct supplementary implementations, for example the public media in education and persuasion policy. The alcohol industry and their SAOs support drink-driving policy in many ways, including through the provision of breathalysers to entertainment venues and campaigning through the media [Matichon Newspaper 18/06/2005], working with the DDD Foundation (Sathapitanont, 2006a), and offering

alternative ride services [Prachachat Thurakit Newspaper 29/12/2003]. However, many stakeholders claim that the alcohol industry is not sincere in their participation (Sathapitanont, 2006c). For example, the provision of the ride service, ‘Red Limo Project’, did not send drinkers back home, but transported customers between parking places, train stations and entertainment venues [Prachachat Thurakit Newspaper 29/12/2003].

8.4 Administration of policy implementation

This section describes three aspects of public system administration that are significant in shaping policy implementation practices; capacity, coordination, and implementation strategy.

8.4.1 Implementation capacity

- Implementation resource adequacy

The adequacy and availability of necessary resources are essential for effective policy implementation. The resource inadequacy includes the shortage of human resources, finance, funding, knowledge or skills and instruments. Implementations of some interventions have not even had human resources allocated for their enforcement, such as time of sales (Lertwichitkamol, 1996) and MPA regulations. During 1995 to 1999, the Traffic Police Division had only three breathalysers for the whole capital region (Methasurarak & Reungjan, 2005). Furthermore, the inability of police officers to use, calibrate and maintain the breathalysers have limited the drink-driving law enforcement (Pitayarangsarit, 2006). Resource deficiencies in policy implementation have important implications for policy formulation as well. The limited capacity of the OCPB to oversee the total advertising ban was a key factor for the authority transfer from the OCPB to FDA in 2006.

“Infrastructure is our main problem. We are a new agency. Our staff members come from many sectors. Most of them had no experience with alcohol

issues before... Considering the number of public officers we have, we are faced with a big workload and difficult tasks. Nobody wants to deal with law enforcement...Then the budget is another problem, we are a comparatively neglected area in this Department, which is more familiar with communicable diseases.” [A DDC officer]

- Resource management

The weakness of the resource management system can be seen in the implementation of many interventions. The restructuring of local excise officers from district-based to area-based arguably created more difficulty for the suppression of illegal beverages. It was reported in 2001 that state-owned tax metres attached to the private breweries were not fully utilised, instead the ED decided to use a primitive bottle-counting technique [Prachachat Thurakit Newspaper 1/02/2001]. In 2003, the ED Director decided to allocate another 40 million Baht to re-install beer metres again [Dailynews Newspaper 18/01/2003].

“I really do not know why state-owned metres are always out of order. Perhaps lack of maintenance. This forces us to use their (private) metres instead. The smarter practice is saying that having their own metres is the licensing criteria, and changes our role from owner to calibrator.” [An ED technocrat]

“But now the ED organisational structure has changed, we don’t have District Excise officers anymore. They have been integrated into Regional Excise offices covering many districts. And they are now not overseen by a District leader, which lessens the opportunity to coordinate with other district-based officers. I do not think this practice is an improvement.” [A retired local administrator]

Contracting out and decentralising are examples of modern management concepts used to overcome resource limitations. The FDA outsourced advertising surveillance work to private agencies. The PRD transferred authority to the station committees (of each television station) to monitoring and ruling on the legitimacy of alcohol promotions.

8.4.2 Coordination

Lack of effective coordination is defined as the critical stumbling block for alcohol policy achievement (Methasurarak & Reungjan, 2005). In Thai public administration, public officers are clearly separated by organisation, particularly in the central administrative system. In the local setting, the administrative structure is more supportive of cross-organisational coordination, such as opportunities to work together under district and provincial governors. Inevitably, poor coordination among implementing agencies has also posed problems for sectors facing enforcement.

“Significantly, the existing public agency structures still pose many problems. We have both overlaps and loopholes (no mans land) areas. These agencies lack coordination.” [A MOPH administrator]

“At the moment, we are confused about whether we can use the former advertising spots or not. One agency says no, another says yes.” [Thanit Thammasukhati-Consultant to Thai Beer 1991 Company (ThaiBev), Krungthep Thurakit Newspaper 2/10/2003]

Public agencies naturally tend to focus on their own area of responsibility rather than closing the gap between organisations. Furthermore, invading the ‘private area’ of other agencies is a sensitive issue. Public officers have vastly different opinions on inter-agency relationships. For example, the overlapping responsibility for advertising control may be seen as both opportunity and obstacle to enforcement.

“Advertising control involves many bodies. But we have tried to clarify the responsible areas for each of the three agencies. I think three is better than one, as we can consult each other, in the form of cross-organisational committee.” [A FDA officer]

Setting up the coordinating agencies, including the RSMC and NACCC, is an attempt to strengthen inter-agency collaboration. However, these bodies seem to focus more on upstream, rather than implementation. Some promising pledges to strengthen the

coordination of implementation have not materialised. For example, the Health Minister promised to organise monthly meetings among the three agencies responsible for alcohol advertising to monitor implementation [Krungthep Thurakit Newspaper 9/10/2003], but such meetings were not conducted regularly.

“Joint coordination among agencies, such as between the MOPH and MOF, exists but only at a high level. Those coordination mechanisms are not at the level of implementation.” [An ED technocrat]

There is a lack of not only inter-agency but also intra-agency communication and synchronisation to effectively work together. These situations lead to poor implementation performance and enforcement inconsistency, where implementers work differently in certain situations. The differing ways excise officers deal with cases of illegal beverage production (Sanyotewit, 2004) is an example.

Communication from administrators to implementers is commonly conducted through official documents and at some dedicated events. The MOPH held a meeting for Provincial Medical Officers to clarify the alcohol advertising regulation practice, and planned to organise regional workshops [Kom-chad-luek Newspaper 21/11/2006].

Coordination between the public and private sectors can boost policy implementation. The HWA has supported the Alcohol-free Buddhist Lent Period and drink driving campaigns. The DDD Foundation has supported drink-driving enforcement, by providing breathalysers and advocating for the closing of legal loopholes (Sathapitanont, 2006a).

8.4.3 Implementation strategy

Public sector administrators have employed various strategies in alcohol policy implementation. This section explains selective characteristics of enforcement strategies; implementation ideology, consistency, commitment, compromise and flexibility, and public-private consultation.

- Implementation ideology

Some administrators were criticised for using inappropriate indicators to measure policy achievement, such as the (minimum) number arrests per month and maximum traffic death toll during each festive period. The performance of road safety administration is commonly monitored by a number of check points per district (SatabunPhrapokklao, 2005). The use of these incomprehensive process indicators can lead implementers towards problematic practices. These include enforcement practices to gain benefits and avoid punishment, and abuses of authority (National Health Foundation, 2006). For example, many agencies underreport road traffic injury information to avoid punishment [Phoojadkarn Newspaper 19/12/2006].

Being accused and sued for abuse and overuse of authority is not a comfortable situation for the public sectors and its officers. Therefore, many implementers are cautious in their practice in an attempt to avoid such situations including conducting compromised enforcement.

“We will not go (give the notice on advertising regulation violation) into grey areas. We only go on in cases that clearly violate the rules. For those in the grey zone, we will consult and make decisions as a committee. The FDA would not make decisions alone in such cases...FDA administrators have been frequently charged in the Administrative Court...We are not happy if our work causes them (FDA Administrators) trouble.” [A FDA officer]

- Implementation consistency

Many interventions have not been regularly enforced, just implemented as ‘show cases’ to show a symbolic commitment to enforcement. Immediately after the re-adoption of MPA regulation, the high ranking MOPH officers took journalists to see enforcement in action, by using a sting operation to arrest a grocery owner who sold alcohol to youth [Matichon Newspaper 03/12/2004]. Since then the MOPH has had a minimal role in MPA enforcement.

The use of ‘blitz’ enforcement, focussing on high-risk scenarios, may have advantages in poor-resource settings. Concentrating drink-driving enforcement in festive periods, for example, is a cost effective option, but it is unlikely to change consumer behaviour (Suriyawongpaisal, 2000). This is perhaps because enforcement outside such periods is much weaker (Pitayarangsan, 2006). The overall probability of being tested is still very low. This bombardment strategy is arguably contrary to the evidence that social visibility of law enforcement is the key success factor in road safety (Babor et al., 2003).

- Commitment to implementation

The commitment of administrators and implementers on the implementation of many alcohol policy interventions are questionable. The personal characteristics of those administrators play a major role in selection of strategies. The ‘Formalism’ phenomenon, whereby policy makers tend not to be serious about implementing the policy they have enacted, is common in the developing world (Riggs, 1963). Many administrators just pledge and threaten serious enforcement, but no concrete action is taken. For example, the administrators of the Ministry of Justice (MOJ) declared they would strictly enforce the MPA regulation by monitoring age verifying practice, and punishing violators [Naewna Newspaper 16/07/2005].

“From 30/03/2004, parents who use, consent or support their children to buy alcohol, as well as retailers, they will face up to 3 months imprisonment and a 30,000 Baht fine, or both. This practice will be swiftly enforced, if officers face such situations.” [Tawatchai Thaikaew- Deputy Director of Department of Juvenile Observation and Protection, Matichon Newspaper 19/09/2004]

Many administrators carry out symbolic actions to raise awareness of policy implementation, but many are unlikely to have any impact. For example, the Health Minister together with high-ranking administrators organised an event to provide stickers ‘Not selling alcohol to Under-18s’ to alcohol outlets nationwide [Matichon Newspaper 24/11/2004]. This is a repeat of the same strategy, which was used only five months before [Matichon Newspaper 22/06/2004].

- Implementation compromise and flexibility

A compromise approach to policy enforcement seems to be the preferred strategy for many administrators and implementers. Requesting private sector cooperation is common, particularly if the legal content is still ambiguous and/or does not cover undesirable practices. Many implementers requested petrol stations and convenience stores not to sell alcoholic beverages during festive periods, when such sales were legitimate. The warning from the PM against Sting operations [Matichon Newspaper 18/12/2004] may weaken the MPA enforcement. There were reports that excise and police officers allowed illegal beverage production in the festive periods as they see this practice as non-commercial production (Laichuthai et al., 2002). An interesting strategy used by the MOJ is to provide an appreciation certificate if the sellers comply with the MPA regulation.

“What we found, from using Under-18s to buy alcohol from four discount stores, is that the staff sold beverages to these youth without verifying their age ...Although all stores display the banner ‘Not selling alcohol to youth’ but all of them do. On this occasion we warned them. But if we discover this practice again they will be fined. By the way, in the next sting operation, both sellers and stores will get our appreciation certificate if they ask for ID.” [Wanchai Rujinawong-Director of the Department of Juvenile Observation and Protection, Thairath Newspaper 29/07/2005]

Enforcement compromise can be seen in the form of the delaying full implementation or the phasing of implementation. The Health Minister allowed a one-year delay in requiring warning messages on beverage labels [Seau Thurakit Newspaper 10/05/1997]. Another example is the delay in prohibition of advertising spots in use before the partial ban regulation came into force [Prachachat Thurakit Newspaper 22/09/2003, Krungthep Thurakit Newspaper 2/10/2003]. The Minister of Social Development and Human Security, as Chair of the National Youth Protection Committee, stated that the Committee agreed to punish MPA violators only if they have been warned but then continue to offend [Naewna Newspaper 13/07/2005].

- Public-private consultation on policy implementation

Public-private consultation influences the alcohol policy implementation strategy and process. A meeting between public agencies and the private sectors led to permission being granted to use advertising spots with prohibited content for a certain period [Prachachat Thurakit Newspaper 22/09/2003]. A public-private joint working group has had the role of establishing the legitimacy of ambiguous advertising.

“We have the Committee, consisting of representatives from PRD, FDA, OCPB, and the Advertising Association. If anyone is not confident whether the advertising is eligible to be broadcast or not, they can consult with this Committee.” [A PRD administrator]

8.5 Influence of sectors subject to enforcement

Sectors subject to enforcement, by nature, try to avoid and minimise any negative impacts from alcohol policy, including its implementation. The reactions of these sectors not only determine the implementation effectiveness, but can also create spillover for other stages of the policy process. A shift toward hidden promotion because of the partial advertising ban sparked the total ban process. This section focuses particularly on the alcohol industry, partly because of the information available. However, this does not imply that the response of other ‘voiceless’ sectors, such as consumers, drivers and retail sellers, has less influence on policy impact.

- Declaring disagreement and advocating for preferred policy

The sectors facing enforcement frequently voice their disagreement with policy content and implementation. The arguments against implementation were used in the upstream process again. Many see that these complaints were made to protect profits.

In advocating for the repeal of times of sale regulations, an alcohol-importing administrator described the negative impacts and loss of opportunities resulting from its enforcement, and revealed that a Singaporean entertainment venue has advertised in

Thai newspaper about the around-the-clock availability of alcohol in Singapore [Than Setthakit Newspaper 4/12/2005].

Awareness of abuse of authority, including in drink-driving enforcement and illegal beverage suppression, is high in the affected sectors and a popular topic in the media. Concern about strict suppression of illegal beverages and abuse of authority provided common ground among traditional producers leading to the formation of the TBPN, which then became a key player in the legalisation of traditional beverages and later tax rate adjustments.

“For blitzes on drink-driving enforcement, normal people may think that this is just an occasional inconsistent activity, not a serious one. But to many, they think that this is a ‘Corruption festival’. Fundamentally, people still do not like the police.” [A road safety expert]

“We will pressure the government to legalise our spirits... the grass roots people have been badly treated and tyrannised by public officers for long enough.” [A villager, Phoojadkarn Newspaper 15/12/2000]

- Adaptation and impact absorption

Attempts by sectors subject to enforcement to minimise the damage to their interests is common, as this helps determine policy outcome. The absorption by alcohol entrepreneurs of marginal increases in the burden, rather than passing them on to customers, can significantly dilute the effect of tax rate increases. Boonrawd announced they would not pass the additional burden from the 1998 tax rise onto customers, in order to keep their market share as a highly competitive business [Prachachat Thurakit Newspaper 2/03/1998]. After the 2003 tax rise, an operator decided to downsize beverage containers from 0.75 to 0.7 litres rather than increase the price [Prachachat Thurakit Newspaper 6/02/2003].

The fashion of selling beverages in unusual containers, such as ice buckets, soft drink bottles and clay containers, and drinking in unusual outlets such as milk bars stopped when the government committed to the Social Order Programme [Kom-chad-leuk

Newspaper 10/02/2003]. Previously these tactics had allowed sellers and drinkers to avoid times of sale and outlet licensing regulations.

“The waiter informs us that our spirits are in the clay cup but it is from only half of the bottle. The other half is kept behind the bar. There is soda in the drinking water bottle. This is to make police officers think we are drinking plain water. When looking around the restaurant, there are no spirits or beer bottles on any of the tables.” [Report from a journalist, Kom-chad-luek Newspaper 10/02/2003]

Nighttime and jungle brewing were common practices of illegal producers during the time of heavy suppression. A shift toward uncontrolled, below-the-line advertising was seen after the 2003 advertising regulations came into force. The budgets for mobile advertisements such as ads-on-vehicle, and onsite drinking promotions increased by 583% and 148% respectively from 2003 to 2004 [Krungthep Thurakit Newspaper 7/09/2005]. An alcohol company revealed that advertising through mobile phones to promote a lucky draw campaign was successful [Prachachat Thurakit Newspaper 8/11/2004]. A drinking contest campaign was conducted in popular entertainment venues to encourage more consumption over a short time, after the time of sales was limited to midnight [Thairath Newspaper 11/11/2005].

- Regulation violation and circumvention

There have been the cases where the sectors facing enforcement have ignored and continued violating the regulations. A TBPN member claimed that the Network leader has urged 2,000 members to produce as much illegal distilled beverage as possible and promised to help them if they were arrested [Bangkok Post Newspaper 21/04/2002].

Some violations may be based on settlements with or with consent from public officers. Many illegal brewers let excise officers charge them a minimum fine so that officers are seen to be doing something, and in turn the officers will allow them to continue illegal brewing (Laichuthai et al., 2002). Commonly among TBPN members, many illegal brewers prefer to pay a monthly bribe in order to keep their business alive [Phoojadkarn Newspaper 15/12/2000]. A TBPN leader stated that the bribery system has segregated

the villagers into payer and non-payers, and it was easy for excise officers to arrest non-payers [Bangkok Post Newspaper 21/04/2002].

“A bribe is cheap compared to the benefits gained... They might have to pay much more to the government in terms of taxes if production is legalised ...They have to bribe not only excise officials, but also policemen, which is much more costly” [Somkait Phongphaiboon- an independent academic, Bangkok Post Newspaper 21/04/2002]

Alcohol entrepreneurs use many tactics to evade taxation burden. These practices include the intentional application of incorrect excise stamps [Post Today Newspaper, 11/02/2004], using fake and used stamps (Sanyotewit, 2004), and underreporting of the tax base, practices found among both industrial (Poapongsakorn, Leelahanon, Suksiriserekul et al., 2005) and traditional producers [Krungthep Thurakit Newspaper 24/01/2003].

“Now cheap wines have invaded the Thai market. The sales of 180-250 Baht per bottle wines increased significantly, particularly in discount stores. This phenomenon is despite the situation that the Thai Baht currency is weaker, and the tax rate is higher...This is from the underreported CIF price... For example, the price of wine was declared at 26 USD per case before being exported from the country of origin, Chile. But the importers declared it at only 13 USD at the Thai port.” [An unnamed wine importer, Prachachat Thurakit Newspaper 29/10/2001]

Since the 2003 partial ban came into force, both violations and circumventions of advertising regulations have been obvious. The violations include advertising at prohibited times, on prohibited channels, with prohibited content, and with no warning messages attached. Some of these violations were declared as promotions for surrogate products. Indirect advertising in controlled media and increasing promotions on unregulated channels are strategies employed to circumvent the regulations. A study in 2004 reported the high frequency of promotion of brand-sharing products at prohibited times [Krungthep Thurakit Newspaper, 7/9/2005]. A study in 2007 found that among regulation violations, hidden promotion was the most common questionable practice,

followed by direct advertising and breaches of content regulation (Media Monitor Project, 2007).

“No matter how comprehensive the regulation is, we will find the industry walking on the rim” [A FDA officer]

- Challenging

Some alcohol entrepreneurs have challenged the legitimacy and appropriateness of implementation practice. The practice of excise officers in arresting illegal beverage producers was labelled as abuse of authority and a breach of the Constitution. The ED practice in setting the Standard Ex-factory prices for beer and traditional beverages was criticised and later challenged. Boonrawd, in particular, took a challenge to the Office of Information Committee, requesting ED to reveal the calculation method used for the Standard Ex-factory beer price [Prachachat Thurakit Newspaper 11/05/2006].

After AFTA came into force in 2003, an importer tested the water with the importation of only 10 ‘repackaged’ whisky cases from the Philippines in January 2003. After the first lot was taxed with the low in-zone custom duty, this entrepreneur imported over 30,000 cases in seven lots, until this repackaging practice was exposed in the media. This forced the CD to quarantine all on-port beverages [Thairath Newspaper 18/03/2003], which led to a complicated conflict between Thai officers and the Philippines government.

Soon after MOF announced the time of sales practice as part of the licensing criteria in 2005, an unnamed alcohol company administrator challenged that *“Although public officers have full authority to enforce the regulation... the government has to think before charging that is there enough space (in prison) to confine these violators.”* [Thairath Newspaper 11/11/2005]

- Calling for implementation compromise

In many circumstances, the sectors facing enforcement have requested implementers to cease and/or weaken their enforcement. Requests for delayed enforcement were seen

with advertising regulation [Prachachat Thurakit Newspaper 22/09/2003] and for warning labels [Seau Thurakit Newspaper 10/05/1997]. The TBPN frequently called excise officers to refrain from arresting people; particularly while the traditional beverage legalisation policy was in process. The ‘show case’ sellers arrested for MPA violation requested that officers not use teenagers who ‘looked like adults’ in sting operations again [Matichon Newspaper 3/12/2004].

- Showing responsibility

Often alcohol entrepreneurs have declared their intention to conform to regulations, and their willingness to help implementers by practicing self-regulation. Both alcohol operators [Post today Newspaper 26/05/2004] and advertising agencies [Than Setthakit Newspaper 21/03/2005] volunteered to support the enforcement of advertising content regulation. During the uncertainty surrounding the FDA total advertising ban in late 2006, five alcohol companies declared they would not advertise for one month. It was found later, however, that only direct advertising from these five operators decreased, but not the frequency of hidden promotions; furthermore the frequency of advertising by these operators increased significantly after this month (Media Monitor Project, 2007).

“Currently, there are some black sheep in the advertising business...However, the Association itself will establish the mechanisms to monitor and control. This is to make all alcohol advertising comply with the regulation.” [Chaipranin Wisuthiphol- Chair of Advertising Association, Than Setthakit Newspaper 21/03/2005]

8.6 Implementation context

This section describes the implications of the general context, social awareness and spillover from other policies to alcohol policy implementation.

- General context

The external conditions are significant for alcohol policy implementation. Enforcement planning has to take social context into account. Social concern about the death and injury tolls during long holiday and festive periods have forced public agencies to implement blitzes during these high-risk periods. The Buddhist lent period has provided the best conditions for the implementation of programmes to change the drinking context. There is support from religious, cultural, lifestyle and environmental conditions.

In turn, these contexts influence both the process and outcome of policy implementation. A study shows that economic growth has triggered an increase in number of alcohol outlets (Laichuthai et al., 2002). The emergence of discount stores and 24-hour convenience stores has altered physical and financial accessibility, for example through longer opening hours. These situations affect the capacity of public regulators to maintain control.

- Social awareness

Social awareness is crucial to policy enforcement. Some policy players have intentionally used social support, awareness and expectation to strengthen policy enforcement, for instance as in drink-driving enforcement.

“Public campaigns create social awareness, which will in turn pressure government to increase enforcement. And enforcement will then shape the behaviour.” [A drink-driving NGO administrator]

“ThaiHealth knew that the campaign ‘drunk driver will be certainly arrested’ is exaggerated. But they may use this campaign to pressure and create social expectations for police officers to strengthen the enforcement” [A road safety expert]

- Spillover from other policies

There have been many cases where the implementation of one intervention was affected by spillover from other measures. The Social Order Programme, which focuses on entertainment venues, indirectly strengthened time of sales and MPA regulations. This programme also forced the Ministry of Interior to announce location and operating hour regulations for entertainment venues. The legalisation of traditional beverages is a key example of officers changing the way officials suppressed illegal production.

“To suppress illegal production, we used to work in jungles, in mountains and deal with ordinary villagers. Now the situation has changed, we have to deal with authorised and well-educated brewers. The tools we use are not weapons but accounting systems.” (Phute Burapha, 2004)

8.7 Conclusion

Every stakeholder seems to agree that implementation is the weak and neglected area of Thai alcohol policy. This chapter illustrates that alcohol policy implementation is shaped by many factors, including characteristics of implementers, policy content, administration, the sectors facing enforcement, and implementation context.

Implementing agencies and their officers hold the authority for the policy to succeed. However, they also can distort, circumvent, ignore and abuse the policy enforcement process. Personal and institutional interests, capacity, and surveillance systems used by administrators and civil society partly determine enforcement practice. Consistency and commitment seem to be missing in Thai alcohol policy implementation, where compromising practices have been seen in many areas. The clarity, efficacy, and feasibility of policy content are important in implementation.

The sectors facing enforcement can shape the policy outcome by adapting, circumventing, and ignoring policy implementation. The Thai experience shows that the responses of these sectors can create spillover and affect the process at other stages and intervention areas. Implementation of policy is also determined by its context, including the process and actions in other areas.

Chapter 9

ALCOHOL POLICY EVALUATION

“What the law says about prohibiting alcohol sales to youth is meaningless. Nowadays parents still use their kids to buy alcohol. The law says do not sell alcohol to under 18s, but in the rural area it’s the preteens that buy alcohol. We have to think together what we shall do. One student said to me in a youth meeting that it is easier for them to buy alcohol than a book. There is no book shop, but many alcohol outlets in their school area.” [Thaksin Shinawatra- PM, (Shinawatra, 2006)]

Policy evaluation is the most neglected process in the public policy life cycle. This could be because these processes are conducted behind the scene and do not create many attention-grabbing outputs from the perspective of the public and media. This is particularly true in the developing world, where policy makers and other stakeholders tend to focus on up-stream policy. However, policy evaluation is crucially important to verify whether interventions are good or not, and can improve all stages of policy process, if the results are taken up. It indirectly determines the effectiveness and appropriateness of public policy.

This chapter explains the Thai alcohol policy evaluation process, starting with the fundamental ideology of public policy and alcohol policy evaluation. The evaluation process, including mechanisms, methodology and utilisation of results, is outlined in the next section. The evaluation results for Thai alcohol policy, from the perspective of stakeholders and the author, are in *Appendix F*.

9.1 Introduction

Despite its theoretical significance, policy makers and system administrators, particularly in the public sectors, seem not to give much priority to the policy

monitoring and evaluation process. The budget for most policy interventions does not include an allocation for programme monitoring and evaluation.

By broad definition, policy evaluation connects and overlaps with all phases of the policy process (Dunn, 2004), therefore it should be conducted in parallel with, not after, other stages. In the relationship to other phases, policy evaluation process consists of three elements: 1) Monitoring and control; 2) Evaluation and review; and 3) policy maintenance/succession or termination (Hogwood & Gunn, 1984). These elements focus on different aspects of public policy.

Policy monitoring or formative evaluation focuses on implementation and its conditions, in order to verify and improve the effectiveness of implementation. Evaluation or summative evaluation, by comparison, aims to prove whether or not the policy meets its objective(s), in a broader dimension which includes effectiveness, efficiency, adequacy, equity, responsiveness and appropriateness (Dunn, 2004). Both monitoring and evaluation then provide input for the decision on whether to terminate, continue and amend that policy. Deciding on a policy's future is more predominant in project-style policy than continuous policy where there is no time line.

Policy evaluation is the appraisal of 'policy-generated values'. There are two interrelated methods for identifying the policy values or outcomes; information-based or pseudo-evaluation and objective-based or formal evaluation.

Although the aim is to understand the 'fact' of policy, the evaluation process and results are influenced and altered by many conditions. These include personal and institutional factors of stakeholders, particularly policy makers, administrators and implementers, such as personal characteristics, experience, expertise, values and beliefs given to the policy and judgment, as well as general factors such as resources and context (Davies, 2004). In many circumstances, the commitment pledged by policy makers and elites also shapes the process and results of policy evaluation.

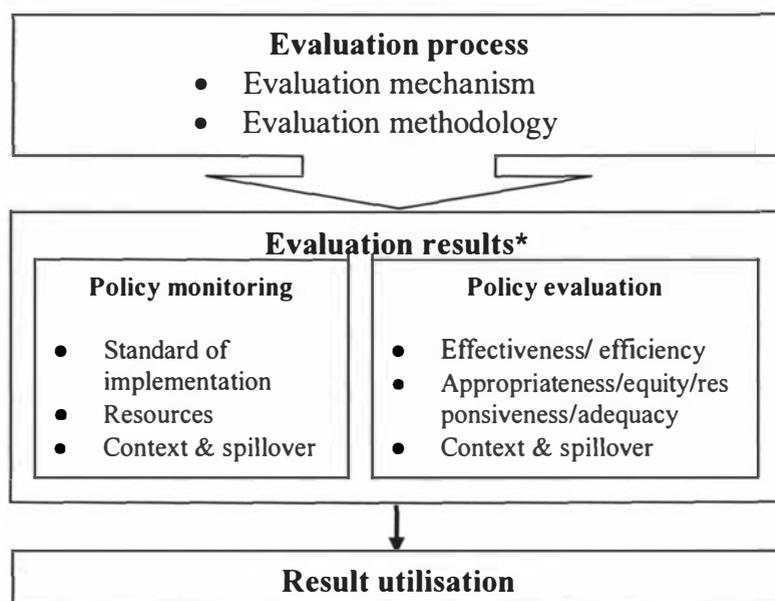
Policy evaluation is the public policy area for which there are vast differences between developing and developed countries. Conventionally, the cultural environment in developing countries may not support the policy evaluation process well (Smith, 1990).

Evaluation of many policies may not occur, or not be conducted thoroughly. Many other factors can play a part in the differences; the political system, policy implementation system, and technical capacity for evaluation. For example, the authoritarian political systems commonly in the developing world can be a constraint for policy evaluation (Smith, 1985).

Many policy makers in developing countries arguably employ the concept of formalism (Riggs, 1963), where even the implementation phase, let alone policy evaluation, is mostly ignored. In addition, policy evaluation procedures may not be easy in the developing world setting, for example data collection. Even if it is well conducted, the evaluation result may not be utilised (Hofferbert & Erguder, 1985) and not lead to any policy and process improvement.

This chapter explains the alcohol policy evaluation process, describing evaluation mechanisms and methodologies and the utilisation of evaluation results. In line with the ‘Decisive-theoretic approach’ to evaluation (Dunn, 2004), it takes into account other stakeholders’ opinions on the results and achievements of alcohol policy not just those of the policy makers, The performance of Thai alcohol policy, including three case studies, is analysed in *Appendix F*.

Figure 9-1: Conceptual framework on alcohol policy evaluation process



* See Appendix F

9.2 Thai Alcohol Policy monitoring and evaluation process

The process of alcohol policy evaluation in Thailand faces many constraints, in both the conceptual and technical dimensions. Many interventions have not been well evaluated perhaps because it is not a priority for system administrators. Some interventions fall into no-man's-land and there is no one responsible agency to evaluate them. Other constraints include evaluation practice in the Thai context, including a lack of understanding and commitment. Debate and comment in the public media is the most common way of identifying how stakeholders think and evaluate the process and effect of alcohol policy. However, it is far from a comprehensive evaluation. The lack of technical capacity to deliver comprehensive, accurate and utilisable evaluation results is another stumbling block.

“ThaiHealth evaluation is very Thai-style, not serious and straightforward but compromised...It is a very bureaucratic evaluation.” [Thaksin Shinawatra-PM, Post Today Newspaper 22/04/2005]

As part of the formalism phenomenon, many declared objectives have been neglected and have not regularly been used in evaluating policy. The principles of alcohol-generated revenue and preventing alcohol market domination which underpinned the production liberalisation campaign announced in 1998 (Ruenklin, 1999) were practically ignored. No one took responsibility for the 30% drop in alcohol taxation (20 billion Baht) the following year and market domination has not been addressed since.

However, key players are well aware of the importance and weakness of alcohol policy evaluation. Many attempts have been made to solve this unfavourable situation. National and provincial alcohol control committees are to be the mechanism for monitoring consumption and related-problems, if the ACC Bill is adopted as it currently is. The CAS has declared its mission to *‘manage knowledge on alcohol to support the development, monitoring and evaluation of alcohol policy’* (Center for Alcohol Studies, n.d.-b).

“In the new alcohol Bill...we also want to strengthen the organisation structure and coordination, and to improve the information system including policy evaluation.” [An MOPH administrator]

Many characteristics of existing alcohol policy are not conducive to the evaluation process, including the broadness of policy, continuity of programmes, involvement of policy participants, and many conflicting objectives.

Firstly, alcohol policy is a wide and open sphere containing many manipulable and non-manipulable factors, which influence both the process and impact of policy. For example, to quantify and claim an effect for one particular intervention on the change in consumption and burden is not easy. This is because many interventions share a common objective and work in a synergistic way to enhance each other's outcomes. Indicators, such as consumption volume, are not specific to an intervention, but rather depend on the collective effect of many. Then evaluation process also involves many confounders. These internal and external factors of alcohol policy affect 'information' about policy impact, and the way it is verified. Appendix E illustrates that revision of the police reporting system led to targeting of alcohol-related traffic accidents.

Secondly, many interventions are implemented on a continuous basis, such as taxation and drink-driving regulation. This group of interventions creates an accumulated effect, resulting from ongoing implementation, rather than the impact from any pinpointed period. Evaluations for such interventions are technically difficult compared to interventions with a clear time frame such as the Alcohol-free Buddhist lent period campaign.

The third difficulty arises from multi-stakeholders involvement. The personal and organisational characteristics and interests play a significant role in monitoring and evaluation. For example, ED officials were criticised for not monitoring the overproduction situation during the concession period [Phoojadkarn Newspaper 15/09/2000]. When results are being utilised, pressure groups have an incentive to bring their preferred evidence to the decision making process (Davies, 2004). The selective use of evaluation data has been witnessed. Health camp players have continued to use WHO's per capita consumption ranking data to reflect policy weakness, although the

data was later revised. Conversely, some alcohol entrepreneurs purposely concluded that tax rises under the 2-for-1 systems were unable to halt the growth of consumption, during the 2005 adjustment process.

“ED has never made any effort to monitor and control this issue (tax evasion), even though they know that these are the channels for tax evasion. They seem to collude in helping those entrepreneurs.” [An unnamed retired ED officer, Phoojarkarn Newspaper 15/09/2000]

The fourth difficulty is that many interventions have many objectives, which may not mix well. For example the objectives of revenue generation and consumption control for outlet licensing and taxation are arguably incompatible. It is hard to conclude that consumption growth reflects the failure of taxation policy, if revenue is still increasing.

“We are unable to identify who gains or loses from the tax rate adjustment (2005), because the objective for this adjustment is not clear. If the purpose is to reduce consumption, the government should use the Specific rate. If the purpose is to prevent luxury spending, the full Ad valorem system should be employed. If government want to promote community economy, they should separate tax rates and license fees for traditional beverages...In conclusion, this adjustment does not respond to any objective at all. It has no direction.” [Dr.Duenden Nikhomborirak-Thailand Development Research Institute, Naewna Newspaper 16/09/2005]

9.2.1 Evaluation mechanism

Evaluations of Thai alcohol policy have been conducted at three levels; for the general situation, by programme, and by a responsible agency. Evaluation of the general situation is a common approach; although it cannot specifically indicate the performance of any particular policy. In comparison, many interventions have their own specific evaluation programme and indicators, such as monitoring of drink driving enforcement through the number of checkpoints set up and number of violators identified. Lastly, many organisations have to report their performance, and/or are regularly evaluated. ThaiHealth, for instance, has to report to parliament annually, as

well as having its own internal programme-based and organisation-based evaluation programmes.

Some policy players have explicit roles in the evaluation process. These include people in technical sectors such as technocrats in the public sectors, academics and researchers; and public media, who publicise the results. In some areas, policy implementers are data collectors and reporters, which make them part of the evaluation process.

When looking at the boundaries of policy administration, Thai alcohol policy has been evaluated by two mechanisms; internal and external. Internal evaluation is the appraisal within a policy administrative system, such as implementers or official auditors. For example, policy makers and administrators monitor the taxation situation through the routine reporting system, from which data is collected and reported on within the ED organisational structure. In comparison, the mechanism for external evaluation is alcohol policy research conducted by a third party.

Internal Evaluation

For many interventions, the evaluation process is integrated into the policy implementation phase, including surveillance and reporting systems. For example, alcohol advertising regulation has been enforced through the advertising surveillance system, overseen by the FDA, OCPB and FDA. Reports from this surveillance reflect the situation of alcohol advertising. Administrators had vowed to link the results of advertising surveillance with punishment for violations [Matichon Newspaper 12/07/2005].

However, surveillance seems to have resulted in particularly low numbers of reported violations. The OCPB reported only five violations in 2005 and nine in the 2006 fiscal years respectively [Phoojadkarn Online Newspaper 22/10/2006]. In addition, the PRD found only 24 and 20 cases of suspected violations for radio and television programmes respectively for the whole three fiscal years, 2004-2006, and of these only 16 cases were later confirmed as violations [from interview with a PRD administrator]. In comparison, the Media Monitor Project reported an average of 65 illegitimate insertions of alcohol advertising per day in free television programmes (Media Monitor Project, 2007). Other

evaluation-by-surveillance interventions include the ad hoc survey of MPA enforcement by MOJ and regulation of time of sales under the Social Order Programme of the Ministry of Interior.

Apart from surveillance systems, many interventions have also been internally evaluated through reporting systems, which can be routine and ad hoc, such as taxation and drink driving. Death and injury tolls and number of drivers tested have been reported at the provincial and national level as part of monitoring the implementation of the road safety campaign.

External evaluation

External evaluators include people in the public sector and independent researchers outside the policy administration system. External evaluations consist of policy appraisal at all three level; general, policy-specific and by a responsible agency. These can be carried out in the form of surveys, studies, and policy and situation reviews.

There were six non-ad hoc alcohol-related surveys at national and sub-national levels carried out during the 1997-2006 period. As can be seen in Table 9-1, some surveys were redundant, focusing on the same areas, while some agencies were responsible for many surveys. The MOPH, including its sub-ordinates, was responsible for three large scale surveys. Meanwhile many important areas have not been adequately covered, such as alcohol accessibility and consumption volume. This is perhaps due to their technical complexity. Minimising redundancy, synchronising data collection methods, and enhancing the utility of survey data were areas noted for improvement.

Recently, the CAS and ThaiHealth have played a major role in supporting and conducting important studies, which were later significant in other stages of the policy process. CAS publications on taxation and advertising regulation were advocacy tools for health-camp players. The time series data on alcohol advertising regulation violation cases, collected by the Media Monitor Project, supported the move for a total advertising ban.

Table 9-1: Alcohol-related national and sub-national surveys

Surveys	Responsible agency	Scale	Frequency	Area(s) of information
Smoking and drinking behaviour survey*	NSO	National	1991, 1996, 2001, 2003, 2004	Consumption frequency, beverages, starting age and reason to start, awareness of alcohol policy, drink-driving experience
The estimation of illicit drug use and alcohol consumption	Addiction Consortium	Sub-national	2001, 2003, 2007	Drinker prevalence, attitude toward drinking
Health status survey by examination	MOPH and Health System Research Institute	National	1996, 2003	Consumption level, frequency, binge drinking
Survey on health risk behaviours	DDC-MOPH	Sub-national	Every 2-3 years	Drinker prevalence, awareness on MPA regulation
Survey on mental health problem	DMH-MOPH	National	1998, 2003	Prevalence of mental health problems, including alcohol disorder
Survey on economic and social status	NSO	National	Every 1-2 years	Household expenditure, including expenditure on drinking

Sources: Modified from (Health Intervention and Technology Assessment Program, 2007)

Note: * used to be a part of the Health and Welfare Survey

Policy evaluations by joint committees, such as the RSMC and NACCC, create many impacts on the process, although they may use far-from-perfect research methodologies. Chapter Six and Seven confirm that the collective opinions on existing policy performance given by committee members were influential in the agenda setting and formulation process. For example, the agreement of the RSMC in 2004 and NACCC in 2005 that the partial advertising ban is inadequate led to the formulation process for the total ban.

The results of evaluations conducted by groups in the private sector were used in their advocacy. Key people in the Advertising Association declared they would conduct self-monitoring of the alcohol advertising practices of their members [Than Setthakit Newspaper 21/03/2005]. The study of the International Wine and Spirit Record (IWSR), which concluded that the 2-for-1-taxation system failed to control consumption, was used in the 2005 adjustment.

9.2.2 Evaluation methodology

Many methodologies have been used to monitor and evaluate Thai alcohol policy. Common approaches include comparative evaluation, target achievement evaluation, evaluation of time series information, and assessment of policy feasibility.

- Comparative evaluation

Experimental approaches including randomised control trials, that generally have high validity, have rarely been used in the Thai alcohol policy arena. Furthermore, comparisons of the effects of alcohol policy interventions between areas, such as areas with different interventions, have faced stumbling blocks as Thai alcohol interventions are mainly implemented on a national scale.

The more practical approach, therefore, is the before-after comparison, which can be done on different scales. As a national level example, the alcohol-generated revenues were compared prior to and after the production liberalisation campaign came into force. This comparison, using data from the routine ED reports, shows that liberalisation policy failed to achieve the revenue-generating target, particularly in its first two years. This shortfall was frequently referred to in the public media, and was perhaps the motivating factor for the 2001 tax rise, that declared increasing revenue as its rationale. At the local level, alcohol-related expenditure was compared before and after some particular intervention was launched in the community, such as the Alcohol-free Funeral and Household Account Project.

ED regularly monitors the effect of tax rate adjustments. Furthermore, changes in overall and segmental market from tax rate adjustments are frequently reported in public media. On the basis of such comparisons, a study concluded that the retail prices of most beverages were not affected by the 2001 rate adjustment (Phoblarp, 2002).

- Policy target achievement

Verifying policy achievement in terms of its declared target is a common and straightforward method. This practice has been widely used in alcohol taxation, illegal suppression and road safety. External conditions and internal interests within the responsible agencies influence target setting. The annual alcohol taxation target is determined by both previous figures and the planned national budget. Furthermore, target achievement may be irrelevant to policy effectiveness in real terms. For example, illegal beverage suppression can achieve its target while the consumption of illegal beverages is still substantial; for example at 40% for imported wine (Poapongsakorn et al., 2006), and the number of illegal traders arrested has not decreased.

“ED has successfully suppressed smuggling and illegal production. We can identify this achievement from the ED’s performance data. ED set the target for suppression, and achieved it.” [An MOF administrator]

- Time series evaluation

Another common approach to evaluating alcohol policy interventions is comparisons over time or time series data, which can be both generally and policy-specific. The data on drunk drivers arrested over time reflects the intensity of drink driving countermeasures. Meanwhile serial data on drinker prevalence or drinking volume can reflect the overall effectiveness of alcohol policy, but is not specific to any intervention.

- Policy feasibility assessment

One quasi-evaluation approach used is to verify the feasibility and appropriateness of temporary regulation. A public-private working group evaluated the feasibility and appropriateness of the PRD’s 2003 temporary announcement on advertising control.

9.2.3 Utilisation of policy evaluation results

Comprehensive alcohol policy evaluation in Thailand is unusual, with little effective use of evaluation results to improve policy formulation and strengthen implementation. Chapters Six and Seven show the limitation of knowledge management for the upstream process. Many factors determine whether evaluation findings will be utilised, including timing, communication channels and the complexity of results. In-house technocrats may have better channels for connecting evaluation results with other stages within the organisation's boundaries.

“We already know that convenience in access to alcohol is important. Availability regulation is effective and it is well accepted. We have learned from the effect of the Social Order Program. But no one continues this.” [A road safety expert]

Recently, many attempts have been made to improve this situation, such as using the joint committee mechanism. The NACCC assignment to review the available knowledge on alcohol and alcohol related laws were two evaluations that were fed back directly to policy makers on the Committee. These were stepping-stones for the ACC Bill development. ThaiHealth, SDN and CAS have tried to link technocrats, academic, NGOs and policy makers as catalysts for the sharing of information.

9.3 Difference in policy evaluation process: analysed from three case studies

This section describes aspects of the monitoring and evaluation ‘process’ for three case studies; alcohol taxation, Alcohol-free Buddhist lent period programme and prevention of youth consumption. Taxation is mainly evaluated thorough regular reporting to the bureaucratic system. Comprehensive processes, including population-based evaluation, evaluate the alcohol-free period programme in comparison. Meanwhile youth consumption has had no specific evaluation system. The evaluation ‘results’ of these studies appear in *Appendix F*.

Alcohol taxation

The monitoring and evaluation of Thai alcohol taxation policy is conducted through the ED administrative system, which is primarily concerned with economic interests. The effectiveness of alcohol taxation achievement is monitored by the amount of revenue it can deliver in relation to short-term targets, such as the annual revenue target, and long-term targets. As an example of a long term target, one of the principles of the production liberalisation campaign was to guarantee that the state revenue would not decrease but having ‘appropriate revenue growth rate’ (Ruenklin, 1999). Apart from the amount of revenue, other data collected by the ED reporting system include number of taxpayers, number of authorised outlets, and the performance of illegal beverage suppression. ED technocrats also occasionally conducted ad hoc surveys and studies. The completeness and accuracy of the ED data is still questionable.

“I will monitor the tax collection performance daily, looking on the screen at the amount of tax collected in each sector and region, which area has red or green figures...This is to motivate those Excise officers in tax collection.” [Sathit Limphongphan-ED Director, Than Setthakit Newspaper 28/11/2002]

“In the study to adjust tax rates (in 2005), ED sent us their raw data with many errors, it is difficult for us to study demand and elasticity. Poor raw data cannot produce good results. As well their database is still lacking data in some areas, such as retail prices” [An MOF technocrat]

Alcohol taxation is also evaluated by third parties, in academic studies and non-academically, such as by analysis in the public media, comments from key people and reports from operators.

Alcohol-free Buddhist Lent Period program

In place for over half a decade, the Alcohol-free Buddhist Lent period is the most successful alcohol-free campaign. It started quietly as an initiative of the APPA under the ‘Alcohol deposit in the Lent period’ campaign. ThaiHealth and religious allies

upgraded this programme by promoting it in the public media at the same time as the 2003 partial ban process. Since then ThaiHealth and SDN have been the main operators, while public agencies including the MOPH and the private sector have recently increased their participation.

The evaluation process for this programme is uniquely comprehensive, consisting of at least three approaches. Firstly, the internal and external ThaiHealth evaluation processes appraise it. ThaiHealth programmes are internally assessed by their Evaluation Board, and externally by Parliamentary mechanisms. Secondly, the effectiveness of Alcohol-free Buddhist Lent period programmes, along with other anti-alcohol campaigns, was assessed by independent academics, contracted by ThaiHealth. And lastly, the public opinion surveys have been conducted regularly since 2003, to monitor awareness and response in the general population.

Prevention of youth consumption

Youth alcohol consumption is influenced by many alcohol policy interventions such as taxation, physical availability particularly MPA, context alteration, and education and persuasion programmes, and non-alcohol policy, the education system and the Social Order Programme.

Youth consumption is a common area of concern for most stakeholders. Therefore, it involves many public and private agencies, in both the health and industry camps. However, youth consumption control is still virtually in no-man's land, with no real owner. Chapter Eight illustrates that the implementation of the MPA has practically been neglected.

Moreover, the control of youth consumption has no specific large-scale evaluation programme. The youth consumption situation and the effectiveness of policy aimed to halt it are only indirectly identified through external evaluations. These include surveys and ad hoc studies by third parties.

9.4 Conclusion

The evaluation process consists roughly of two elements; policy assessment and the utilisation of evaluation results. As with implementation, the evaluation part of Thai alcohol policy has gained less priority. Although many stakeholders have monitored and evaluated policy performance, most methods arguably use poor technical methods. The stakeholders bring their interests and biases to the evaluation.

Evaluation in the Thai alcohol policy process can occur at the institutional level, policy-specific level, and the general level. Evaluation of Thai alcohol policy faces many difficulties. Some interventions do not have a clear policy target. The effect of a particular alcohol policy intervention is hard to quantify as many interventions may share the same target and mechanisms, as well as synergise with each other.

The case studies show the variety of evaluation mechanisms in the Thai alcohol policy arena, ranging from internal assessment through to reports by public agencies, evaluations by external independent bodies, to interventions with practically no evaluation. The poor utilisation of evaluation results is common. With the growth of technical knowledge activity, however, the situation has recently been much improved.

Chapter 10

STAKEHOLDERS IN THAI ALCOHOL POLICY

“Mr. Progress never looked back. He streamlined production to eliminate costs. He separated the production and distribution companies to minimise the tax. He organised the cartel with a hundred-plus cross-owning companies tangled enough to bamboozle any auditor ...In the late 1990s, the Government announced it would liberalise the liquor market; Mr. Progress did not let such a profitable monopoly go out without a fight. He tried to buy all the glass factories so competitors could not get bottles. He bought the land around some distilleries so competitors could not get into them. He stockpiled so much tax-paid liquor that he could flood any competitor out of the market.” [Nation Newspaper 23/07/2001]

Thai alcohol policy process involves many stakeholders from all walks of life, from grass root producers to rich and powerful people. This chapter retrospectively analyses the Thai alcohol policy process through the involvement of stakeholders, sector by sector. It starts with general concept of the participation of policy actors. Then each stakeholder is analysed in four dimensions; characteristics, influence on policy process, influencing mechanisms and relationships.

10.1 Introduction

The primary concern for policy stakeholder analysis is to determine how policy-affecting power is structured, and stakeholder interrelationships and their impact on policy, within a broader political, economic and cultural context (Brugha & Varvasovszky, 2000). Previous chapters showed that Thai alcohol policy is not exclusive to only policy players with authority or formal policy actors. The level of stakeholder participation depends on characteristics of official policy makers; their anticipatory style, and consensus-seeking style (Richardson, 1982) and the type of ‘policy issue’ (Hall et al., 1975). Stakeholders generally have higher participation in

policies that do not affect the fundamental structure of the politico-economic system (Lindblom, 1979).

This thesis classifies the various players into formal and informal stakeholders. Formal, or official policy actors, are players in governmental agencies, including legislative, executive, and bureaucratic. Because they hold positions of responsibility and authority, these official actors are central to the policy process of most alcohol policy interventions, and also the 'articulating facets' or entry point for those informal actors.

Lacking official authority, informal policy players commonly form policy networks, consisting of like-minded individuals, groups and organisations. This is to collectively influence the policy process by trading in information, creating preferred policy values and avoiding undesirable situations (Considine, 1994). Informal networks also include public officials who go well beyond the direct use of their authority (Jordan & Richardson, 1987)

Stakeholders can influence the policy process at the individual, group and organisational levels. In terms of policy analysis, personal characteristics and individual factors are difficult to identify and triangulate. Information, critiques, analysis and accusations from public media, although far from perfect, are some of the possible mechanisms.

Stakeholder analysis in this thesis faces three main difficulties; broadness of policy areas, lengthy time frames, and inconsistencies of policy positions and interests within organisations and groups and between explicit or declared and actual positions.

Theoretically, stakeholder analysis is more appropriate for a specific policy rather than a too general policy area (Schmeer, 1999). A policy player may take a different position and interest for each intervention. For example, the DDD Foundation has declared its mission to strictly remove drunken drivers from driving (Sathapitanont, 2006a), but may not have much concern for general consumption reduction. For some interventions, players may change position on the strictness of the intervention.

Furthermore, the position, interests and influence of policy players change over time and in different contexts. The political policy context is often unstable in developing countries, which can have a big effect on process. Therefore, the validity and relevance of stakeholder analysis may be limited if the study time frame is too long (Varvasovszky & Brugha, 2000).

Policy position and interests in any organisation and network can be non-homogeneous and inconsistent. Conventionally in Thailand, the personal preference of the top administrators is likely to determine institutional position. In addition, a stakeholder may publicly express support for a policy while covertly opposing and obstructing it (Varvasovszky & Brugha, 2000). In many cases, declared positions may not reflect the actual positions and interests of individuals and organisations. Some declared positions are a passive response to external forces and context. For example the ED's position on traditional beverage legalisation was forced on them by a political pledge [Phoojadkarn Newspaper 14/05/2001].

This chapter analyses the role of four formal players and eight informal players, as outlined in Table 10-1. Theoretically legislators, and government administrators or executives, have different responsibilities, but their policy positions are rather difficult to separate, particularly in Thailand's unstable political system, and therefore they are bundled together. The executive includes the role of ministers as members of the Cabinet. Other formal actors are agencies within the Thai bureaucrat system, economic sectors, MOPH and other sectors. The role of ministers as agency leaders is included in these sectors.

Three of the informal players are purely private sector; the alcohol industry, alcohol-related businesses, and traditional beverage producers. These private groups may influence the policy process as individual entities, as business organisations, and by proxy. The public media can be seen as an alcohol-related sector, especially in advertising regulation where it was supported by alcohol industry through advertising budgets, but also it has another mandate in shaping social perceptions on alcohol-related problems and solutions. Other informal stakeholders include professionals such as researchers, academics, lawyers, health professionals, and some technocrats, ThaiHealth

and its allies, civil society and NGOs, and lastly international bodies and foreign agencies.

Each stakeholder is analysed in four dimensions; characteristics, influence or importance in the policy process, influencing mechanisms, and relationships, as depicted in Figure 10-1.

Table 10-1: Major stakeholders in Thai alcohol policy process

Formal policy players	Informal policy players
Government Executives and Legislatures <ul style="list-style-type: none"> • Prime Minister • Ministers (as Cabinet members) • Legislative members 	Alcohol industry <ul style="list-style-type: none"> • Alcohol companies • Alcohol industry-supported organisations, including SAOs
Economic public sectors * <ul style="list-style-type: none"> • MOF, ED, FPO, CD • MOI • MOC 	Traditional beverage producers
	Other private sectors <ul style="list-style-type: none"> • Advertising agency, advertising association • Alcohol outlet organisations
MOPH* (FDA, DDC, DMS, DMH)	Professionals <ul style="list-style-type: none"> • Researchers, Research institutes • Academics • Health professions • Professional organisation
Other public sectors* <ul style="list-style-type: none"> • Ministry of Education • Ministry of Culture • Ministry of Tourism and Sports • PRD • OCPB • MOJ • Military officers 	ThaiHealth and allies <ul style="list-style-type: none"> • ThaiHealth • SDN
	Civil society and NGOs
	Public media
	Other informal policy players <ul style="list-style-type: none"> • Foreign agencies • International agencies

* Including Ministers as agency administrators, bureaucratic system administrator, technocrats, policy implementers

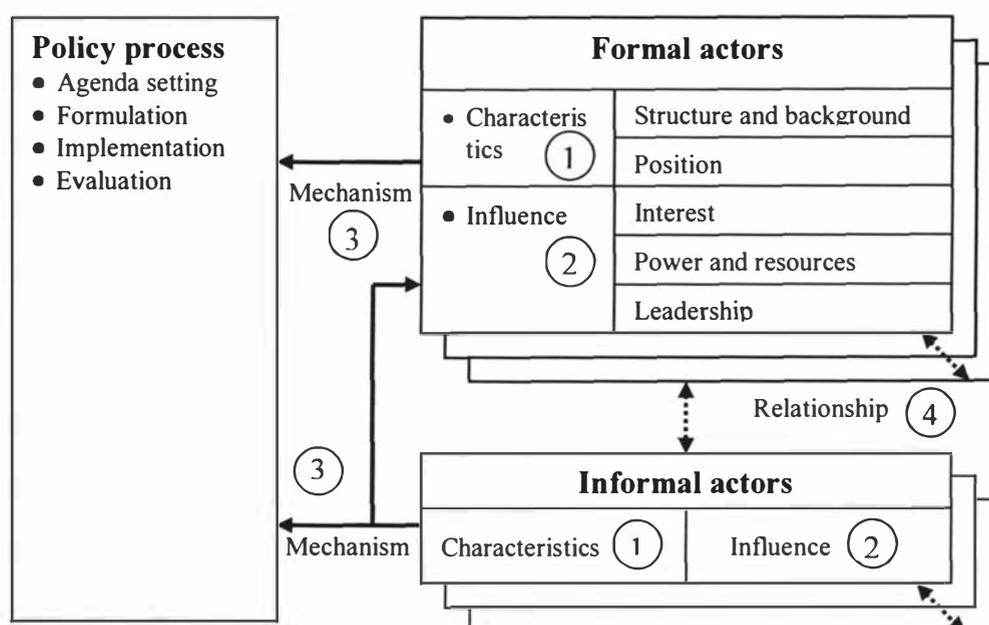
The personal characteristics of some influential people are very important to the role of the organisation. These characteristics consist of background, experience, responsibility, structure, general resources, and most significantly how the stakeholders see the alcohol policy, or policy position.

The ability of stakeholders to affect the policy process depends on two elements; power and leadership. Power in the policy process is defined as quantity of resources and ability to mobilise resources for and against the policy. Meanwhile, leadership in the policy process is the willingness to initiate and lead an action for and against policy

(Schmeer, 1999). Power and leadership in this analysis are confined to alcohol policy. Some agencies may have massive general resources, but make minimal allocation to the alcohol policy process, perhaps because of the low priority of alcohol issues.

The policy process is affected by the relationships of stakeholders on three levels; internal or intra-agency, between like-minded agencies, and to others. This thesis not only analyses the status of relationships, but also how relationships were built, and the perception of stakeholders of the relationships.

Figure 10-1: Conceptual framework on stakeholder analysis



10.2 Government Executives

A. Characteristics

The involvement of Executive administrators including the PM and Cabinet members, and politicians in alcohol policy can go beyond their political mandate. Some political elites entered into or showed their intention to engage with alcohol business [Phoojadkarn Newspaper 7/08/2000, Prachachat Thurakit Newspaper 30/07/2007], and vice versa.

For most governments, alcohol creates four interests; economic contribution, fiscal interest including taxes, productivity of labour, and effect on health and order (Makela & Viikari, 1977). Furthermore, the positions and interests on alcohol and alcohol policy of those executives can change over time. An Industry Minister once declared that the Street of Drunken People Project to promote traditional beverages would boost the Thai tourism and industry sectors [Phoojadkarn Newspaper 27/02/2003]. The next Industry Minister then quickly cancelled this project before it was launched, giving the reason as “*promoting alcoholic beverages goes against the Government position on supporting morals*” [Krungthep Thurakit Newspaper 16/12/2003].

The Ministry of Culture used to be the agency responsible for controlling alcohol consumption (The Secretariat of the House of Representatives, 1953), during its first spell during 1952-1958. After its re-establishment in 2002, two Ministers declared positions against advertising control and made statements on the necessity of industry support for the Ministry. A Minister even requested alcohol industry support for the ‘ethic promotion’ program [Phoojadkarn Newspaper Online 27/10/2006].

“A total advertising ban is a bad idea. On behalf of the Ministry of Culture, an advertising ban will not make people stop drinking. We still request financial support from the alcohol industry for many activities.” [Uraivan Thientong-Minister of Culture, Post Today Newspaper 18/01/2006]

During 1997 to 2006, there were two ‘consensus’ periods among executives; the response to the road traffic burden in 2003, and after the King expressed his concern in 2004. Apart from these periods, confrontations among ministers have been frequently witnessed. Deputy PMs who oversees the RSMC and ThaiHealth, the Ministers of Justice, Health, Social Development and Human Security and senators who have a background in alcohol-related issues have explicitly supported the process of alcohol policy development. While many executives strongly supported the total advertising ban and the ACC Bill, the Finance Minister said that the advertising ban and the ACC Bill are counter to the concept of trade competition, individual freedom and trade freedom [Prachachat Thurakit Newspaper 15/03/2007]. Later the alcohol industry used this position to oppose the ACC Bill [Prachachat Thurakit Newspaper 19/03/2007].

“The prohibition of price discounts limits trade competition, this makes customers pay more, and the Bill does not state how much alcoholic beverages should be. The Bill also gives the authority to the Health Minister in declaring a no-alcohol drinking zone this may violate individual freedom. The prohibition to use entrepreneur’s name and logos also limits trade freedom. Any decision on alcohol issues should take into concern social and economic impact”

[Chalongphob Susangkarn-Finance Minister, Prachachat Thurakit Newspaper 15/03/2007]

“The new Health Minister, Dr. Mongkol, is crazy. He wants to control everything. What I have heard is that other ministers don’t agree with his action.”

[A former ED administrator]

The ideas of these executives and legislatures on problem reduction differ vastly. Many support industry-friendly ideas, such as alcohol education and persuasion. The Deputy Education Minister stated that creating awareness at the individual level and strengthening enforcement are preferable to the advertising ban, and called for more stakeholder participation in policy formulation [Kom-chad-luek Newspaper 23/06/2003].

“We should establish an alcohol museum, educate our youth and general population on the whole process of alcohol from production, drinking methods to consequences. As we cannot prohibit drinking, so we have to raise their awareness on drinking consequences. We should teach them about the optimum way of drinking to relax, for socialisation, and on the effects of excessive drinking.” [Patharasak Osathanukrau-Chair of Youth Protection Sub-Committee of the Parliament, Khao-sod Newspaper 15/12/2004]

The commitment of these elites to alcohol policy has been frequently criticised. Many statements from Thaksin Shinawatra- PM reflect his concern for the economy and business [Krungthep Thurakit Newspaper 8/02/2006], such as his speech saying that MPA implementation should not be too serious [Matichon Newspaper 18/12/2004], and expressing his disagreement about the advertising ban [Post Today Newspaper

7/02/2006]. He once labelled advocates for the total advertising ban, including NACCC, as extremists [Post Today Newspaper 7/02/2006].

The personal characteristics and background of executives and legislators are very significant. Dr. Mongkol Na Songkhla, Health Minister, used to be the Director of DMS and was involved in the establishment of the DDD Foundation, the MOPH PS during the establishment of ThaiHealth, and he was later a member of many ThaiHealth committees. Many disagree with his fundamental position.

“After we warned the Health Minister to stop, he still insisted on going for the advertising ban. Such stubbornness... He is a socially unwelcome person. I have requested many restaurants to show the banner ‘This place doesn’t welcome Dr. Mongkol’... Other countries see us as a Khomeini-like nation, they are about to withdraw their investment.” [An SAO staff member]

Executives and politicians can easily gain their political reputation from alcohol policy, as it is a social and moral concern. On the other hand, media reports of the linkage to alcohol industry are generally undesirable for executives and politicians. Some executives denied and toned down the industry’s influence on their decisions, for instance during the partial advertising ban [Phoojadjkarn Newspaper 10/07/2003].

“Alcohol policy is worthwhile for politicians. They know that it is an area where they can easily gain popularity” [An MOPH technocrat]

“I know that many members here may hesitate to debate against the ACC Bill, as they are afraid of being seen as alcohol industry slaves.” [Kamnoon Sithisamarn-A NLA member, Phoojadjkarn Online Newspaper 28/03/2007]

Many incidents confirm the significance of alcohol-generated revenue for the Thai government. In 2001, the PM instructed MOF to increase tax rates for luxury goods, including imported beverages to offset the national budget deficit [Phoojadjkarn Newspaper 22/03/2001]. The interest in taxation may vary overtime. When interviewed, an ED administrator concluded that the views of executives on national budgets and revenue significantly affect the alcohol taxation process.

“The former government first set the national expenditure to indicate the revenue target, to which ED had to respond. This creates unusual pressure on us. Normally, the expenditure is based on how much we are likely to collect.” [An ED administrator]

Many executives and legislative administrators did not contribute to abolishing the alcohol market domination, as planned for in the alcohol production liberalisation. This position can easily be seen as protecting domestic operators. A Finance Minister once stated that *“the current situation of market domination has both explainable and unexplainable reasons, but it is not anybody’s fault”* [Khookhang Thurakit Newspaper 15/04/1996]. Another Finance Minister stated that measures to abolish market domination proposed earlier, such as the limitation of cross-sharing, are unfeasible (Ruenklin, 1999)

Other evidence showing protection of domestic entrepreneurs, including the abandonment of attempts to apply a compulsory ‘industrial production standard’ to alcoholic beverages [Prachachat Thurakit Newspaper 16/04/2001], and the cancellation of tax on imported beverage concentrate, that the Finance Minister explained as a strategy to increase the competitive competency of domestic producers after AFTA took effect [Phoojadkarn Newspaper 4/03/2003].

“Charoen’s liberalisation resistance campaign is clear evidence that the Thai Government did not seriously use the opportunity of economic crisis to solve the skewed market. The Government announced a lot of opening measures but really only implemented a few. That’s because money and political power still trump the law.” [Shawn W. Crispin, (Crispin, 2001)]

Promoting traditional beverages was a clear position of Thaksin Shinawatra’s Cabinet, although it was opposed by many academics. The PM [Khao-sod Newspaper 8/09/2002] and Interior Minister [Thai Post Newspaper 7/09/2002] declared the policy rationales of promoting local wisdom and helping grass roots people in the rural area to flee poverty. The chief consultant of the PM declared that there is no evidence to support concern about the effect on consumption levels from legalising traditional

beverages [Krungthep Thurakit Newspaper 7/05/2002], and that the campaign will push Thailand to be the ‘World Drinking Center’ [Phoojadkarn Newspaper 14/10/2002].

B. Influence on alcohol policy

Executives and legislators are central to all elements of the policy process. The PM and a senator were the agenda setters for the 2005 tax adjustment and 2003 partial ban, respectively. In policy formulation, the PMs and Ministers were crucial in setting the policy direction and determining the extent of stakeholder participation. In issuing policy, the Cabinets have to submit the draft major laws to legislative bodies such as the ACC Bill, endorse most minor laws by themselves, and play the system administrator role in the policy implementation and evaluation components. In addition, these executives also exercise their influence through informal channels, such as the informal expression of disagreement with the total advertising ban by the PM that practically stopped the process.

Apart from their responsibilities, these administrators have the authority and ability to influence the outcomes of the process, which is why every stakeholder wants to connect with them. The strong leadership and collective commitment of the executives was a success factor, when comparing the success and failure of 2003 and 2006 advertising regulations. The PM and Cabinet collectively endorsed the 2003 partial ban as a concrete output from the road safety campaign, while the 2006 process was mainly isolated within the MOPH.

“The position of the PM and Cabinet is very important. In the partial advertising ban period, the Cabinet clearly committed to this measure, so the process was fast and smooth. It was in contrast to the current situation (the total advertising ban); the top leaders do not show his stance.” [A FDA officer]

The relationship among executives and between them and other stakeholders, the condition of the government, and the use of authority in the process all affected each other. The process in multi- and single-party governments may be different, perhaps because of the differences in policy position among political parties. An alcohol entrepreneur had to separately lobby two parties, overseeing the MOF and MOI, to

continue the concession [Prachachat Thurakit Newspaper 4/12/1997]. The policy process seemed to be livelier under dominant governments, such as under Thaksin's Cabinet (2001-2006) and under the coup leadership.

C. Mechanisms of influence

In implementation and evaluation, executives can use their administrative roles to support, accelerate, weaken and even ignore the process. This can be done using both official and informal mechanisms, such as using charismatic power to make requests of involved sectors, such as requesting not to sell alcohol in petrol stations during festive periods. In influencing the upstream phase, executives and legislators have more diverse roles.

1) Formal influencing mechanisms

The role of executives and legislators through their formal authority include decision making or legislating policy, guiding policy direction, exercising personal authority, working with joint agencies, setting up ad hoc committees, and through parliamentary mechanism.

Policy decision-making, including legislating, can be done individually and collectively, for example by Cabinet resolutions. These decisions also include the decision not-to-decide, where executives may cite the necessity for further study before a decision can be made.

For many policy changes, executives have been giving their preferred policy direction since the agenda setting process. The PM sparked the processes and clearly hinted in the direction of increasing tax rates for imported beverages in 2001 and changing to a Specific rate system in the 2005 adjustment. A political pledge, given in the pre-election period, inevitably guided the direction of traditional beverage legalisation.

The PM and Cabinet members can employ their personal authority to influence the momentum and pace of the policy process by picking up a policy agenda, catalysing, stalling and dismissing the formulation process. The PM urged the Ministry of

Agriculture to support the ED on traditional beverage legalisation [Phoojadkarn Newspaper 11/05/2002]. In 1997, it was reported in the media that the Finance Minister decided not to table, but shelve, the ED’s Alcohol Production Liberalisation Proposal [Than Wikrau Newspaper (faded date)/08/1997], and this proposal was instead presented to the next Cabinet. Using personal authority can easily be tagged as abuse of authority, for example the decision of the Deputy PM to postpone the 2003 partial advertising ban submission and decision to revitalise the 2006 total advertising ban by the Health Minister.

“So many columnists agree that Dr. Mongkol (Health Minister) has exceeded his authority in quickly pushing the advertising ban regulation, he abused his power.” [A SAO staff member]

“I can conclude that this Health Minister (Dr. Mongkol) has no skill, if you just extend the prohibition period from 10 to 11pm, it would have happened by now. His action is probably a signal for bribery, ‘waiting for bribery negotiation’. The rumour says that someone has paid it already.” [An alcohol company administrator]

Many policy decisions were made in joint committees and organisations; such as the RSMC, NACCC and ThaiHealth. The seniority of political officials involved in organisations, as shown in Table 10-2, can determine the output of such agencies, such as the role of the RSMC Chair of the Deputy PM in the 2003 partial advertising ban.

Table 10-2: Organisational structure of RSMC, NACCC and ThaiHealth

	RSMC	NACCC	ThaiHealth
Chairperson	Deputy PM	Minister of Public Health	PM*
Vice Chair	Minister of Interior, Public Health, Transportation, Education and Ass Minister of Interior	Permanent Secretary of MOPH	Minister of Public Health,
Secretary	Director of Disaster Department	Deputy Director of DDC	ThaiHealth Manager
Attachment to public agency	Ministry of Interior	MOPH	No

Note*: The PM can nominate one of the Deputy PMs to act on his behalf

Setting up ad hoc working groups, to study and explore opportunities to revise the regulations is another common mechanism. This can be done by collective agreement such as a group of legal experts reviewing existing laws assigned by the NACCC, and by individual authority. Ad hoc groups and committees can be intra agency such as the tax system adjustment team within the MOF boundary [Prachachat Thurakit Newspaper 22/08/2005], as well as multi-agency such as the appointments to Cabinet from many ministries in seeking consensus on the optimum MPA in the ACC Bill [Matichon Newspaper 25/10/2006]. Working groups and committees are effective in accommodating different positions, if strategically set up. A senior Deputy PM was assigned to chair the Traditional Beverage Problem Solving Committee as a clear signal for legalising traditional beverage production. The significance of the appointment could not be denied by the Deputy Finance Minister, who had once expressed his disagreement with the Legalisation [Dokbeer Thurakit Newspaper 9/12/2002].

By procedure, major laws have to be approved by the parliamentary process. Legislative bodies also have authority to set up committees and sub-committees to monitor particular programs, such as overseeing the production liberalisation campaign, and reviewing draft regulations, such as the ACC Bill. The partial advertising ban was sparked by the timely question in parliament of a Senator about the burden of road traffic accidents, after the upgrade of road safety to the national agenda and the accident-filled Thai New year period.

2) Informal influencing mechanisms

Executives and legislators can exercise their charismatic power to influence the alcohol policy process by showing their personal stance and opinion, determining the extent of stakeholder participation, conducting informal discussions, and organising policy-related events.

Because of their influential position and attractiveness to the public media, the expressed opinions and preferences on particular policies by political elites can create a significant aftermath, such as the PM's informal speeches on the excise taxation system and alcohol advertising ban in 2005 and 2006 respectively. Accusations of questionable practices can create pressure on politicians and other players. Senators criticised the

Deputy PM [Dailynews Newspaper 23/07/2003] and alcohol industry [Dailynews Newspaper 26/07/2003] for their attempts to delay the decision and weaken the content of the 2003 advertising regulation.

Informal discussion among executives and between interest groups and executives can be very significant for policy decisions. Executives can play a proactive role, and be reactively lobbied by others. In 2003, the Minister of Tourism and Sport declared his willingness to informally negotiate with the Deputy PM on alcohol advertising at sporting events [Than Setthakit Newspaper 26/06/2003]. Many believe that the total advertising ban process started from the negotiation between the Health Minister and the leader protesting against Thaibev's listing.

These elites also organised official events that significantly affected the policy process, such as meeting to discuss the impact of advertising bans on sport, conducted by the Sports Committee of the Member of Parliament [Matichon Newspaper 25/07/2003], and the 'Advertising Ban and Sports' conference, where the Deputy PM and ThaiHealth declared they would compensate sport for the loss of industry sponsorship [Dailynews Newspaper 26/07/2003].

D. Relationships

The relationship between executives is mainly in the vertical dimension by administrative rank, where the PM sits at the top of the hierarchy and senior ministers occupy 'Grade A' economic-related Ministries, having higher status. This was particularly true in Thaksin's time, as he seemed to be able to control the whole cabinet. An unnamed source at the MOF revealed that the clear position of the PM on traditional beverage production legalisation forced other Cabinet members to agree with this controversial campaign [Dokbeer Thurakit Newspaper 9/12/2002]. The Health Minister said that no one dared to argue with the PM on the advertising ban, when questioned about the effect of industrial lobby [Krungthep Thurakit Newspaper 8/07/2003].

Legislative bodies are unlikely to provide an effective check and balance mechanism for government administrations, particularly when the governing party has a large majority, such as in 2005 where one party occupied 376 of the 500 parliamentary seats. MPs and

Senators have strong links with each other. In many electorates, members of these two parliaments came from the same influential local families, commonly symbolised as ‘Husband and Wife Parliaments’ [Thairath Newspaper 17/04/2006]. After the Coup, the Revolutionary Group established both executive administrators and single-parliament legislative members, informally called the ‘Parliament of Generals’ [Thairath Newspaper 13/10/2006].

The relationship between executives and other stakeholders are mainly in three forms; 1) Commander, such as to bureaucrats in public agencies, 2) Companion to civil society and NGOs, and 3) inter dependent to the private sector. Some relationships of executives come automatically with the post, such as the relationship to bureaucrats and public agencies, while some relationships need facilitation such as the connection to civil society with ThaiHealth as catalyser.

“The bond between Health sector and politicians is not always positive. It still depends on personal background and what benefit politicians can get. Politicians are naturally the opportunistic type. They always connect into both sides - health and the alcohol industry.” [An alcohol policy expert]

In the history of the Thai alcohol industry, entrepreneurs have had good relationships with people in authority since the absolute monarchy period (Gorbgaew, 1999), including military- and elected governments (The Secretariat of the House of Representatives, 1953). The alcohol industry is defined as political business (Trirat, 2006). The PM gave the spirits production concession for a twenty-year period, from 1960, to an entrepreneur he chose without any competition⁸. Relationships with the alcohol industry affect the decisions of executives and legislators and are a point of difference between tobacco and alcohol control policy [Thairath Newspaper 17/05/2005]. These relationships may lead to differences in the rigour with which regulations are applied to each operator, such as the exemption of rigorous production licensing qualification for former state-owned distilleries which were all owned by one entrepreneur (Crispin, 2001). Some may have other specific relationships, such as MPs who have TBPN leaders as their subordinates and election sidekick canvassers [Kom-

⁸ The first auction of state owned distilleries (under the Liquor Act 1950) was in 1979 (Trirat, 2006).

chad-luek Newspaper 14/01/2006], and are involved with the TBPN movements [Phoojadkarn Newspaper 31/10/2001].

“In the exhibition of the 60th year Anniversary of the Access to the Throne of HM the King, two of three major sponsors were alcohol companies, ThaiBev and Boonrawd. I believe that the former government asked for this sponsorship, it was not offered. This reflects the strong relationship of the government to the alcohol industry.” [A ThaiHealth administrator]

Support from the alcohol industry to executives and legislators can be general or specific. However, there have been no clear reports of specific support practices between 1997 and 2006⁹. Non-specific support from alcohol industry can be in the form of personal support and support during elections. An entrepreneur declared that a company has paid 941 million Baht to politicians in three years [Matichon Sudsabda Newspaper cited in (Jaiyen, 2003)]. According to the public media, one entrepreneur has rescued hundreds of politically connected debt-ridden Thai companies and projects (Crispin, 2001) and supported all political parties in the election (Jaiyen, 2005) Support in the form of alcoholic beverages is a common practice in pre-election periods. One entrepreneur set up a well organised system to provide politicians with spirits and beer, which they used to gain political popularity (Jaiyen, 2005). A court penalised national and local level politicians for using beverages to buy votes [Phoojadkarn Online Newspaper 23/03/2007]. It is believed that a large proportion of the beverage giveaways for political use were untaxed.

“In my life time, no political party has been free from business support and payback. The alcohol industry supports them at both party and personal levels, mainly those big names politicians. They support every party; every racer in the competition...Alcohol industry can influence the NLA as well. I cannot guarantee that these members are free from influence, although they are not elected... Money can bend the strongest steel.” [An NLA member and former politician]

⁹ Documented examples of specific support in modern time include: the payment in the concession auction (Trirat, 2006), extending concession (Jaiyen, 2003), tax rate adjustments and in solving business conflict among entrepreneurs (Limthongkun, 2005), all were in 1970s-1990s.

“Normally politicians will approach the alcohol industry themselves. Industry people are not happy and commonly avoid contact during pre-election periods. There will be key politicians from each party that are responsible for managing alcohol industry money.” [A newspaper editor]

10.3 Economic Public sectors

10.3.1 Excise Department and Ministry of Finance

A. Characteristics

Alcohol management relates to three MOF agencies; The FPO who oversees macro public finances including state revenue, the CD who is responsible for customs duty on imported beverages, and most significantly the ED.

Prior to the liberalisation, the ED was responsible for licensing, taxation and production control, overseeing the production of 12 state-owned distilleries, which owned the monopoly to produce domestic style distilled beverages, including White spirits and Blended spirits. Another state-owned distillery, with a 37% share of overall production capacity (Ruenklin, 1999) and the monopoly for the Special Blended spirit-Mekhong brand, was managed by MOI. The ED had the authority to set minimum production volume and its growth rate through concession contracts. According to the liberalisation campaign launched in 2000, ED and MOI together auctioned twelve state-owned production sites and many brands, and kept one site to produce pure alcohol for industrial use under a state-owned enterprise, the Liquor Organisation. One entrepreneur and his network won all the auctions. Since then, the role of the ED has been reduced to that of tax collector, production and outlet licensing controller and illegal beverage suppression implementer.

The ED exercises its authority on alcohol under the Liquor Act B.E. 2493 (1950), but deals with most excise commodities under the Excise Tax Act B.E. 2527 (1984). According to interviews, alcohol seems to be an extraordinary issue for the ED, with

many decisions being made at a higher level. During the economic crisis, the IMF recommended that the Thai government merge ED with the Revenue Department, and change *Ad valorem* tax base from the ex-factory price to the retail price. The reorganisation was strongly rejected by many ED officers [Thai Post Newspaper 1/08/1998], and the tax base change has not been materialised.

“The decision on alcohol was mainly done at Cabinet level, although many alcohol issues should be decided under the authority of the ED Director. The Directors often dare not to decide, just transfer the decision to the Minister or Cabinet.” [A former ED administrator]

The transparency of ED has been frequently criticised. Jatumonkol Sonakul, a former ED Director, expressed that he would like to request the new Director to solve the transparency problems, including cronyism and payments from the private sector [Phoojadkarn Newspaper 17/09/1992]. During his term as the ED Director and MOF PS, he consistently declared his willingness to end alcohol market domination. His term as ED Director was unusually short, less than three months. Later, there was a report of the efforts of the alcohol industry to force him out of the MOF PS post [Than Wikrau Newspaper 29/06/1997]. An unnamed MOF source admitted that MOF officials have a ‘payment for post’ practice, particularly for posts that are influential for the highly competitive alcohol business [Phoojadkarn Newspaper 8/09/2000]. A representative from a domestic alcohol company stated that ED prefers to keep the 2-for-1-tax system as it is a good tool for corruption and for confusing the public [Thairath Newspaper 27/10/2005].

As well as the disadvantage of short term or temporary personnel, the ED has problems with technical competence in areas including the accuracy and availability of information [Thairath Newspaper 6/12/2005], and monitoring ability [Phoojadkarn Raisabda Newspaper 23/10/2000], which is essential for its up-stream responsibilities. In the implementation phase, there have been insufficient resources for tax collection and production control, particularly following the legalisation of traditional beverages.

“ED prioritises seniority. Our Deputy Directors normally have only few years left before retirement, and is unlikely for them to be promoted to Director.”

Most of Directors are outsiders and many just come here to wait for their retirement, as ED is a less prestigious agency. The actual influential person on alcohol taxation is one of the Deputy Directors, who are insiders and well connected.” [An ED technocrat]

The practices of CD officers were also criticised as open to bribery, such as in defining the AFTA-in zone status [Thairath Newspaper 10/03/2003] and using very low declared CIF prices as a tax base [Thairath Newspaper 19/04/2003].

The ideological incompatibility between the ED’s declared mission and its real intention is obvious. Excise taxation is declared as ‘*for society, environment and natural resources*’ (Excise Department, n.d.-c), The amount of revenue it can collect is the real issue with the indicator used in the reward and punishment system applied to ED officers at all levels [Than Setthakit Newspaper 28/11/2002]. This continues up to the ED Director [Post Today Newspaper 29/06/2005], and covers the ED’s collective performance as well. Furthermore, interviews show that many ED officers and administrators do not rate the effectiveness of taxation for reducing consumption. In addition, the ED strategy on outlet licensing is to maximise the number of retail sellers (Laichuthai et al., 2002).

“We have to use tax mechanisms, particularly on tobacco, alcohol and massage, to improve society. Changing the tax rate must be based on the societal and community impacts.” [Utidi Thamawathin-ED Director from (Samitsarn Journal, 2005)]

“Tax rate rise alone is nothing; it is not the solution at the root of problem. The effect of raising tax is only short term. I think if our population knows about alcohol consequences, then we do not need any taxation measure.” [An ED administrator]

“Our performance is assessed by the revenue target, and we would feel guilty if we cannot achieve it.” [An ED technocrat]

ED practices were labelled in public media as favouring some domestic entrepreneurs and ignoring market domination. The intention to abolish market monopolies as stated by the MOF PS [Prachachat Thurakit Newspaper 13/02/1997] has never been realised. Furthermore, a rationale for setting high qualification requirements for new alcohol operators, as declared by the ED Director, is “*not to disadvantage former factories*” [Than Setthakit Newspaper 6/01/2000]. The statement of the ED Director during the 2005 adjustment process is clearly anti alcohol importers and the Specific rate system.

“From laboratory tests on about 20 intoxicants, imported beverages have higher levels of 19 intoxicants than domestic... The myth that domestic beverages are lower quality is not true, so using Specific rate alone is not better for health as claimed by the importers.” [Utidi Thamawatin-ED Director, Phoojadkarn Newspaper 5/08/2005]

It is quite clear that the ED and MOF did not support traditional beverage legalisation prior to the Thaksin period. The ED Director once stated that ED could not license such ‘harmful’ beverages, as many contain toxic substances [Phoojadkarn Raisabda Newspaper 4/09/2000]. Another ED administrator said that he would not mind if the production standards blocked traditional beverage production and blamed the effort to ‘commercialise local wisdom’ [Prachachat Thurakit Newspaper 10/06/1999]. Because of this position, the TBPN tagged ED as ‘the servant of alcohol capitalists’ [Phoojadkarn Newspaper 9/12/2000].

“The local public officers have to serve the instructions from Headquarters. Provincial Excise officers... requested us not to join the Network’s movement, if we do so they will not suppress our (illegal) production.” [An unnamed traditional beverage producer, Phoojadkarn Newspaper 23/03/2001]

B. Influence on alcohol policy

Most of the ED’s responsibilities are in the downstream of taxation policy, along with the CD. The FPO is a technical agency responsible for overall revenue, such as monitoring the national finance situation and setting up overall revenue target, which indirectly affects alcohol taxation. As implementers, excise officers are significant in

determining the outcome of taxation policy, and also able to distort its implementation, through monthly quotas, bribery, and setting up the Standard Ex-factory prices for beverages. The ED has had an occasional role in agenda setting and formulation, for example in the tax rate adjustment. Furthermore, the ED has commonly acted reactively to situations and policy direction set by others, such as concern over the fiscal deficit and tax rate anomalies. However, ED was proactive in the formulation process for production liberalisation and traditional beverage legalisation.

The 2005 tax rate adjustment process confirms the priority given by ED to revenue maximisation from alcohol taxation, and how it injects this value into the process.

“I think the ED is just only concerned with the amount of total revenue collected. The FPO has a different goal, expecting both revenue and consumption control. ED cannot tolerate a revenue deficit at all.” [An MOF technocrat]

“What is discussed in drafting tax rate proposals is only about revenue targets, not about the means to tax. We are concerned with fiscal discipline, which is the amount of revenue we have to achieve...And this is far from consumption control.” [An ED technocrat]

C. Mechanisms of influence

High ranking administrators, including Ministers, have played many significant roles in taxation policy formulation, including being whistleblowers for starting the process, setting up internal working groups and assigning in-house technocrats to study and explore opportunities, making the final or pre-final decisions, and submitting proposals to a higher decision level. The assigned working groups can be intra- and inter-agency. The MOF administrators set up two parallel working groups within MOF boundaries after the PM revealed his intention to revise the tax system in 2005. The formulation of the production liberalisation proposal was conducted through the ‘Alcohol Management Plan in post-1999 Committee’, consisting of representatives from the MOF, ED, MOI and the private sector (Ruenklin, 1999).

In many cases, the ED and MOF proposed a ‘set of policy options’, rather than a single choice, to be decided at the Cabinet level. This approach allows the MOF to be flexible and free from decision-making, and play only a technocratic role in analysing each policy option. It also permits executives to exercise their authority in the process. In some cases, however, high-ranking ED bureaucrats clearly hinted their preferred option in the public media. The MOF proposed three policy options to the cabinet for the 2005 tax rate adjustment, which included the option to abolish *Ad valorem* rate as guided by the PM, and the option to keep the 2-for-1 system [Siam Thurakit Newspaper 3/09/2005]. Before submitting the proposals, the ED Director stated that the use of Specific rate alone would lead to many negative consequences [Phoojadkarn Newspaper 5/08/2005].

“The ED cannot accept the concept of using the Specific tax rate system alone, as it would significantly benefit alcohol importers, being able to cut the price of imported beverages, and who else will continue to drink Mekhong?” [An unnamed ED key person, Than Setthakit Newspaper 28/08/2005].

D. Relationships

In-house relationships within the MOF are based on bureaucracy and the administrative hierarchy. However, internal conflicts can be detected. ED bureaucrats and MOF politicians blamed each other as causing the delay in the new producer’s qualification announcement, which was criticised as favouring the former concessionaire [Than Setthakit Newspaper 2/11/2000]. It is also arguable that technocrats in both the Office of Fiscal Policy (OFP) and ED did not coordinate well in developing the 2005 taxation proposal because they came up with two competing proposals.

Despite having an official relationship, the collaboration between ED and health camp players, particularly NACCC and ThaiHealth, may not be totally positive. Many key people in the health camp criticised ED for not being serious about consumption control [Thairath Newspaper 5/08/2005] and favouring alcohol entrepreneurs [Prachachat Thurakit Newspaper 8/09/2005]. In turn, ED Officials can see health camp players as outsiders who are not at all concerned about taxation problems. For most NACCC meetings, the ED Directors neither attended nor nominated another high-ranking

administrator to attend on their behalf, but instead sent middle ranking officers and/or technocrats.

“I do not know why we are blamed for traditional beverage legalisation. I do not know where the MOPH was at that time. It is only the MOI who was in discussion with us. The ED was pressured to legalise it and we had no choice as political signals were strong and clear.” [An ED technocrat]

“Those who call for significant tax rate increases are seeing only one side of the equation, seeing only at a single level. They may appreciate the instant effect without recognising the illegal consumption increase later... Those doctors at ThaiHealth are so silly and narrow-minded. They just do not want people to be ill and injured, but they have no economic knowledge at all.” [A former ED administrator]

In contrast, the relationship between ED and alcohol entrepreneurs seems to be strong. The liberalisation campaign changed ED's role from 'regulator' with superior authority to 'benefit protector' in the market-domination scenario, after one entrepreneur won all the auctions for state-owned distilleries [Phoojadkarn Newspaper 23/10/2000]. However, the positive relationship may not apply to all entrepreneurs. Boonrawd seems to have had a less constructive relationship with ED recently.

“It is thinkable that ED is close with ThaiBev, as we used to work with them, they had been our concessionaire for a long time... When we cannot achieve the revenue target, our high ranking officers... talked with entrepreneurs behind the scene.” [An ED officer]

The uneven effect of policy on different alcohol entrepreneurs has been a frequent criticism of ED in the public media [e.g. (Crispin, 2001)] and technical publications (Nikomborirak, 2002; Trirat, 2006). There are many possible cases indicating that the relationship between ED, MOF and alcohol entrepreneurs has affected policy decisions and outcomes, including tax rate anomalies [Thairath Newspaper 5/08/205]. This also includes market domination (Trirat, 2006), the integration of traditional distilled

beverages to the White spirits category, lowering of its tax rate in 2003 and declaring different Standards Ex-factory prices.

“There was an internal effort within ED to give all 12 factories the current concessionaire after 1999. This was done by connections between current concessionaires and Department administrators.” [An unnamed MOF source, Than Wikrau Newspaper 17/09/1995]

“If you ask any ED officers, no one can deny the advantage that ThaiBev has from the support of high ranking officers in the Department.” [An unnamed source in alcohol industry, Phoojadkarn Newspaper 15/09/2000]

“ED and ThaiBev are just like brothers, crawling from the same womb. I think the influence of the alcohol industry on ED is clear. From the figures of the White spirits tax rate, how to categorise beverages and set the Standard price to each, the evidence shows that ED is unfair. Tax rate adjustments are clearly to protect domestic industry... but... only some domestic companies. Mechanisms directed from ED very clearly favour one out of three alcohol giants.” [An alcohol policy expert]

“I think alcohol industry has good connections with ED. This connection tones down health-oriented interventions, as the common concern for both of them is financial interest.” [A DDC administrator]

ED administrators have denied the influence on policy decisions and practice of their relationship with the alcohol industry. When an ED Director was accused by an MP of corruption he declared that his meeting with a representative from alcohol industry was for personal reasons. [Matichon Newspaper 18/12/1992]. However, in some circumstances ED did not hide the relationship, such as when ThaiBev exclusively supported the ED's education scholarship fund [Naewna Newspaper 27/08/1997].

Support from the alcohol industry to the ED, plays a major part in the relationship. Alcohol entrepreneurs have supported ED at both the organisational and personal levels in many activities. This includes the support for illegal beverage suppression, buying

excise stamps in advance to boost ED's performance [Matichon Newspaper 22/08/2005], ED publications, and contributions to ED social events.

An unnamed former ED officer explained that personal support to ED and MOF officers took many forms; monthly payments, yearly bonuses, gifts, non-monetary support, and recruitment to work in the industry after retirement [Phoojadkarn Newspaper 13/10/2000]. It is recorded in the minutes of the Senate's Economic, Commercial and Industrial Committee meeting that "*ED officials have received allowances and special rewards from the monopolistic firm*" (Crispin, 2001). The author of the Charoen Siriwathanaphakdee biography stated that many retired MOF administrators work with ThaiBev, including former Department Directors and MOF PSs (Jaiyen, 2005). Support can take unusual forms, such as when Charoen bought the debt-ridden property of an ED Director's family (Jaiyen, 2003).

"Not exclusive to high ranking officials, the support (from the alcohol industry) can be found at all levels. While public officers get a monthly salary, starting at 7,000 Baht, the alcohol industry may provide them a gift worth 50,000 Baht. This will give them long term loyalty." [An ED technocrat]

"It is known inside ED that officers get a monthly bonus added on to their basic salary, not only at higher ranks but at all levels and nationwide. This practice has been conducted for a long time. So don't be surprised why ED protects ThaiBev." [An alcohol company administrator]

10.3.2 Ministry of Industry and Ministry of Commerce

A. Characteristics

During the years 1997 to 2006, the MOI played four roles in alcohol policy process; formulation of the liberalisation campaign, attempts to apply compulsory industrial standards, the announcement of factory qualifications, and attempts to promote traditional beverages. The MOI's authority on alcohol issues has declined since it

auctioned the state-owned distillery to ThaiBev, the former concessionaire. The only role for the MOC during this period was the inspection of the tied selling practices.

In the production liberalisation campaign, the clear position of MOI political officers and high-ranking bureaucrats was to keep the White spirits concession. The effort to standardise tax rates among distilled beverage categories was opposed by the MOI, who preferred to tax White spirits at a separate lower rate [Wattachak Newspaper 30/03/1998].

“I disagree with the idea to liberalise all beverage sectors. We should free coloured spirit production and keep the concession for White spirits. White spirits are so easy to brew. Without adequate standards control, White spirits is harmful to consumers.” [Preecha Atthawipat-MOI PS, Prachachat Thurakit Newspaper 4/12/1997]

The Industry Minister decided to terminate the attempt to apply compulsory industrial standards for beverage production in the post-concession period, claiming that this would not be good for domestic producers [Prachachat Thurakit Newspaper 16/04/2001]. The voluntary standard has been available since 1973, but no producers had applied it. Both domestic and foreign alcohol entrepreneurs clearly objected to this move [Prachachat Thurakit Newspaper 16/04/2001, Matichon Newspaper 17/11/1999].

The high qualification standards for beverage production sites set up by both the MOF and MOI, with an exemption for existing distilleries, was defined as a barrier for new producers and as favouring big entrepreneurs [Prachachat Thurakit Newspaper 17/08/2000].

“Tough regulation for new production licenses, passed by the MOF and MOI, with exemptions for twelve of Charoen’s existing distilleries is one of the indications of bureaucratic paybacks.” (Crispin, 2001)

According to the investigation of White spirits and Chang beer tied selling, a source from the Trade Competition Committee revealed the distortion of the Committee’s decision by MOC. The Committee decided that the tied selling practice is contrary to

the Trade Competition Act B.E.2542 (1999), although the guilty party cannot be clearly identified; it requested that the entrepreneur stop this practice. However, Suchai Chaowisit, the Director of Internal Trade Department MOC, announced instead that the tied selling is legal but inappropriate [Phoojadkarn Newspaper 6/09/2000]. Later the Director said, *“The existing law is unable to charge this practice although we have evidence of this practice”* [NaewNa Newspaper 22/09/2000] and *“(The tied selling) may benefit consumers from getting cheaper products.”* [Khao-sod Newspaper 8/09/2000] There is a report on the effort of MOC administrators to protect ThaiBev, by indicating that beer and spirits are in different markets, and tied selling is the practice of distributors, not ThaiBev [Phoojadkarn Newspaper 7/09/2000].

B. Influence on alcohol policy

The role of the MOI and MOC, particularly after liberalisation, is not at the core of alcohol policy intervention. Another interesting case is the management of the Alcohol Impact Reduction Fund by the Department of Factory Work-MOI. The Cabinet agreed to set up this Fund to counter negative consequences to the consumer and environment from the production liberalisation campaign and to promote domestic industry, on 26/10/1999 (The Announcement of the Ministry of Industry on Alcohol Impact Reducing Fund, 2000). The initial budget was 300 million Baht (The Secretariat of the Cabinet, 1999). However, it is arguable that the MOI has not comprehensively managed the fund as intended. This fund has been mainly used to improve beverage production quality and promote traditional beverages, not to reduce alcohol-related consequences [concluded from 2006-7 funded projects (Alcohol Impact Reduction Fund, n.d.)].

The decision of MOC that the tied selling practice is legitimate allowed the entrepreneur to continue this practice and maintain market domination. Later this practice was used with other in-house products, not only Chang beer, but also Chang drinking water [Phoojadkarn Newspaper 17/01/2001] and Archa beer [Prachachat Thurakit 11/06/2007]. The tied selling practice is a key factor in the cheap price of beer, which can be lower than the Standard Ex-factory prices [Prachachat Thurakit Newspaper 21/06/2007].

C. Mechanisms of influence

To influence the liberalisation policy into its favour, the MOI referred to a study on the effect of production liberalisation in various scenarios and advocated to keep the White spirits concession [Phoojadkarn Newspaper 3/09/1996]. In a move designed to influence liberalisation, the Industry Minister submitted an official statement to the Cabinet Secretary declaring their position in favour of keeping the White spirits concession (Minister of Industry, 1998). There was a report on MOI's effort to lobby the MOF to keep the White spirits tax rate at a lower figure than others [Wattachak Newspaper 30/03/1998].

“Liberalisation of White spirits may create an incentive for the private sector to increase investment in White spirits production, which is risky for an over-supply situation. In addition, White spirits is easy to brew, including as an illegal beverage, which is difficult for the public sector to monitor and suppress, and also it consumes huge resources to do so... White spirits liberalisation will create the problem of untaxed spirits and halt the government from taxation goals. In addition, unqualified production standards of White spirits will be harmful to the national economy and consumers' health. Therefore the MOI agrees with the concept to keep the White spirits concession, to be produced in state-owned distilleries only.” [Statement from Somsak Thepsuthin-Industry Minister, (Minister of Industry, 1998)]

D. Relationships

Conflict between the MOI and MOF has been documented, particularly in the early liberalisation period [e.g. (Uthensut, 1991)]. The ED Director blamed the MOI for allowing alcohol entrepreneurs to violate the contract leading to a drop in alcohol revenue [Naewna Newspaper 21/05/2002]. A Spokesperson for MOI criticised ED for inconsistent practice and lack of capability in traditional beverage licensing, leading to poor beverage quality [Krungthep Thurakit Newspaper 11/12/2002].

The MOI and MOC were often criticised for their relationships with, and practice of favouring, alcohol entrepreneurs. Representatives of ThaiBev [e.g. Prachachat Thurakit

Newspaper 4/12/1997], including Charoen Siriwathanaphakdee himself [Matichon Newspaper 28/08/1995] lobbied MOI administrators on the liberalisation policy and to keep the White spirits concession. The decision on tied selling practices was reported to have been influenced by the relationship between ThaiBev and the MOC [Phoojadkarn Newspaper 6/09/2000 and 7/09/2000].

10.4 The Ministry of Public Health

A. Characteristics

Alcohol policy issues are fragmented and spread among many agencies under the MOPH, at the central and regional level. The DMS and the DMH are responsible for alcohol treatment. Both agencies have their own health care institutions, but with different areas of expertise; drug-addiction for the DMS and general mental health care for the DMH.

“We have no owner for alcohol issues. Among the DDC, DMS and DMH, no one thinks that alcohol treatment belongs to them, it is just like an orphan” [An MOPH technocrat]

The FDA is responsible for advertising regulations, food safety and label control. The problem that led to a deadlock in 2006 was that under the Food Act 1979 alcohol is defined as a food. Industrial alcoholic beverages easily conform to the food quality and advertising controls because they are unlikely to contain any toxic substance and have misleading advertising content.

“The FDA does not have appropriate capacity to deal with alcohol. The FDA was set up to deal with food; we are familiar with advertising content control. But alcohol is not promoted on t content... alcohol is not our main priority area.” [An FDA administrator]

“On authority of the FDA, we are fully eligible for a warning label measure. It may be ambiguous for advertising content control, but have no authority to ban

advertising in my opinion. In addition, I do not think FDA structure and resources are adequate for implementation for the total ban.” [An FDA legal officer]

Prior to the 2002 public sector reengineering, the DMS oversaw many alcohol-related agencies (Bureau of Non Communicable Disease, n.d.), such as the Non-Communicable Disease Office and the Trauma and Disaster Medical Institute. These agencies were later integrated into the DDC. The very first attempt of the MOPH to go beyond the treatment side for alcohol problems occurred under the DMS. Dr. Tairjing Siripanich, Director of the Trauma and Disaster Medical Institute, revealed that Dr. Mongkol Na Songkla, DMS Director at that time, had urged him to explore establishing the Alcohol Consumption Control Office in the DMS [Matichon Newspaper 9/07/2000]. Dr. Tairjing later became the Director of Trauma Prevention Unit under the DDC, and also the Secretary of the DDD Foundation and APPA, while Dr. Mongkol later became Health Minister.

“Some high ranking MOPH administrators at that time even obstructed our work (in the DMS); they said that drink-driving is not the responsibility of MOPH. So we were lacking a budget.” [A former officer in DMS]

The DDC has become MOPH’s focal point for alcohol since the expansion of its responsibilities to include non-communicable diseases in 2002. Later the DDC took on the role of NACCC secretariat, allowing the DDC to work with external stakeholders including ThaiHealth and CAS. Because it was a new area of work, alcohol issues faced many limitations in the DDC system, including technical expertise and budget.

“The DDC also has had conceptual conflict from the beginning as we are familiar with communicable diseases. We used to work in disease-oriented concepts, but the tobacco and alcohol control program are risk-oriented. Therefore, it is not surprising that the tobacco and alcohol control programme is quite neglected. In particular, working on legal issues is something new for us. Some key people ... still think that law enforcement is not our duty.” [A DDC administrator]

In local agencies, Provincial Health Offices supervise most public health care institutes and work as a branch of the FDA on advertising regulation, in collaboration with the DDC Regional offices who have overseen alcohol law enforcement in each region recently.

Expansion of their mandate from treatment to prevention has boosted the participation of the MOPH in the alcohol policy process, including in the cross-ministry mechanisms such as NACCC, RSMC and Cabinet meetings. Because of its strong position, the MOPH is easily seen as extremist by other stakeholders, including executives [Post Today Newspaper 7/02/2006]. Arguably the growing significance of the MOPH and the emergence of ThaiHealth have together divided alcohol stakeholders into two camps.

“The MOPH still has the limitations in working on a disease prevention basis, because we originated from the treatment side. But the opportunity is better than before. The MOPH has integrated an alcohol program into the Healthy Thailand Project, National Health policy and other public health policy.” [A MOPH administrator]

“The MOPH’s extreme advocacy is not wrong at all, when we are concerned with the size of the problem. We need even more extremist players on the policy table actually.” [An FDA administrator]

“I would like to ask those extremists in the MOPH to soften their position at the moment. Please do not expect the best result at this starting point, and be realistic. We should begin with an optimum position, being accepted broadly, which can bring a more fruitful result.” [A Newspaper editor]

However, not all key persons in the MOPH agreed with such a strong position. The DDC Director revealed his personal disagreement with the MOPH’s suggestion of 25 years as MPA, *“over 18s are eligible to vote, they should be mature enough to think for themselves on anything else”* [Nation Newspaper 19/10/2006]. Many were not happy with the MOPH’s advice to focus on consumption reduction. Some MOPH technocrats had participated in activities organised by the alcohol industry and SAOs, such as the “How to Drink Safely for the Whole Society” Conference, promoting responsible

drinking education and standard drinking guidelines [Siamrath Newspaper 10/10/2005]. MOPH officers who publicly stated different positions and participated with the alcohol industry faced internal criticism.

“I think publicising alcohol-related findings are more difficult, as it is a value-related issue... The information publication may bring trouble to those technocrats if the findings are against the MOPH administrators’ values and positions. Sometime I felt discouraged. I do not want to work on alcohol issues.”

[An MOPH technocrat]

One common ideology among MOPH key people is the similarity between tobacco and alcohol problems and solutions. Many decisions and strategies on alcohol issues are borrowed from the experience in tobacco control.

“We have to simplify the concern of politicians and public by raising the common examples, by explaining the success in tobacco control. So for alcohol issue, the MOPH should do the same. It is easier to focus on similarities than on the differences between these two issues.” [A former MOPH officer]

“I am still unsatisfied with the performance of the DDC alcohol control programme, particularly when compared to tobacco. The tobacco programme has well-defined work and good coordination, the role for each unit is clear... We should follow the tobacco track in making drinkers think that they are problem makers, focusing on the externalities they cause”. [A DDC administrator]

B. Influence on alcohol policy

During the years 1997 to 2006, the MOPH engaged, to different extents, in the process for all seven categories of alcohol policy interventions, as outlined in Table 10-3. The MOPH was involved with the shift in policy momentum toward problem reduction, in line with the concepts of health promotion and reducing overall consumption. An NLA member stated that the ACC Bill would make the MOPH central to alcohol policy, and reduce the importance of the MOF and MOI [Phoojadkarn Online Newspaper 28/03/2007].

Table 10-3: Role of the Ministry of Public Health 1997-2006

	Agenda setting	Formulation	Implementation	Evaluation
Taxation	Submitting recommendation for tax increase	-	-	-
Physical Availability	Through NACCC (ACC Bill development)	Reaffirming MPA and time of sales, in ACC Bill	Hotline center, Showcases arrest	Report to NACCC
Drinking context alteration	-	Declaring alcohol-free Sunday, collaboration with SDN	-	-
Drink-driving	-	Public campaigning	Collaboration with police and Ministry of Interior, Through HWA	Data compiling and processing
Advertising Regulation	Through NACCC (2006)	FDA Announcement (2003, 2006)	FDA	-
Education and persuasion	-	Warning label	-	-
Treatment	-	Attempt to draw up guideline	-	-

The MOPH's strong position is at risk of creating resistance among stakeholders with different interests and policy preferences. However, many still see that the MOPH position is still not strong enough, such as the questionable weakening of their attempt to transform the Cabinet Resolution into an FDA announcement (Media Monitor Project, 2007), and also in their inconsistent role.

“The position of MOPH is not clear and consistent. Prior to this period, the MOPH had not done much, but that was after the appointment of Dr. Mongkol as Health Minister. And perhaps that’s why the MOPH advertising ban regulation (2006) failed... although everyone agreed that the advertising ban is theoretically good.” [A Newspaper editor]

During the years 1997-2006, concrete enhancements to the MOPH on alcohol issues include reorganisation to set up the DDC and TACCU, and the establishment of NACCC. According to interviews, MOPH's limitations include a shortage of resources; both workforce and financial, and the low priority given to the alcohol control programme by MOPH administrators. After the failure of the 2006 FDA Announcement

because of legal issues, Health Minister identified the lack of legal expertise as another MOPH deficit [Matichon Newspaper 26/11/2006].

“From the tobacco control experience, a quick and repeat changing of responsible people is not good for the process. The current situation for alcohol, including setting up the NACCC secretariat at the DDC and having staff with strong determination, is a good setting” [An FDA administrator]

“The DDC is formally the NACCC secretariat, with the same mechanism as in Tobacco control. The difference is that alcohol programme is still unclear and non-concrete. We have not achieved in pushing any major alcohol policy so far.”
[A DDC administrator]

Collaboration with other like-minded players, such as ThaiHealth and CAS, has increased the MOPH’s financial and technical capacity. ThaiHealth’s support allowed the TACCU to enhance their expertise by recruiting law experts to work with the DDC, increasing its involvement in policy enforcement, and organising workshops and meetings.

Social support, as revealed by public opinion polls and the movement of civil society, has significantly backed the MOPH’s role in alcohol policy. The HWA and RDS are, significant partners in the Running Against Alcohol campaign that gained over twelve million supporters for the ACC Bill [Phoojadkarn Newspaper 18/03/2007]. Most members of these two health professional organisations are MOPH public officers.

C. Mechanisms of influence

Prior to 1997, the MOPH had a very limited role in alcohol policy, being confined to treatment and BAC testing. The dominant and arguably successful role of the MOPH between 1997 and 2006 is due to many internal and external factors, such as the personal interests and commitment of administrators, supportive connections with like-minded partners, organisational structure and supportive social climate. In the alcohol policy process, the MOPH used both its internal authority and opportunities to work with other agencies.

The MOPH has exercised its authority in many policy decisions and actions, including;

- FDA authority in initiating warning message labels on beverage packages in 1997 and updating them in 2003
- FDA authority in warning message attachment to alcohol advertising in 2003
- Ministerial authority to declare MOPH institutes as alcohol-free areas in 2006
- Ministerial authority to reaffirm physical availability regulation and promote it in 2004 [as recommended by NACCC (The National Alcohol Consumption Control Committee, 2004b)]
- Inter-departmental coordination to strengthen treatment and develop treatment guidelines
- Internal authority to organise many alcohol-free campaigns

In many cases, the MOPH has worked through public cross-agency bodies; the NACCC, RSMC, the Cabinet, as well as ThaiHealth, which has the Health Minister as its Vice Chairperson. Recently the NACCC has been the major mechanism for the MOPH, in the formulation of the ACC Bill and the FDA advertising ban. In late 2006, the NACCC agreed to propose nine national recommendations to the Cabinet, and one specific suggestion to the MOPH [Phoojadkarn Online Newspaper 28/12/2006]. These NACCC recommendations reflect the comprehensiveness of the NACCC's conceptual paradigm. It addressed a potential new area for alcohol policy in the Thai context, namely bracketing alcohol from trade agreements. Moreover, it aimed to strengthen not only specific alcohol policy interventions, but also to expand alcohol policy participation among potential stakeholders and to increase its technical capacity.

One common strategy is to review and explore opportunities to strengthen existing regulations. Health Ministers promised to review and strengthen alcohol policy in an alcohol policy conference [Matichon Newspaper 16/12/2002], and during the declaration of Alcohol-free Buddhist lent period [Phoojadkarn Newspaper 26/07/2002]. The promise was also conducted under the NACCC mechanism (The National Alcohol Consumption Control Committee, 2005).

The alcohol industry has frequently criticised the MOPH practice of limiting their participation, including at public hearings. A foreign alcohol company also directly

requested the Health Minister to increase industry participation in the ACC Bill process [Nation Newspaper 25/08/2006]. The FDA may be an exceptional MOPH agency in that it routinely works with food and pharmaceutical entrepreneurs. It provided the participatory mechanism for the alcohol industry and advertising companies to formulate warning messages. These private sectors then also used the FDA forum to call for repeal of the advertising ban [Than Setthakit Newspaper 18/01/2004].

“The MOPH always presents incomplete information, this will backfire on them . Please exclude religious rules from normal people. Currently the MOPH confusingly employs religious values of normal people... The public debate was intentionally unfair. You should separate the business forum and religious forum. Nobody dares to blame monks.” [An SAO staff member]

D. Relationships

The personal characteristics, policy positions, and commitment of administrators are important to the role of the MOPH. The internal conflicts among MOPH agencies are significant to the process.

“My magic is wish to improve the alcohol situation of the MOPH and to have a strong leader, although this is arguably a wish from a slavery paradigm”.
[An MOPH administrator]

“We are in the middle between the DMH and DMS in setting up alcohol treatment clinics and the clinical guidelines. We were successful but only in the beginning to develop a strategy outline. Now it is their turn to draw up operational plans. The work of the inter-department joint committee... has frozen... perhaps because of the conflict between these two Departments.” [A DDC officer]

Perhaps because of their shared background, concerns and opportunities to work together, the relationship between the MOPH and other health camp players is quite strong. In interviews, many officers see the MOPH as financially dependent on Thai Health.

Having a strong position may separate the MOPH from other public agencies, particularly in the economic sector. The Health Minister once admitted that the total advertising ban might be contrary to the interests of other ministries [Prachachat Thurakit Newspaper 13/11/2006]. The lack of consultation with other agencies is the major criticism made about the MOPH by various players [Phoojadkarn Online Newspaper 28/03/2007, Prachachat Thurakit Newspaper 19/03/2007].

“The MOPH invited the alcohol industry, but did not listen to them. The MOPH ignored not only industry concern, but also other public agencies. And now the MOPH is the black sheep all alone.” [A former ED administrator]

The relationship between the alcohol industry and the MOPH is certainly not positive. The resistance of the alcohol industry is normal and to be expected according to Health Minister [Prachachat Thurakit Newspaper 13/11/2006] and bureaucratic administrators [Post Today Newspaper 23/01/2006]. The disadvantages of alcohol industry participation in the process are a shared belief among health camp players.

“The problem is the MOPH is going deeper and deeper and does not open its eyes to see what is going on... This is because they think that they are good people, and have to control the bad thing.” [An SAO staff member]

“NACCC is the wrong platform for alcohol industry in calling for participation. This is a fundamental conflict. The NACCC’s goal is to reduce consumption reduction, totally contrary to industry intention. The NACCC does not have to take the destiny of the alcohol industry into concern. The NACCC duty is not to create fairness to alcohol industry, its duty is to downsize the alcohol industry.” [A ThaiHealth administrator]

However, many key health camp players, including some MOPH officers, do not agree with the alcohol industry’s exclusion. In addition, many MOPH officers seem to have good relationships with and share the same position as the alcohol industry, and participate in industry-sponsored activities.

“ThaiHealth and MOPH explicitly reject the participation of the alcohol industry. This is not the way of harmony and it will induce more resistance. From psychological theory, if your kids misbehave, do you want to cut them out of family? If you do so, it will make them passively and actively aggressive.” [An MOPH technocrat]

10.5 Other formal and public stakeholders

Alcohol policy involves most, if not all, public agencies. At the local level, it involves with many agencies under the provincial administration system, and Local Administrative Organisations. In Central administrative agencies, alcohol policy is involved with most ministries. These agencies differ vastly in their characteristics and roles in alcohol policy. The extent of their involvement may not determine their significance to alcohol policy. The CS participated in only one, but it was a very important event in ruling on the legitimacy of the FDA’s advertising regulation. This section describes the role of the Ministry of Interior and the RSMC, MOJ, Royal Police, military officers, PRD and OCPB.

10.5.1 Ministry of Interior and Road Safety Management Center

The RSMC, under the Ministry of Interior, was an important cross-agency mechanism for the Thai alcohol policy development during 2003-2004. In mid 2003, the RSMC proposed recommendations, covering drink-driving, advertising regulations, and physical availability control issues [Thairath Newspaper 20/06/2003]. Many of these were deleted before being tabled to Cabinet. In the development of this proposal, the Ministry of Interior seemed to have had a minor role compared to the Ministry of Education, MOPH and ThaiHealth. Since the establishment of NACCC, the influence of the RSMC has been significantly reduced and is now confined to the drink-driving issue.

The Ministry of Interior had an explicit role, but only superficial impact in the control of physical availability. The Ministry of Interior declared there would be no new

licenses granted to new entertainment venues located near educational institutions after the King expressed his concern in 2004 [Dailynews Newspaper 17/12/2004]. The hours of operation for entertainment venues was regulated through the Social Order Programme. However, general alcohol outlets apart from entertainment venues remain free from these measures. Furthermore, the personal commitment of the Interior Minister was important for this campaign. Conversely, the Ministry of Interior had a role in promoting traditional beverages and wine production [Siam Thurakit Newspaper 24/01/1998], prior to the legalisation of traditional beverages. This reflects the fact that alcohol issues, apart from drink driving, have lower priority for the Ministry of Interior.

10.5.2 Office of Consumer Protection Board and Government Public Relations Department

The OCPB and PRD are public agencies under the Office of the Prime Minister. The PM usually assigns a Deputy PM or Minister from the Prime Minister's Office to oversee these organisations. Both agencies had roles both up and downstream of the advertising ban regulation. However, their roles were on a reactive rather than proactive basis. The development of the PRD's Announcement was unique in that the temporary regulations were enacted first, and the private sector was involved in finalising the permanent regulation later. The PRD's regulation was criticised as a distortion of the Cabinet's intention, because of its weakened content (Media Monitor Project, 2007).

The OCPB also had a specific role in the development of the FDA 2006 total advertising ban. This was in response to the NACCC decision that the total ban should be legislated under the OCPB authority and the Consumer Protection Act B.E.2522 (1979). However, this authority had to be transferred to the FDA because of the OCPB's limited capacity. After the FDA Announcement was cancelled, the call to use the OCPB and PRD authority to ban alcohol advertising instead [Matichon Newspaper 27/11/2006, Phoojadkarn Online Newspaper 12/01/2007], has not been realised.

"I do not have any hope that the PRD will continue the total ban process. The Director stated that the PRD would do it only if Cabinet directed them to. The OCPB has its limitations also. The OCPB board members lack social

conscience, are cowardly and just focus narrowly on the wording of the law. If the PM does not further push the regulation by himself, we cannot expect any results from the OCPB and PRD.” [An anti-alcohol NGO leader]

“To reduce alcohol problems, I believe in education. Advertising bans are not a balanced policy, it is too extreme. We have other should-dos. If the high executives say, we will do... The PRD has to balance itself in a neutral position. We have to deal with both public and private sectors.” [A PRD administrator]

10.5.3 The Ministry of Justice

The MOJ had two major roles in the Thai alcohol policy process during 1997-2006. Firstly, the MOJ enhanced drink-driving enforcement by increasing swiftness of punishment and introducing community service. Secondly, the MOJ partly oversees the regulation of MPA, for example by conducting MPA surveillance.

The MOJ had participated in activities for both industry and health camp players. It participated with the industry in the ‘Road Safety: Who is responsible?’ programme [Machon Newspaper 18/06/2005] by providing breathalysers at entertainment venues. Recently, the MOJ also became involved in the total advertising ban and the ACC Bill process, where the MOJ revealed interesting information on the association of alcohol with juvenile crime [Phoojadkarn Online Newspaper 8/08/2005].

10.5.4 The Royal Thai Police

Police officers are the main implementers of drink-driving initiatives, and also have authority (but seldom use it) in the regulation of physical availability and suppression of illegal beverages. The capacity limitations for police officers for drink-driving include shortages of equipment, lack of skill in use and maintenance of breathalysers and ineffective utilisation of knowledge in enforcement planning (Pitayarangsan, 2006). In the upstream, the Royal Police Office had a major role in amending drink-driving laws, in particular closing legal loopholes in its enforcement. The commitment of police

officers to drink-driving enforcement, particularly in the non-festive period, is highly doubtful.

The practice of bribing police officers significantly affects the outcome of alcohol policy. According to the media, bribery practices were found in illegal beverage production suppression, drink-driving enforcement and time of sales regulation. Some police officers have had a proactive role in the counterfeit spirits business [Phoojadkarn Newspaper 24/12/1998], and in the illegal traditional beverage business [Bangkok Post Newspaper 21/04/2002].

“The MOPH should seriously discuss the feasibility of policy with police officers. In the current setting, some polices may gain income from allowing alcohol sales to minors or sales in prohibited times or breath testing. It is not wise for the MOPH to create additional resistance there.” [A Newspaper editor]

10.5.5 Military officers

In some circumstances, military officers have supported excise officers in suppressing illegal beverage production [Siam Post Newspaper 9/10/1994]. Apart from this, military officers have no actual authority in alcohol policy. However, their charismatic power seems to be important to many policy stakeholders. Top military elites, furthermore, have been involved in the alcohol business, including as beer (Gorbgaew, 1999) and white spirits producers [Prachachat Thurakit Newspaper 30/07/2007], as well as in beverage smuggling [Phoojadkarn Newspaper 24/12/1998]. The first concession was given to a business person who had a personal relationship with the PM, Marshall Sarit Thanarat (Trirat, 2006). In another period, top military officers set up a middle-man company in a conflict between two alcohol entrepreneurs, receiving a share of the profits (Limthongkun, 2005).

“When a local commentator from Phoojadkarn, a daily Thai newspaper, aired an unflattering radio report about Charoen, including allegations of tax evasion, the military-controlled station pulled the plug on the programme.”

(Crispin, 2001)

The major involvement of military officers has been in protecting the alcohol industry. ThaiBev has recruited many retired military officers; Charoen Siriwathanaphakdee had his ‘nominee’, a retired General, to coordinate and represent him in the military arena (Jaiyen, 2003). An alcohol entrepreneur agreed to share their profits with all top ranking military officers (Jaiyen, 2005), including those who would become members of political elites later [Khookhang Raiwan Newspaper 18/09/1995].

10.6 Alcohol industry

A. Characteristics

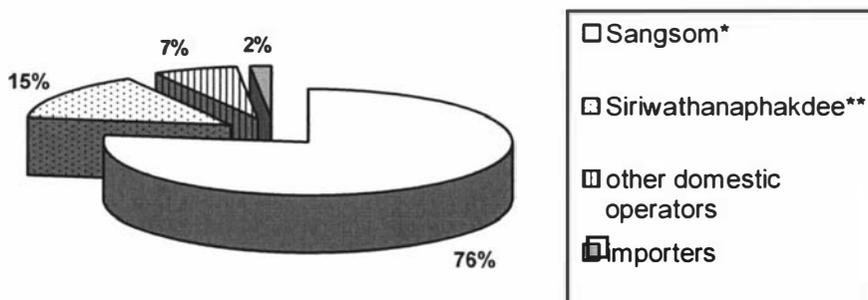
In Thailand, alcohol is a political and closed business. It is where business people maintain and increase ‘economic rent’ which favours their interests, and is supported and protected by the state (Trirat, 2006). The relationship with state governors has been very important for a long time. The establishment, with the advantage of a lower tax rate, the first domestic beer producer, Boonrawd, relied on patronage from King Rama the VII (Gorbgaew, 1999). Furthermore, alcohol is a most complicated business, where connections to political and bureaucratic officials seem to be important. The progress of Charoen’s business is evidence of Crony Capitalism, where ThaiBev has been protected and/or supported by political parties, the business sector, the alcohol-related public sector and the military (Trirat, 2006). Kasemsan Weerakul, a former ThaiBev competitor, said “*The bureaucracy has tried to stop us at every step*” (Crispin, 2001).

“The alcohol industry...depends on the political situation... Historically, alcohol has been strongly related to governors, people with authority, and national leaders. This is a global phenomenon, not only seen in Thailand.” [An administrator of an international alcohol company]

In modern times, a few business groups and families, with occasional mergers and dissolutions, have juggled the concession for state-owned distilleries. The business group led by Charoen Siriwathanaphakdee monopolised all state-owned distilleries for the last 15 years of the concession system, and dominated the ‘private distillery’ sectors

as well. In 1999, the Charoen group shared 91.8% of the distilled beverage market, while the other five operators had 8.9% in total, as shown in Figure 10-2.

Figure 10-2: Percentage of market share among distilled beverage operators, 1999



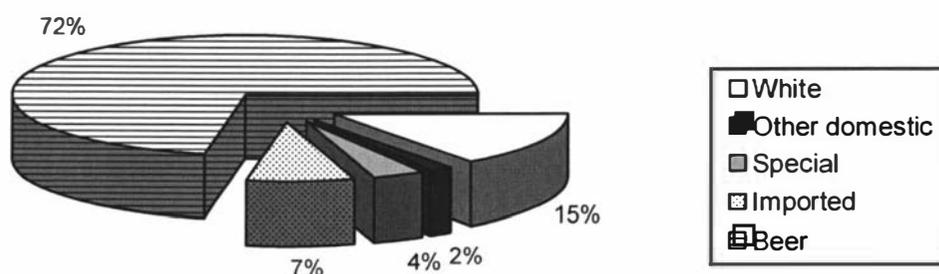
Source: (Nikomborirak, 2002)

Note *: Sangsom group, chaired by Charoen Siriwathanaphakdee,

** : Solely belong to the Siriwathanaphakdee family

Concession monopoly was the preferred scenario whereby alcohol giants dominated the market. After the beer and spirit concession systems were terminated in 1993 and 1999 respectively, the market continued to be dominated by ex-concessionaires. The distilled spirits sector is controlled by a Charoen group, later renamed ThaiBev, and the beer sector by ThaiBev and Boonrawd. Despite the sharp shooting of the imported beverage sector recently, domestic beverages still outnumber imported, as shown in Figure 10-3.

Figure 10-3: Percentage of production and imported volume by beverage categories, 2005



Source: Excise Department cited in (Sornphaisarn et al., 2006)

Note: Other domestic beverages include Blended, Special blended, Wine and traditional beverages

In the wake of liberalisation, the competition among alcohol entrepreneurs has become particularly intense. Entrepreneurs have employed various methods to protect their profits and to weaken others. However, there were collaborations among entrepreneurs to protect their interests, such as among domestic operators to prevent the growth of foreign companies [Prachachat Thurakit Newspaper 1/01/1998], and the collective movement against advertising regulations.

“Among alcohol entrepreneurs, the confrontation is violent. This may be because the Alcohol Tycoon is so rich and influential. He has taken over every thing, in quick time. He can buy the bureaucratic system, he has many businesses... This confrontation poses problems to all entrepreneurs.” [A former ED administrator]

According to their roles in the process, alcohol entrepreneurs in Thailand can be roughly classified into three groups; ThaiBev, Boonrawd, and foreign operators. These operators conduct movements on a situational, and on business-protecting basis, including against their business opponents.

“Difference in policy advocacy among alcohol operators is clear. The Importer strategy is anti the advertising ban and advocating for the Specific rate system. Boonrawd consistently focuses on Specific rate only, but if the Standard price system is removed, Boonrawd may accept Ad valorem. Boonrawd always says that broadcasting from abroad should be prohibited, so this is against importers. ThaiBev doesn't say anything, because they can take the free ride role on the debate between Boonrawd and importers. Anyway, what ThaiBev has, and others don't, is the strategy through ED.” [An alcohol policy expert]

ThaiBev is the continuation of a former spirits concessionaire, who engaged in the beer business through a joint venture project with the Carlsberg group that introduced Carlsberg beer to the Thai market in 1993. Later ThaiBev launched its own economic beers, Chang and Archa beer, which have helped ThaiBev to dominate the beer market since 1998¹⁰ (Nikomborirak, 2002). ThaiBev is informally called ‘Chang’, which

¹⁰ In recent times, this domination has been on an intermittent basis

literally means elephant. The Boonrawd group, later renamed the Singha Corporation is informally known as ‘Singha’, almost monopolised the beer market for over 40 years, with an 80-90% market share prior to 1998 (Nikomborirak, 2002). Its main products include Singha and Leo beers. Boonrawd jointly produced the international brands, Asahi and Closter, and also used to import whiskies from time to time. Both ThaiBev and Boonrawd have brand sharing non-alcohol products, Chang drinking water and Singha soda for example. This practice allows them to promote their brands, regardless of alcohol advertising regulations.

Foreign companies are commonly called ‘importer’, despite many of their products being produced domestically. These entrepreneurs have lately expanded their product lines from the premium to lower market segments. ThaiAsia Pacific Brewery has the international beers, Heineken and Tiger, and introduced Cheer beer as an economy beer specifically for the Thai market. San Miguel also has three beer brands covering all segments. For distilled beverages, Riche Monde (Bangkok), Seagram (Thailand) [under Pernod Ricard], and United Pacific Holding are major importers. The relationship among these foreign companies with a small foothold seems to be strong compared to domestic operators. Among these operators, Riche Monde, later renamed Diageo Moet Hennessy (Thailand), has had the most explicit role in the policy process.

Table 10-4: Some leading beverage brands by operators, and beer market value by brands (2005, Billion Baht)

		ThaiBev	Boonrawd	Importers
Distilled	Economy	White spirit	-	-
	Standard-Secondary	Mekhong, Crown 99, Blue (Blue Eagle)	-	100 Pipers, Master Blend, Spey Royal
	Premium	-	-	Johnnie Walker, Chivas Regal
Beer	Economy (77.6 B)	Chang (42%), Archa (14%)	Leo (42%), Thai	Cheer, Red Horse
	Standard (10.7 B)	Chang Lite	Singha (95%)	Tiger (4%), Blue Ice
	Premium (0.7 B)	-	Asahi (2%), Kloster	Heineken (95%), San Miguel (2%)

Source: 2005 beer market value and percentage of each category from (Thai Asia Pacific Brewery, 2006)

The common ideologies on policy of alcohol entrepreneurs include the consumer’s individual responsibility, the victim-blaming concept, and a preference for interventions that focus narrowly on high-risk groups.

“I do not think this is a good solution (the request of Ministry of Interior to petrol stations not to sell alcohol during the New Year period). We should rather educate consumers and let them make their own decisions whether they want to drink or not. If they decided to drink, they can find their beverages elsewhere anyway.” [Jutinan Phirompakdee-Vice Managing Director of Boonrawd, Ban Muang Newspaper 20/12/2002]

“Alcohol is not the cause of the problem. It is the way in which these individuals consume the product. Targeted strategies – designed to educate and remind consumers about the effects and risks of alcohol – have a much higher chance of success because they tackle the problem at its root.” [Thai Asia Pacific Brewery, (Thai Asia Pacific Brewery, n.d.-b)]

“We have to think clearly on the cause of problems. For road traffic crashes, we have to think why those drivers drink and why they have the lack of self-control not to drive. Family is the origin of youth problems” [A domestic alcohol company representative in the Public Hearing event for FDA Announcement, 16/10/2006]

“What are the main causes of alcohol problems? I think a major one is the drinkers themselves, a minor one is public sectors who should prevent and suppress illegal beverage better than this.” [A consultant to a domestic alcohol company]

Alcohol entrepreneurs employed many strategies to maximise their profits, including playing around with legal loopholes through stockpiling [Krungthep Thurakit Newspaper 21/06/2002], tax refunds from denatured beverages [Krungthep Thurakit Newspaper 21/05/2002], tied selling practices (Nikomborirak, 2002), surrogate and hidden advertising. These practices have inevitably affected alcohol policy outcomes, such as tied selling and increase in beer consumption.

“Alcohol industry only tries to find a way to increase its profits, what they think is that ‘if government thinks we are bad, write a new law, we are happy to be

legal. ' And they will continue to play with the new law again. ' [An FDA administrator]

To add more complexity, cross holding among operators, and from producers to distributors, makes the alcohol business difficult to monitor. Charoen Siriwathanaphakdee was reported to be involved with more than 100 companies [Nation Newspaper 23/07/2001]. Further, each sector of the alcohol industry engages in the alcohol policy process differently.

"The SAOs ...were set up from and managed by the Public Relation sector of the alcohol industry, not the marketing sector. So these agencies are designed to promote industry image, not to decrease profit, and they are unable to oppose marketing strategy. " [An alcohol policy expert]

B. Influences on alcohol policy

The interest of each alcohol entrepreneur in alcohol policy is to protect business collectively from common threats, and individually for their exclusive benefit. Alliances among alcohol entrepreneurs, in response to shared problems, can lead to beneficial outcomes for the industry, such as the weakening of advertising and sales regulations in 2003 [Krungthep Thurakit Newspaper 10/07/2003], and the disqualification of the FDA Announcement in 2006 [Phoojadkarn Online Newspaper 20/11/2006]. In many cases, alcohol operators used windows of opportunity in the alcohol policy process to undermine their business opponents, for example by deviating policy direction during the advertising ban formulation to advocate for White spirits tax rate increases.

"Adapted from tobacco experience, alcohol industry will deploy two tactics. Firstly, it aims to delay the process (the ACC Bill) with the hope that this decision will be in the next government. The delaying tactic is applied to every step of the process. Secondly, industry will try every way to weaken it. " [A public health expert]

"Connections among domestic entrepreneurs are weak, perhaps because of management under a monopoly system for such a long time. ThaiBev cannot talk

with Boonrawd at the moment. However, in the 70s-80s, those entrepreneurs coordinated their responses to the common threat, by setting up an alcohol industry leader for negotiation with Government.” [A former ED administrator]

Numerous examples show the effectiveness of connections between alcohol entrepreneurs and policy makers, both personal and institutional. The prosperity of the alcohol industry allows it to allocate massive resources to influence the alcohol policy process, by building connections and recruiting highly competent staff. An unnamed former alcohol employee declared that his/her former Company pays two billion Baht a year to ‘Protectors in authority’ [Phoojadkarn Newspaper 16/10/2000]. Many powerful current and former public sector administrators work with operators as consultants.

“The alcohol industry is so clever, but cleverness without moral and social responsibility is dangerous. Public sectors cannot compete with industry. The alcohol industry can hire the best in each profession to help them, including lawyers.” [A medical law expert]

“The alcohol industry comes with big money, and it is not difficult for them to do anything with that money. The alcohol industry can support everyone and convince him or her, make him or her happy with their money. The industry does everything it can to block and scare people into not opposing their interests. So do not be surprised that Congressmen have to respond to and take into account the alcohol industry’s interests and its support. The alcohol industry is the most influential player, and is also generous, but not to all people, just for some people in authority.” [An NLA member]

Alcohol entrepreneurs not only offered support for specific purposes, but also general support for various events and agencies. Remaining politically neutral by supporting all political parties keeps the support hidden and hard to trace (Trirat, 2006). The hidden connection to policy makers is defined as one of the differences between alcohol and tobacco entrepreneurs, where the biggest entrepreneur, TTM, is a state enterprise.

“We still do not know enough about alcohol business tactics. We have some sources within their camp but not the core ones. We have some data to analyse,

but make guesses about other possibilities, from the information we have available that includes the current position, background and past connections.” [An anti-alcohol NGO leader]

“It is amazing that this failure (on FDA advertising regulation) was the result of the small-in-number but financially powerful alcohol industry. However, we cannot verify it.” [An MOPH legal officer]

Many stakeholders have had a role in protecting the alcohol industry and its interests. For example the sports sector was against advertising control [e.g. Matichon Newspaper 18/01/2006] and a group of elephant keepers¹¹ who supported ThaiBev’s listing on the stock exchange [Phoojadjkarn Online Newspaper 7/09/2005]. An MP declared the intention to ask a question in parliament on alcohol market domination, but withdrew the proposal for undeclared reasons within an hour of the alcohol operator’s finding out about it (Jaiyen, 2005).

“We can see that those who oppose the advertising ban are alcohol-supported and related. The support from alcohol creates dependency and at least keeps them quiet.” [A public health expert]

C. Mechanisms of influence

The alcohol industry has influenced Thai alcohol policy process in five ways, which can be further classified into two clusters by active and passive influences. The four active influencing mechanisms are: 1) Lobby and negotiation, 2) Influence through official forums and mechanisms, 3) Influence through the public media, and 4) by building corporate image and a supportive social climate. The passive mechanism, perhaps the most important, is influence through public agencies. However, it is clear that different alcohol entrepreneurs have influenced the alcohol policy process differently. While the importer group have usually borrowed strategies from other countries such as setting up SAOs and promoting sensible drinking, domestic operators are more likely to use influence through public agencies.

¹¹ Someone who looks after and uses elephants to earn incomes, ThaiBev supported this group

“Domestic operators used to have an easy way to influence policy, they can buy everybody involved. Therefore, they have not learned how to move. Riche Monde may be an exception. It is the leader who duplicated the strategies step-by-step from abroad. Domestic operators have no such policy-influencing strategy, just to donate and give money to the politicians. There is a lack of lessons learnt. On the other hand, Riche Monde is outstanding, having strategic moves but a lack of power.” [A ThaiHealth administrator]

“We do not use the weakness of the political business in each country to support our business, which can lead us to have different positions in each country. We have only one standard (directed by the parent company). We can accept that this ‘one standard policy’ disadvantages us in many countries where political business is dominant.” [An administrator of an international alcohol company]

1. Lobby and negotiation

Direct lobbying is a basic, yet powerful, approach to influencing policy decisions. Lobbying can be individual or collective. There were media reports of Charoen Siriwathanaphakdee, directly lobbying the Industry Minister for the continuation of the concession, particularly to keep White spirits. [Matichon Newspaper 28/08/1995 and 16/10/1995], and lobbying to key people in the ED and the Alcohol Liberalisation Committee [Prachachat Thurakit Newspaper 25/06/1998]. ThaiBev also lobbied two political parties who oversaw the MOI and the MOF [Prachachat Thurakit Newspaper 4/12/1997]. A joint effort among alcohol operators, in setting up the ad hoc ‘Federation of Alcoholic Beverage Producers’ to meet with Deputy PM who oversaw RSMC [Krungthep Thurakit Newspaper 8/07/2003], resulted in the decision being delayed and content weakened [Post Today Newspaper 11/07/2003].

In many instances, alcohol entrepreneurs negotiated ‘trade-offs’ with policy makers, such as ‘using sport as a hostage’ [Krungthep Thurakit Newspaper 17/07/2003]. They threatened to withdraw sports sponsorship in retaliation for the advertising ban [Than Setthakit Newspaper 26/06/2003], and successfully negotiated for the lowering of the

distilled beverage tax rate compensation for the legalisation of traditional distilled beverages [Dokbeer Thurakit Newspaper 9/12/2002].

2. Influence through official forums and mechanisms

Representatives of alcohol industry have had proactive roles in many official forums and mechanisms, such as consultative forums, public hearings and joint committees. Successes have included the defeat of the MOI attempt to apply compulsory industrial production standards [Prachachat Thurakit Newspaper 16/04/2001], and the appeal to the CS on the 2006 FDA Announcement. Other attempts have included using the FDA meeting on food advertising regulations to advocate for the repeal of advertising regulations [Than Setthakit Newspaper 18/01/2004] and opposition to the ACC Bill in the Parliamentary Committee (Aziam Burson-Marsteller Co. Ltd, 2007b).

Many operators have also used official channels to undermine other operators. An administrator of an international alcohol company revealed that his business opponent was playing behind the scenes to fight accusations about his company's customs tax evasion practices [Than Setthakit Newspaper 9/03/2003].

“Alcohol operators often accuse each other of advertising control violations. They petition us and we have to deal with them on an equal basis. Some petitions are just bullying, some are nonsense, and some are unverifiable.” [An FDA officer]

3. Influence through the public media

The alcohol industry has influenced alcohol policy through the media in many ways, ranging from polite requests, protesting against attempts to strengthen policy and proposing policy alternatives, to aggressive accusations.

Declaring their disagreement on policy content was a common strategy among alcohol operators during the formulation of taxation, availability control and advertising regulations. This discourse included disagreement on policy effectiveness, feasibility, inappropriateness and particularly undesirable side effects [e.g. Phoojadkarn Newspaper

21/09/2004, Bangkok Post Newspaper 19/10/2006]. One common tactic has been to pinpoint one particular situation in making claims against the effectiveness of alcohol policy interventions in general, for example by referring to the continued popularity of White spirits as proof of the ineffectiveness of the advertising ban [e.g. Prachachat Thurakit Newspaper 21/12/2006].

Frequently, the alcohol industry proposed their preferred policy alternatives to policies currently being formulated. The discourse commonly refers to interventions that focus on education and individual responsibility [e.g. Banmuang Newspaper 20/12/2002, Nation Newspaper 23/11/2006], and self-regulation models and systems [e.g. Phoojadkarn Newspaper 13/10/2005, Phoojadkarn Online Newspaper 26/11/2006]. Interestingly, some recommendations from alcohol entrepreneurs were unlikely to benefit the alcohol industry, such as calling for tax rate increases in some specific conditions [Siam Thurakit Newspaper 3/09/2005, Than Setthakit Newspaper 21/07/2005]. However many saw these attempts as a business tactic that would disadvantage their opponents if they came into force.

More aggressively, alcohol entrepreneurs have deliberately accused and threatened the public sector in the public media, for example by threatening to take the government to the Administrative Court [Bangkok Post Newspaper 19/10/2006], and criticised other entrepreneurs, for instance by condemning the tied selling practice. Buying exclusive media space is an interesting strategy used in public debate. Boonrawd bought newspaper space to call for the Specific tax rate system [Than Setthakit Newspaper 21/08/2005]. ThaiBev bought exclusive space in many newspapers to deny the use of tied selling practices, stating that the accusation came from someone with ‘malicious intentions’ and pointing out ThaiBev’s massive social contribution through taxes [Matichon Newspaper 4/07/2000, Prachachat Thurakit Newspaper 6/07/2000].

“This (exclusive space buying) is just a marketing technique, to blame the other side. But this also creates an impact on society, of course. This company does not want an effect on general readers, but targets the government, showing the unfairness or pitfalls in the policy system.” [A newspaper editor]

4. Creating corporate image and social climate

Corporate image seems to have become increasingly important for alcohol entrepreneurs in modern times. Entrepreneurs create a positive image by showing they are responsible, supporting public campaigns, making a social contribution, and by shaping the social climate by normalising alcohol consumption, as well as making linkage to social elites. In some circumstances, alcohol entrepreneurs have proactively defended their image against accusations.

Alcohol operators have shown their social responsibility both individually and collectively through SAOs and entrepreneurial networks. The declared plan of the Federation of the Alcoholic Beverage Producers to set up self regulation and public campaigns on drink-driving and sales to youth [Post Today Newspaper 11/07/2003] have not materialised yet and are seen merely as a negotiating tactic [Krungthep Thurakit Newspaper 20/10/2005] against the RSMC proposal. In 2006, a group of foreign entrepreneurs stated they would stop advertising for one month during the uncertainty surrounding the FDA Announcement. It was later found that these companies did not totally quit advertising, but put it in hidden formats, then increasing the intensity of promotion after that period [Phoojadkarn Online Newspaper 8/05/2007].

Recently, the alcohol industry and related sectors have made a big effort to develop a proactive marketing strategy and to continuously imprint on the public consciousness the image of ‘corporate responsibility’ and to make people believe that alcohol drinking is not bad (Sathapitanont, 2006c) by normalising drinking,. Domestic entrepreneurs in particular allocate huge budgets for donations and sponsorships, for example over 70 million Baht annually is received for sports sponsorship from Boonrawd (Gorbgaew, 1999). In 2006 Thai Bev gave 36 million Baht to the sport sectors, 30 million in blanket donations, and 27.5 million to other areas (Thai Beverage Public Company Limited, 2007). As the industry always publicises these contributions in beverage and corporate advertising, this support is easily seen as a promotion strategy. Furthermore, industry-supported sectors are usually active in protecting the alcohol industry. Donations from alcohol operators can be for a specific purpose. When facing protest against its listing on the stock exchange, it was reported in the media that a ThaiBev representative negotiated with the leader of the demonstration , General Jamlong Srimunag, to call off

the protest and in return offered 200 million Baht donation to two Jamlong-related charity agencies [Thaipost Newspaper 21/01/2006].

“Social contribution is just alcohol industry’s marketing strategy to ‘hide’ and to inform the public that the industry should be acceptable. There were many cases proving that if they do not want anything, they will not pay. This is not philanthropic but promotion activity, and also the way to buy connections...just a smokescreen to make society forget about alcohol problems...If we explore sport sponsorship in recent years, only 10 % will be for the sport sectors but 90% is about promoting the 10%.” [A ThaiHealth administrator]

“Thaibev’s blanket donation project has a hidden implication that Thaibev is protecting and warming Thai society...Also their advertising is normalising alcohol drinking to Thai culture, indirectly saying that drinking is a should-be-preserved Thai culture, with out direct message saying so.” [A ThaiHealth staff member]

Social contributions are effective for the alcohol industry to win a positive image with the general public, and perhaps for brand loyalty. A survey found that 71.4 % of the youth audience of the 2006 soccer world cup broadcast, which was solely supported by ThaiBev, appreciated the support and wanted to repay the sponsor [Phoojadkarn Newspaper 13/10/2006].

Alcohol entrepreneurs have conducted many alcohol policy-related activities. Most of these activities have two characteristics; firstly, they are relevant to product marketing. Secondly they narrowly focus on a few policy areas, including drink-driving campaigning, promoting the individual drinker’s responsibility, and narrow target audiences who are the existing and potential consumers, such as university students. As a result these activities are questionable in terms of their commitment to alcohol-related problem reduction. For example, the ‘Red Limo Project’ of Riche Monde, although claiming to reduce the drink-driving burden, mainly provided free rides from parking areas to nearby drinking venues [Prachachat Thurakit Newspaper 29/12/2003].

“The question we should ask them (Care-4-Friend) is why you let the under-18s join your programme. Currently there are many 16 and 17 year old university students, particularly freshmen. This activity is to promote drinking among these youths...Why does your programme target Universities? These youths are the high-risk group and also your potential customers. The additional question is why do you have to advertise your activity as well.” [A Communication Art academic]

Linking corporate to social elites is a powerful strategy in the Thai policy context both in the concession and modern periods. Many Thai elites are still involved with alcohol entrepreneurs, as board members and consultants. The President of the Privy Council used to be Chairperson of one of Charoen’s companies (Crispin, 2001). Mom Rajawongse (a high ranking royal family) Adulkitti Kittiyakorn, a member of Privy Council and brother of Her Majesty the Queen, were former Chairpersons of ThaiBeer (1991) (Jaiyen, 2003), a precursor of ThaiBev. The Principal Private Secretary of the King (The Office of His Majesty's Principal Private Secretary, n.d.) is currently the Chairperson of the Board of Directors of the Thai Asia Pacific Brewery (Thai Asia Pacific Brewery, n.d.-a). Furthermore, alcohol entrepreneurs frequently support the activities of links to these social elites. Examples include the 10 million Baht donation from ThaiBev to a charity-boxing event held by the Rak Muang Thai Foundation that was established by the President of the Privy Council [Nation Sudsabda Newspaper 16/03/2007], and of a donation to the PM’s former school.

For loyalty to the Monarchy, ThaiBev sponsored a grand exhibition to conglomerate the 60th Anniversary of HM the King’s Accession to the Throne with a budget of 30 million Baht. It also supported celebrations of the same event in Bangkok and at the Royal Flora Ratchapreuk Exposition worth about 60 million Baht. It sponsored a singing contest of the Royal Anthem among secondary schools to celebrate this event with a budget of 11 million. (Thai Beverage Public Company Limited, 2007)

“The theme of the ThaiBev-supported exhibition in the 60th year Anniversary of the Access to the Throne of the King is ‘Thai Kings and elephants’. This is to link its logo with the Royal Family. Those who see it feel nothing; they do not define this kind of support as a dirty trick.” [A ThaiHealth administrator]

“This programme (the Royal Anthem singing contest) was very successful. Numerous schools participated. Generally, ThaiBev cannot conduct activities within schools.” [Kriangkarn Kanchanaphokin, CEO of an event organising company, (Brandage Magazine, 2007)]

5. Mechanisms of passive influence

Influence through other players, including public agencies, politicians and researchers, is perhaps the most powerful mechanism by which the alcohol industry manipulates alcohol policy. This strategy requires good relationships between both sides, and it also subsequently strengthened such relationships. In this regard, alcohol operators have different levels of relationships with others.

“Operators in every big business do not want to play and risk by themselves. To do so, they have to use their money to work for them through all political parties. So it is normal that party supporters have influential roles, not only in Thailand but globally.” [An anti-alcohol NGO leader]

“Definitely, the alcohol industry has connections with many players. We have witnessed the many times that ED spoke on behalf of the industry. It is easy to buy a public sector position, even among the state’s elite people. And in the end, we have to fight with others in the public sector instead of the alcohol industry.” [A medical law expert]

The alcohol industry has influenced the public sector in many ways such as through organisational and individual support in the form of monthly payments, yearly bonuses, gifts, and post-retirement employment [Phoojadkarn Newspaper 13/10/2000], and as bonuses and allowances for illegal beverage suppression. Charoen’s practice of recruiting key public administrators to work with him after their retirement has been reported [i.e. Phoojadkarn Newspaper 10/10/2000]. These are not only officers from alcohol regulating agencies, such as the ED and the MOF, but also military and police officers (Jaiyen, 2005). This strategy sends a clear signal to leading public officials that Charoen ‘will not throw away whom he sees as a friend’ (Jaiyen, 2003). The alcohol

industry has also become involved with internal administrative issues in public agencies. The industry's effort to replace the MOF PS who took an opposing stand on liberalising production was reported in the media [Than Wikrau Newspaper 29/06/1997]. He was replaced within a month.

“The ‘Unripe Harvest’ (symbolising the recruitment of public officers when they are still in charge to work with industry after retirement) is normal in the Thai context. Retired officers still have connections. Coming back to your ex-agencies, to meet ex-colleagues and ex-subordinates is a channel to keep them updated and can catalyse the coordination between private and public sectors...Because of the small amount of the retirement pension, working with industry is a very good opportunity for them. And if they are approached (recruited) ...any effect on their future employer will be a priority for the rest of their public officer life.” [An ED technocrat]

“I heard that when Jatumongkol, the MOF PS, had an idea to raise the alcohol tax, the alcohol industry paid the high ranking officers at the Ministry level to push him out. But it is also from an internal push as well, as Jatumongkol was so young and can sit at that top-ceiling post for a long time. And finally he had to go”. [An ED technocrat]

Support, in the form of money, beverages and other perks, from the alcohol industry to politicians is common practice and most support is undeclared. A domestic alcohol giant declared 941 million Baht in support for politicians over three years [Matichon Sudsabda Newspaper cited in (Jaiyen, 2003)].

“It is very normal and worthwhile for alcohol industry to build connections with influential people; to buy their favours and silence. They can buy politicians to talk on behalf of industry. Protecting industry benefits instead of societal ones is totally wrong for people in public service, like politicians.” [A public health expert]

D. Relationships

The relationship between alcohol entrepreneurs is on a business basis. The conflict between Boonrawd and ThaiBev groups became evident after ThaiBev fully engaged in the beer business, which had been monopolised by Boonrawd for decades (Nikomborirak, 2002). As ThaiBev was most affected by the growth in traditional beverages, after their legalisation [Matichon Newspaper 11/12/2002], it employed many strategies¹² to halt this ‘Satho fever’, including: 1) Warning distributor and outlets to choose between traditional beverages and ThaiBev products, 2) Applying for a 15 percent White spirits production license to create a price war, 3) Dumping the price of White spirits, 4) Using tied selling practices, 5) Preventing grass root producers from reusing Chang beer bottles, and 6) urging ED to suppress illegal brewing. On the other side, Boonrawd supported these traditional beverage producers, allowing them to use its distribution system and providing technical support [Siam Thurakit Newspaper 20/04/2003], because they had a common opponent in Thai Bev [Prachachat Thurakit Newspaper 30/12/2002].

There were loose and ad hoc alliances among alcohol entrepreneurs. For example, the Alcohol Producers Association of Thailand, which was the coordination among domestic operators, lobbied the Government to keep the concession system [Than Wikrua Newspaper 29/06/1997], the Federation of Alcoholic Beverage Producers among domestic and foreign operators which lobbied on advertising control in 2003 [Krungthep Thurakit Newspaper 8/07/2003], and recently SAOs for foreign operators.

Traditionally, foreign companies were not seen as opponents for domestic giants, perhaps because their products are usually aimed at different markets. In some cases, domestic and international alcohol companies became business partners conducting joint venture projects, such as contracting to be authorised producers and importers for international brand beverages. There was also the attempt by ThaiBev to take over Allied Domecq Spirit and Wine (Thailand) [Than Setthakit Newspaper 6/09/1996]. However, the relationship has changed recently. Many foreign entrepreneurs have extended their production lines from the luxury to the economy market, by introducing

¹² Summarized from (Trirat, 2006), Prachachat Thurakit Newspaper 19/08/2002 and 26/12/2002, Than Setthakit Newspaper 11/05/2003, Siam Thurakit Newspaper 20/04/2003

international-brand Standard and Economy grade beers and second grade whisky. Meanwhile, ThaiBev engaged in the ad-mix beverage sector, importing whisky concentrate to produce whiskies under English names, such as 'Blue' or 'Crown 99', as well as whiskies from other domestic operators.

The relationships between the alcohol industry and related businesses, including alcohol outlets, the hospitality sector, advertising agencies, and the media operate on a mutually dependent basis. Alcoholic beverages and alcohol operators are profitable products and customers for these businesses. Therefore, these businesses became allies of the alcohol, including in the setting up of the SAOs (Thai PR.net, 2006b) and in many policy movements [Siam Thurakit Newspaper 16/06/2002, Banmuang Newspaper 18/12/2002, Naewna Newspaper 26/11/2006].

Trirat (2006) points out the difference between alcohol and other major business groups in the modern period. While other business has been directly involved in the political arena, the domestic alcohol industry still uses the conventional 'proxy' tactic or patronage system. Hence the relationship between the alcohol industry and people in authority is important. These relationships are based on support between both ends. It was reported that an alcohol capitalist offered free hotel and golf course facilities to politicians and high ranking bureaucratic officials (Jaiyen, 2005). However, there are some exceptions, for example when members of an alcohol business family were appointed to key positions in alcohol regulation agencies or became politicians (Jaiyen, 2005). The FPO and ED Director, a member of the 'Sarasin' family-Charoen's partner, was accused of letting concessionaires violate the alcohol zone regulations (Limthongkun, 2005), which was later identified as a key stepping stone to ThaiBev's current strength (Jaiyen, 2005).

“The big alcohol companies will set up and allocate a budget to support every political party, not only one. The supporter will separate its sponsors, giving to many key people in one party. This is to make it look balanced. There are also individual supports directly, but this is done by personal connection.” [A newspaper editor]

“It is difficult to deny that we do not support politicians. Because, we have friend. In personal dimensions, a friend is someone to support. But our friends are good, and socially accepted.” [Santi Phiromphakdee- Boonrawd Managing Director, (Gorbgaew, 1999)]

There are clear policy implications in the relationship between the ED and alcohol entrepreneurs, particularly ThaiBev. This relationship, at both institutional and personal levels, was built from opportunities to work together as well as receiving support from entrepreneurs. For example, ThaiBev supported the ED in illegal beverage suppression [Phoojadkarn Newspaper 27/03/2001], and ED’s education scholarship fund to mark the 50th anniversary of Accession to the Throne of the King [Naewna Newspaper 27/08/1997]

“There was a rumour that one of our PSs was heavily sponsored by an alcohol company (when he was in charge). Such rumours are common in ED, it is likely to be true, but no one can verify.” [An ED technocrat]

“In our practice, we cannot offer support by ourselves, but our support goes to ED and other agencies, they have to tell us what they want.” [A domestic alcohol company consultant]

Health camp players have often identified the industry as resistant to alcohol policy development [e.g. Nation Newspaper 13/10/2006], and in some circumstances have accused the alcohol industry of blocking the policy process [e.g.. Phoojadkarn Online Newspaper 23/03/2007]. On the other hand, the alcohol industry has accused health camp players of extremism. The DDD Foundation is the exception among health camp players in terms of their relationship with the industry.

“I cannot deny that there is white in black, but if you are white enough, you cannot stay in the black corner” [An alcohol policy expert].

“Diageo once contacted us, by invitation from the UK embassy. We didn’t go. However, the UK politician who is the Diageo Chairperson came to ThaiHealth instead. I attended that meeting. They showed and invited us to go to

see how 'Australia' works, to address only a small proportion of drinkers.” [A ThaiHealth administrator]

10.6.1 Thai Beverage Public Company Limited

According to the ThaiBev Prospectus 2006, ThaiBev, led by Charoen Siriwathanaphakdee, is the fourth largest spirits producer globally by sales volume (Thai Beverage Public Company Limited, 2006). In the last two decades of the concession system, ThaiBev's predecessors monopolised domestic-style spirits, and have continued their domination during the liberalisation period. After recently expanding their production lines to cover beer and western-style Special spirits and by having their own supply businesses such as glass factories and raw materials, ThaiBev has become a most comprehensive operator, with products in most market segments. Furthermore, having a strong distribution system, as shown in Figure 10-4, allows ThaiBev to indirectly manipulate beverage prices, conduct tied selling practices, and exclude other competing brands from the system (Nikomborirak, 2002).

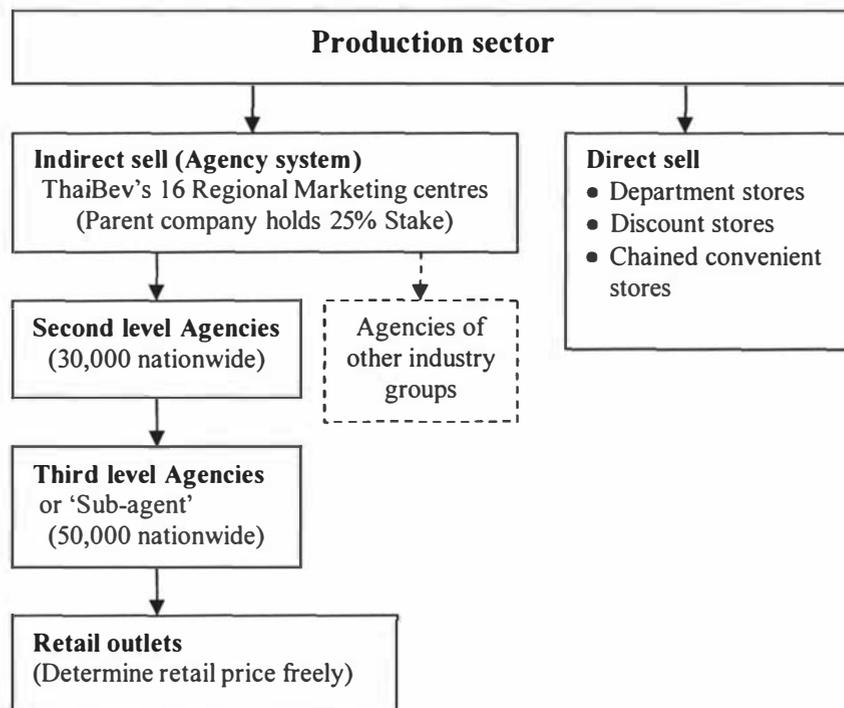
ThaiBev has used many strategies to continue market domination and to win new market sectors, for example the massive stockpiling of beverages taxed at a lower rate at the end of the concession, the tied selling practice (although formally denied [Matichon Newspaper 4/07/2000]), and buying related businesses to prevent other operators from having access to cheap ingredients and materials. These include efforts to buy the Glass Organisation (a state enterprise), three state-owned sugar factories [Prachachat Thurakit Newspaper 20/11/1995], and to obtain a monopoly on pure alcohol (ethanol) production [Than Wikrua Newspaper 31/12/1995].

“When the Government announced the liberalisation of the liquor market, Charoen did not let such a profitable monopoly go out without a fight. He tried to buy all the glass factories so competitors could not get bottles. He bought the land around some distilleries so competitors could not get into them. He stockpiled so much tax-paid liquor that he could flood any competitor out of the market.”

[Nation Newspaper 23/07/2001]

Because of its strength, many domestic operators chose to be ThaiBev's partner, rather than competing like Boonrawd. ThaiBev took over many smaller entrepreneurs including former opponents, and recruited competent administrators from other operators, such as Kasemsan Weerakul, formerly Managing Director of United Winery and Distillery, now as ThaiBev's Director of Corporate Communications, and Ouychai Tanta-opas, formerly Marketing Director of Riche Monde (Bangkok), now ThaiBev's Marketing Director [Phoojadkarn Rai Sabda Newspaper 23/01/2006].

Figure 10-4: Marketing system of Sangsom group¹³



Source: from (Nikomborirak, 2002)

The main strength of ThaiBev comes from its connections to the public sector and social elites, which can provide protection and perhaps favourable policy, particularly prior to the production liberalisation. ThaiBev has employed many tactics to win these connections. It is reported that Charoen gave gift cheques, worth 1 billion Baht, to politicians to extend his concession in early the 90s (Jaiyen, 2003). (900 million Baht according to Nation Newspaper 23/07/2001) An unnamed former Charoen's staff member revealed that support from Chareon was given in ways that did not make the recipients feel guilty of corruption [Phoojadkarn Newspaper 16/10/2000]. His

¹³ A precursor of ThaiBev

biography described the well organised 'Chareon agent system' which provided support to public officers and social elites (Jaiyen, 2005).

ThaiBev has had a relatively hidden and non-aggressive role in the alcohol policy process. It did not join the SAOs, and did not use the media for public debates or for voicing opposition. These roles perhaps reflect the personal characteristics of its CEO, who prefers to avoid confrontation, and work behind-the-scenes buying support from public officers and politicians [Prachachat Thurakit Newspaper 6/07/2000]. Charoen and his wife, who frequently represents him at fund-raising events, keep a low public profile (Jaiyen, 2005).

10.6.2 Boonrawd

Boonrawd was the first domestic beer producer, licensed since 1931 during the absolute monarchy era. Its establishment and licensing process depended on the patronage system, and negotiations with a member of the Royal family [Dokbeer Thurakit Newspaper 21/02/2000] (Gorbgaew, 1999). As the result of this arrangement, the Government of that time taxed Boonrawd's beer at a rate six times lower than that of imported beers (Gorbgaew, 1999).

Boonrawd virtually monopolised the Thai beer market for six decades, although it was challenged in some periods, particularly in the 90s when the PM himself engaged in the beer business. Beer had been a luxury commodity until ThaiBev introduced Chang beer in the 1990s, at a much lower price than Boonrawd's Singha beer. This terminated Boonrawd's domination. As a response, Boonrawd introduced many competing brands aimed at the economy market sector.

Like ThaiBev, Boonrawd owned related businesses for glass and raw materials. However, some essential ingredients for beer, including malt, hops and yeast, still had to be imported (Nikomborirak, 2002). Boonrawd set up a distribution system under the 'Singha Seller Society' consisting of around 2,400 bulk and last-bulk sellers nationwide (Nikomborirak, 2002). Boonrawd has tried to extend its business to other beverage

segments including international branded beers and whiskies, and non-alcohol beverages that share names and logos.

Boonrawd identified ThaiBev's tied selling practice and domination of White spirits as their major threats [Krungthep Thurakit Newspaper 21/02/1998 and 24/09/1998, Prachachat Thurakit Newspaper 13/12/1999]. As a result, Boonrawd have conducted many protests against the tied selling practice, and advocated for the liberalisation of White spirits and tax rate rises, as well as supporting traditional beverage producers, who are also in competition with ThaiBev [Prachachat Thurakit Newspaper 30/12/2002]. These anti-White spirits discourses were also used for movements in other policy areas, such as against the advertising regulation and the ACC Bill [Prachachat Thurakit Newspaper 15/03/2007]. In recent years, Boonrawd has fully advocated for raising the White spirits tax rate by buying exclusive media space [Than Setthakit Newspaper 21/08/2005]. Recently, the "Quitting White Spirits Society" bought exclusive media space to criticise White spirits tax rate anomalies [Than Setthakit Newspaper 16/11/2006]. Although the company denied this link [Krungthep Thurakit Newspaper 21/06/2007], many still see Boonrawd as the one behind this campaign.

One particular movement against the tied selling practice came from the Consumers Rights Protection Society, led by Seree Wongmontha, a well-known Communications Art academic. Boonrawd denied a link to the Society [Prachachat Thurakit Newspaper 6/09/2000], however Seree clearly stated that Boonrawd was the Society's financial backer but he declared that the Society are not activists-for-rent [Than Setthakit Newspaper 18/07/1999]. He admitted that he is the advertising agency for Boonrawd [Matichon Newspaper 9/07/2000], and also once opposed the attempt to raise beer taxes on behalf of Boonrawd [Than Setthakit Newspaper 16/05/1997]. The Society criticised the tied selling practice through the media, and organised a demonstration in front of the MOC (using a group of university students 'Thai Social Problems Study group') [Matichon Newspaper 14/07/2000]. ThaiBev vowed to take Seree to court [Than Setthakit Newspaper 31/10/1999], while Seree himself revealed death threats made against him following this action [Dokbeer Thurakit Newspaper 17/07/2000]. He recently became an Expert Committee member of the Federation of Alcohol Control Thailand (FACT) [Matichon Newspaper 24/10/2006].

The different approaches of ThaiBev and Boonrawd to the alcohol policy process are easily seen. ThaiBev does not create any negative implications to the public sector including the accusing and petitioning of public agencies. Therefore, the difference in their relationships to public agencies is to be expected. Boonrawd challenged the ED, through the Office of Information Committee, to reveal the Standard Ex-factory price calculation method that classified their new brand, Singha 70, into the Standard beer grade (The Office of Information Committee, 2006). Perhaps as a quick payback, an unnamed ED officer declared that the ED would investigate Boonrawd's questionable practices in influencing beverage retail prices [Post Today Newspaper 26/11/2003]. However, Boonrawd also gives traditional support to various sectors such as sports and politicians (Gorbgaew, 1999).

“Boonrawd always spins the situation and spins the market.” [An ED officer]

10.6.3 International alcohol entrepreneurs

Despite the recent sharp growth in sales volumes, overall sales for foreign alcohol companies are still far less than volumes for domestic operators. The policy movement of international entrepreneurs reflects four different characteristics to that of domestic operators; 1) Themes and areas of influence, 2) Linkage to international players, 3) Aggregation among entrepreneurs, and 4) relationship to public officers and agencies.

Foreign operators use unique themes and strategies in policy movement which are rarely seen from domestic producers; for example promoting responsible drinking, the individual drinker's responsibility, codes of conduct, setting up SAOs, and influence through technical forums and activities, such as lobbying on technical issues, organising technical seminars and sponsoring research. Many of these strategies are related to the strategy of, and directed by, their parent companies. In addition, they have influenced the process through international players including diplomats and politicians, such as the lobby by Diageo CEO, the parent company of Riche Monde (Bangkok) who was also a British politician, on taxation [Than Setthakit Newspaper 26/12/1999]. Another

example is the 40,000 pounds donation from Diageo (Asia) to the Care-4-Friend, founded by Riche Monde [Bangkok Post Newspaper 29/08/2006].

“We do not agree with general donations to other areas. Alcohol problems are what alcohol industry is directly involved with...therefore we have to help government solve it. If all operators sincerely want to solve it, if all operators have not employed the marketing strategy currently used, the problems would not be this big.” [An administrator of an international alcohol company]

“Foreign companies have the same strategy worldwide, they think that what worked with the British government, will do the job here.” [A domestic alcohol company consultant]

Many movements of foreign entrepreneurs, together with small domestic operators, are on a cooperative basis, including setting up of the SAOs. Domestic and foreign operators see the necessity of cooperation differently. Big domestic entrepreneurs did not join with the importers' collective movement, although ThaiBev attended the meeting to oppose the 2003 partial advertising ban. A journalist commented that the main reason for ThaiBev not to join REACT was because it did not want to be seen as 'anti-public regulations' and/or as a lobbyist; in addition, a key ThaiBev administrator said that ThaiBev can conduct social activity by itself [Post Today Newspaper 26/05/2004]. However, there were also conflicts and disagreements among foreign operators, such as on tax system preferences [Matichon Newspaper 22/07/2005], and on business practices from trade agreements [Than Setthakit Newspaper 9/05/2003].

“Singha and Chang did not want to join REACT, they have their own ego and want to act by themselves in their own way. Fundamentally, they see foreign business as the enemy. They declared that they have their own ethical code and may feel uncomfortable with some ethical rules set up by foreign operators. Domestic entrepreneurs seem not to be very concerned with cooperative social responsibility.” [A former SAO staff member]

Foreign entrepreneurs have weaker relationships with public agencies. Furthermore, the relationship can be damaged by their aggressive tactics; for instance in labelling the

Thai government a dictatorship because of the advertising ban [Post Today Newspaper 19/10/2006], threatening to take the Thai government to the WTO [Phoojadkarn Online Newspaper 7/11/2006], and threatening to remove industry sponsorship from sports events in retaliation for the advertising ban [Nation Newspaper 10/11/2006]. During their action against the 2003 advertising ban, a journalist tagged these operators as a ‘black group’ who did not understand the Thai business culture, and were using the American paradigm to collectively pressure and lobby policy makers, as well as playing with the law [Krungthep Thurakit Newspaper 17/07/2003].

“The way importers advocated for tax system change is just a business tactic, to increase their sales volume, to compete with domestic operators, to lower the business costs and to introduce new brands in Thai market. Some domestic companies joined the advocacy as well, just to enjoy the profits... Do those people care about the consequences? The Thai company has contributed something to Thai society, but foreign companies have not done anything, not a single tree was planted.” [An MOF administrator]

10.6.4 Social Aspects Organisations

Setting up SAOs is an innovative strategy in Thailand where domestic operators are more familiar with direct participation. So far, there are three SAOs and SAO-like agencies, Care-4-Friend, REACT and FACT. Riche Monde (Bangkok) has been involved with all of these SAOs, including setting up Care-4-Friend (literally ‘remind the one you love’) to promote responsible drinking and drink-driving awareness among university students and drinkers in general. Following the collective movement against the partial advertising ban, six foreign alcohol operators established REACT in 2004. And later in 2006, FACT built on REACT by formally integrating with alcohol-related businesses including hospitality and advertising agencies.

Interestingly, these SAOs share the same key people, as shown in Table 10-5. Pol.Sub-Lt. Kriangsak Lohachala, a former public agency administrator, is the Chairperson of all three SAOs and the Chair of the Thammasat University Foundation, which Care-4-Friend is formally attached to. His close associate, Boonchuay Thongcharoenpoonporn,

is the Secretary of Care-4-Friend and FACT, and vice Chair of REACT. He has also worked with Kriangsak in other areas outside alcohol policy.

Table 10-5: Key people in SAOs

	Care-4-Friend	REACT	FACT
Chair person	Kriangsak	Kriangsak	Kriangsak
Vice Chair	-	Boonchuay	-
General Secretary	Boonchuay	Sukij Uthinthu	Boonchuay
Members	Riche Monde	6 foreign companies	Alcohol and related sectors
Organization attachment	Thammasat University Foundation	-	-

Sources: Post Today Newspaper 26/5/04, Matichon Newspaper 23/2/05, Kom-chad-luek Newspaper 13/4/05, Dailynews Newspaper 14/9/06, and Krungthep Thurakit Newspaper 25/10/06

Stakeholders see the mandate of SAOs differently, whether it is to reduce alcohol problems, promote their corporate image, soften threats to the alcohol industry by diverting policy directions, confusing the public sector, and narrowing down policy space, or a combination of these. The news on activities of these SAOs is often released in the same format as industry promotion, for example by the same public relations companies.

“Care-4-Friend tried to act as ThaiHealth, including research funding and linking to youth. It still has minimal power, but this tactic could be significant in the future, it could make our partners confused and lose their position.” [A ThaiHealth administrator]

“FACT is their struggle; we have to expose this grey method, showing the public about the dirty tactics. This kind of strategy confuses many people, including public sectors... The agency’s name is fake, its missions are contrary to its name; there is a lack of sincerity.” [An anti-alcohol NGO leader]

1) Responsible & Ethical Alcohol Consumption in Thailand (REACT)

REACT (literally ‘Business for Better Society Association’) was established in mid 2004. The six REACT founders were Allied Domecq Spirit and Wine, Barcardi (Thailand), Pernod Ricard (Thailand), Riche Monde (Bangkok), Thai Asia Pacific

Brewery and Tis Worldwide Marketing [Matichon Newspaper 26/05/2004]. The financial contribution from entrepreneurs to REACT depended on the company's size [Prachachat Thurakit Newspaper 27/05/2004]. However, Riche Monde seems to have had a more explicit role than others. The position of REACT is not much different from its sponsors, including a focus on self-regulation and individual responsibility. For drink-driving, for example, the Chairperson once declared that REACT was creating a 'safe drinking culture' which would hit the problem at its root and be better than law enforcement, which he saw as an ineffective downstream approach [Naewna Newspaper 3/10/2005].

"We are the founders of REACT, set up to convince industry to be responsible for alcohol business. We do not agree with industrial contribution to non-alcohol issues (for example general donations)." [An administrator of an international alcohol company]

At its launch, REACT declared 11 Codes of Conduct for marketing; one of them is to conform to existing legal regulations [Krungthep Thurakit Newspaper 26/05/2004]. Its Chairperson stated that REACT focuses on 'self regulation' by supervising alcohol advertising, promoting socially responsible trading, and working with other agencies [Post Today Newspaper 26/05/2004]. Meanwhile, an unnamed source from an importer said that the objective of REACT is also *"to support ThaiHealth"*, and *"REACT Board members are independent of alcohol industry representatives"* [Prachachat Thurakit Newspaper 27/05/2004]. A journalist commented that the Code of Conduct was a smoke screen showing that the broadcasted advertising spots were already filtered and conform to legal regulations [Post Today Newspaper 26/05/2004]. A Riche Monde administrator claimed that REACT's self-regulation has proved its effectiveness, and is a better alternative to the total ban [Phoojadkarn Newspaper 13/10/2005].

"REACT tried to pilot and to show the self regulation system to alcohol operators. This is to prevent advertising content to persuade the audience to drink, by employing a Code of Conduct. It also controlled marketing strategies such as dressing the beer girls ...However many members did not conform to the Code."
[A former SAO staff member]

Apart from calling for self regulation and a Specific tax rate system, REACT participated with many public agencies including the FDA in selecting warning messages [Phoojadkarn Newspaper 18/11/2004]. They also participated with the Bangkok Governor on the ‘Road safety, who is responsible?’ project to promote drinking guidelines [Naewna Newspaper 3/10/2005], and provided breathalysers to the MOJ for voluntary breath testing at entertainment venues [Khao-sod Newspaper 3/10/2005].

One particularly innovative approach from REACT was to use technical mechanisms, such as organising technical seminars, announcing a study of the impact of alcohol advertising and the effectiveness of the advertising ban [Krungthep Thurakit Newspaper 10/12/2004] and a study to develop a Thai standard drink and drinking guidelines [Matichon Newspaper 18/06/2005].

“REACT wanted to be the knowledge-based and balanced institution, it does not want to be industry’s ad hoc tool... The work of REACT may not be satisfied by industry... REACT contacted ICAP about the possibility of joint research. But industry people may not be happy with this knowledge setting idea. They may prefer short term results.” [A former SAO staff member]

Although they did not change the direction of any policy, REACT was an important milestone for the alcohol industry and as a precursor for FACT. REACT gradually reduced its role within two years, along with the role of its Secretary, Sukij Uthinthu. REACT’s recent activity has been conducted by its Vice Chair, including calls for self-regulation [Than Setthakit Newspaper 23/02/2007]. By comparison, Care-4-Friend is still active with students, and has expanded its involvement beyond alcohol issues. Lack of unity among members and internal management issues were identified as the reasons for REACT’s failure.

“Some board members of REACT may be too dependent on the alcohol industry. They may think that we won’t get the money if we did not do what industry wanted.” [A former SAO staff member]

“REACT failed because members did not see the necessity to join and to conform to the Code, because other operators did not and there was no social pressure.” [An administrator of an international alcohol company]

2) The Federation on Alcohol Control of Thailand (FACT)

The Federation on Alcohol Control of Thailand¹⁴ (FACT) was established during the formulation process for the FDA advertising ban regulation, in October 2006. Therefore, it was clearly seen as a lobbyist from the beginning. Its members include alcohol producers, sellers and distributors, the Thai Retail Association, The Marketing Association of Thailand, the Thai Hotel Association, the Thai Restaurant Association, and the Tourism Association (Thai PR.net, 2006b). Interestingly, the Alternative Medicine Foundation (AMF) also became a FACT partner and signed the FACT declaration [Phoojadkarn Online Newspaper 26/11/2006].

The role of FACT is clearly to oppose the FDA Announcement and further the ACC Bill, and to represent the alcohol industry in public debates. Before the FDA made its announcement, FACT declared that it would accept any decisions on advertising control, but warned the government about the potential negative consequences, referring to research by a Mahidol University lecturer on the ineffectiveness of the advertising ban (Thai PR.net, 2006b). After the announcement, however, FACT opposed the regulation in an aggressive fashion, including warning on the impacts to employment [Post Today Newspaper 19/10/2006], criticising it as rushed, fishy, and unfair [Phoojadkarn Online Newspaper 26/11/2006]. They also threatened to petition the Administrative court [Bangkok Post Newspaper 19/10/2006]. FACT requested the Lawyers Council of Thailand (LCT) to review the eligibility of the FDA announcement, in parallel with the CS. FACT co-organised the ‘self regulation pilot project’ to promote ID checking, drinking guidelines, and warned participating outlets not to sell alcohol to students in uniform and outside permitted times [Khao-sod Newspaper 5/12/2006].

“FACT is a set up lobbyist. This approach is common and acceptable in public debate for public policy.” [A domestic alcohol company administrator]

¹⁴ literally ‘federation to help public sector in reducing alcohol problems’

REACT was set up for self regulation, while FACT was specifically founded for policy action, although it has become involved in other issues recently, such as drink-driving (Aziam Burson-Marsteller Co. Ltd, 2007d), and re-declaring REACT's 11 Codes of Conduct. It is possible that the industry may want to use REACT and FACT in parallel, to do different jobs.

“The rationales and situations in establishing REACT and FACT may be the same and also be on the continuum, but the difference is the hidden agendas of alcohol industry. FACT is just the alcohol industry's tool, and it is easy for operators to exert their power through it. FACT failed on ethical issues from its beginning. I believe that FACT is only an ad hoc reaction and lacks strategy. It uses the wrong people, not clean enough to do this job. FACT is only another alcohol industry public relations agency.” [A former SAO staff member]

Although FACT has extended beyond REACT to cover domestic operators and related businesses, ThaiBev and Boonrawd have not joined FACT and its movement.

“We try to avoid meeting with FACT's Secretary-General, we are not sure whether FACT will help the alcohol industry or not. We have our own position not to join with such an agency.” [A domestic alcohol company administrator]

“FACT desperately wants to have the two domestic giants... We will not join FACT definitely. Firstly, we have to pay more if we do so, and secondly we can do better by ourselves.” [A domestic alcohol company consultant]

“When FACT announced the 11 codes of conduct, the alcohol industry has split, some operators agree and some do not. By ethical dimensions, this Code divides industry into a moral and immoral side.” [An SAO staff member]

10.7 Traditional beverage producers

A. Characteristics

Although Thai people had been used to traditional beverages for a long time, the scale and pattern of production has changed recently. Traditionally these beverages were mainly produced on a non-commercial basis, for local consumption in specific periods. A study in 1997 estimated that only 12.4 to 23.6% of traditional beverages entered the market (Laichuthai et al., 2002).

“Prior to this, just few years ago the villagers did not brew for selling. We brewed only for the community festival period.” [A villager in the ‘Illegal Beverage Village’, Siam Post Newspaper 9/10/1994]

“Brewers have not much choice, the climate has not been good for agriculture and the forest has been destroyed, spirits brewing is the best solution at the moment. This is because every villager knows how to brew and buyers come to buy in front of their house.” [An ‘Illegal Beverage Village’ leader, Matichon Newspaper 1/11/1994]

The important events that led to the legalisation of traditional beverages started in the so-called ‘Illegal Beverage villages’ in Phrae province in the early 90s [Krungthep Thurakit Newspaper 29/10/2002]. Producers commercialised their production in response to the increasing demand, by moving brewing sites from the bush into villages, and by using modern equipment [Phoojadkarn Newspaper 9/02/2001]. Later villagers advanced the self-protection system from primitive actions including surveillance systems and destroying public property, to conducting demonstrations when producers were arrested. Having better protection allowed traditional, still illegal, beverages to be sold widely and enter the commercial market. Another contributing factor was the increase in the price of the cheapest taxed beverage, White spirits, partly from the tied selling practice (Laichuthai et al., 2002).

The effective demonstration-against-arrest strategy quickly spread to other regions, and caused many difficulties for excise officers [Phoojadkarn Newspaper 24/04/2001]. In many cases, public officers had to release arrested brewers or charge them with minor offences to resolve conflict. Learning that officers could do nothing if they united, the traditional brewers established the TBP¹⁵. In the beginning, the purpose of TBP¹⁵ was to help and support brewers who had been arrested by gathering members, sometimes from other provinces, and negotiating with the officers. With support from community-based NGOs and academics, TBP¹⁵ stepped up to advocate for traditional beverage legalisation, although many members preferred to fight the existing law through mass demonstrations [Bangkok Post Newspaper 21/04/2002] and continue illegal brewing. After traditional beverages were legalised, TBP¹⁵ moved further to call for the separation of traditional beverages into specific categories with lower tax rates. Recently, TBP¹⁵ joined with domestic wine producers, who are more influential and formed the loosely connected Traditional Beverage and Domestic Wine Producer Network, which also linked with FACT in opposing the advertising ban and the ACC Bill [Kom-chad-luek Newspaper 24/05/2007].

“Before legalisation, I used to join TBP¹⁵, to protest when our members were arrested, as well as to call for legalisation. At the time I arrived there (the demonstration site), the network’s leader is controlling the movement, I didn’t know him. There was financial support for travelling costs and I didn’t have to pay the membership fee either.” [A traditional beverage producer]

Many TBP¹⁵ members were illegal producers from the pre-legalisation period, and therefore can easily shift back to illegal production. The practice of bribery still exists. The main interests of the TBP¹⁵ include the right to produce and being taxed at a lower rate as well as their competitiveness with business opponents, particularly ThaiBev.

“Water is mine, rice is mine, knowledge is mine, I brew to serve myself and my relatives, and how does the ED justify their arrest?” [A traditional beverage producer, Phoojadkarn Newspaper 23/03/2001]

¹⁵ ‘TBP¹⁵’ in this thesis is a general term for the producers’ aggregation entities, consisting of many local network elements, which may have different positions and movements.

“Licensed local producers are former illegal producers, familiar with the tax-free basis. They cannot compete in the legal system. Now 90% have already quit, some turned back to illegal production and sell in plastic bags.” [A former ED administrator]

B. Influence on alcohol policy

TBPN has been involved with alcohol policy in both the up and downstream. Upstream, it has had mixed results, successfully advocating for traditional beverage legalisation, but failing to push for the tax rate reductions and separation. Downstream, TBPN has created difficulties for the officers trying to suppress illegal beverages.

TBPN had limited financial resources and authority compared with other operators. Their strengths in the process included having large numbers with a common position, effective collaboration and well-organised movements. The cooperation among members significantly increased their influence in negotiating with officers [Phoojadkarn Newspaper 23/03/2001], and some TBPN key people developed strong relationships with politicians. Community-based NGOs and academics played a supportive role in TBPN’s change in strategy from the anti-suppression movement to advocate for legalisation. The latter strategy was also backed by the Attorneys’ Bureau, Human Rights Committee and LCT [Siam Thurakit Newspaper 28/01/2001]. The critical success factor for legalisation was the government’s pledge to the ‘grass roots, by promoting locally made products and providing financial support for grass roots entrepreneurs.

C. Mechanisms of influence

Mass movements, including demonstrations and public events like the Traditional Beverage Exhibition [Phoojadkarn Newspaper 6/12/2000], and the drawing up of policy recommendations were repeatedly employed by the TBPN. Their demonstrations in the pre-legalisation period included calls for the release of arrested producers, calls to stop making arrests and the forcing out of local officers including provincial governors [Phoojadkarn Newspaper 18/01/2001 and 30/10/2001]. Forcing out the ED Director [Krungthep Thurakit Newspaper 24/01/2003], and policy advocacy for beverage

legalisation was included as was the lowering of producer qualification requirements. In response to the TBPB demonstrations, the public sector frequently set up negotiation forums at many levels; local, departmental, and national, such as the Traditional Beverage Problem Solving Committee, chaired by the Deputy PM [Krungthep Thurakit Newspaper 5/09/2001].

“Most negotiations ended up with a compromising proposition, such as the ED agreeing to take the requested issues into consideration, just that. But many times the protest leaders claimed to the media that ED accepted their requests.”

[An ED officer]

The discourse of TBPB on beverage legalisation focused on the potential legal conflict between the Liquor Act 1950 and 1997 Constitution [Dailynews Newspaper 5/07/2001], and frequently described ED as the servant of alcohol capitalists [Phoojakkarn Newspaper 6/12/2000]. TBPB referred to research findings on the positive economic impact of traditional beverage legalisation, and claimed that *“if the traditional beverages are legalised, TBPB will be the watchdog for further illegal brewing”* [Dailynews Newspaper 5/07/2001], which has not happened.

Post-legalisation, the TBPB scaled down its mass movement, and mainly advocated for tax rate decreases and self regulation [Kom-chad-luek Newspaper 12/03/2005], organising events to promote their products, and opposing the ED’s prohibition of little bottles of White spirits, declaring that little bottles of spirits have no effect on youth consumption [Than Setthakit Newspaper 9/11/2003].

D. Relationships

The commercialisation of traditional beverages was vastly affected by the increase in demand, price gap with legal spirits, and the development of a distribution system. In the illegal beverage villages, unprofessional producers became the employees of their richer neighbours, who acted as distributors in early 90s; then urban capitalists came in, bringing home appliances and gold to swap with traditional beverages in front of the villagers’ houses [Siam Post Newspaper 9/10/1994].

The initial purpose of the TBPN was clearly to protect their illegal business. The TBPN membership card read *“Members will be protected by the Network in every way”* and the network guaranteed its members support for fine payments and following any arrest [Phoojadkarn Newspaper 9/02/2001]. The media reported that members had to pay a fee for this protection. The leadership of the network leaders, and their management skills determined the success of the TBPN movement.

“Villagers have to pay 120 Baht to join the network, and they will get a banner containing the network logos and name of the network leader. They displayed the banner in front of their houses. The intention of this banner is to show the officers that these brewers have been protected.” [Jamnong Tephseña-Chaingrai Provincial Excise Officer, Phoojadkarn Newspaper 30/10/2001]

“Some key people in the network get benefits from selling raw materials and equipment to its members as well.” [An MOF administrator]

“We do not know how traditional beverage producers built their network, but when they conducted demonstrations, there were always some key leaders regularly nominated as network representatives to negotiate with us.” [An ED officer]

ThaiBev stood on the opposite side to traditional beverage producers, in the pre and post-legalisation periods. It employed many strategies to block these producers, including applying for the production license of 15-percent White spirits [Than Setthakit Newspaper 12/12/2002]. This application was strongly opposed by Boonrawd [Matichon Newspaper 11/12/2002], who supported traditional beverage producers in many ways.

TBPN has a strong relationship to local and national politicians, and this linkage posed difficulties for bureaucrat officers. Furthermore, many policy recommendations and accusations against the public sector were conducted through politicians, such as the Senator’s Citizen Participation Committee [Phoojadkarn Newspaper 23/11/2001]. Many TBPN leaders were political canvassers; the Network leaders further encouraged its

members to engage in political elections at all levels [Matichon Newspaper 30/01/2004].

Particularly pre-legalisation, traditional beverage producers and the TBPN frequently and bitterly criticised the ED for suppressing illegal beverages and blocking the legalisation process. On the other side, the ED classified traditional beverages as poor quality and contaminated [Phoojadkarn Newspaper 24/04/2001]. However, some ED and police officers may have had a relationship with these producers based on bribery, both pre- and post-legalisation [Bangkok Post Newspaper 21/04/2002].

“Illegal production and selling is clearly seen, we don’t have to hide. This may be because, in one example, the producer is a relative of a police officer. Sometimes police officers act as distributors as well. It is common for brewers to pay the police regularly.” [A traditional beverage producer]

10.8 Other private sectors

Among alcohol-related businesses, advertising agencies have the most explicit role as individuals and through their professional organisation, the Advertising Association. Most of their activities were carried out in conjunction with those of the alcohol industry and the SAOs. This includes the use of shared discourses, for example in using the popularity of White spirits to oppose advertising control together with Boonrawd and importers, and the call for self-regulation. Besides advertising control, advertising agencies were also involved with the development of warning messages [Krungthep Thurakit Newspaper 18/11/2004].

“We have to ask ourselves are we dealing with the right point or not. During the previous years, we have had many regulations, but the accident death toll and alcohol sales figures did not reduce. Without advertising, White spirits sales have increased significantly...Education is the most appropriate measure, solving the problems at their root cause.” [An advertising agency representative, at the public hearing on the FDA Announcement 16/10/2006]

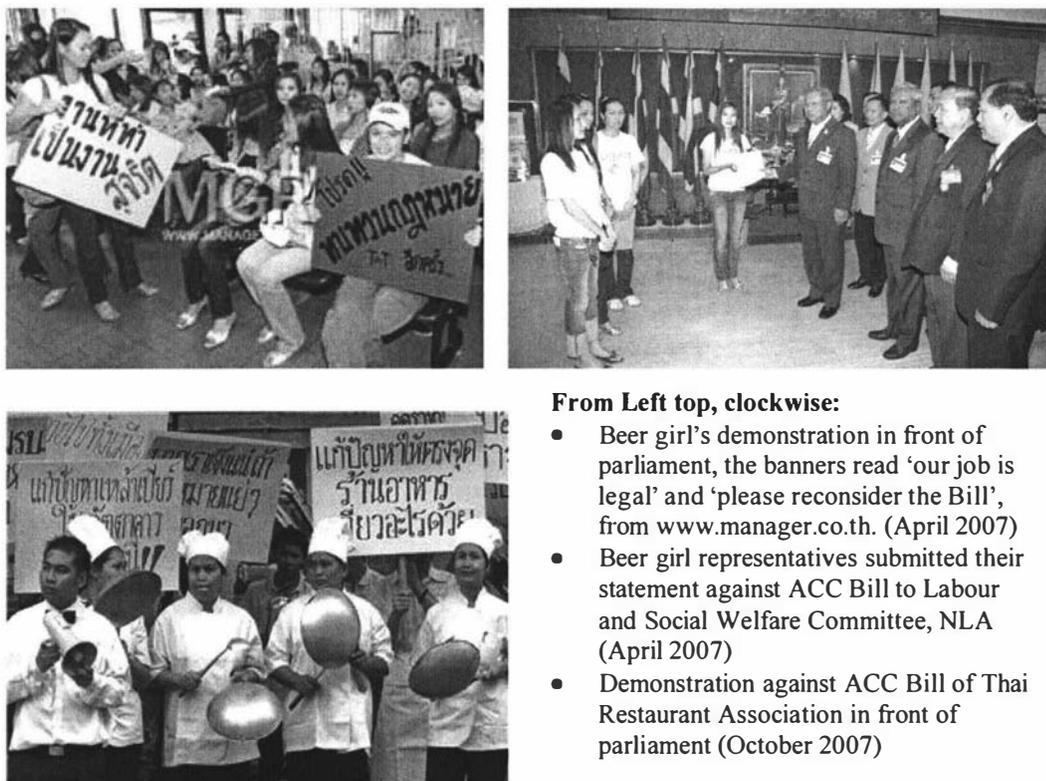
“The best regulation for alcohol advertising is no control at all. We can see that the advertising ban did not reduce consumption. Let public agency campaigns persuade people not to drink. And let both sides compete at who is better in convincing consumers” [An advertising agency administrator, Phoojadkarn Newspaper 13/04/2004]

“Currently, there are many ‘black sheep’ advertising agencies...However, the Association is trying to develop a mechanism to monitor and control...there is concern that if we let this situation continue, the Government will create stronger regulation.” [Chairpranin Wisuthiphol-Chair of Advertising Business Association, Than Setthakit Newspaper 21/03/2005]

The role of these alcohol-related businesses became explicit after they joined the alcohol industry in setting up FACT in late 2006. The President of the Thai Restaurant Association claimed that the ban on beverage names and logos on plates, glasses and tables would cost the restaurants around four billion Baht nationwide [Naewna Newspaper 26/11/2006]. Another interesting movement was the demonstration by ‘Beer girls’ against the ACC Bill, conducted in front of parliament on 25/04/2007.

“The ACC Bill will undermine our legal and harmless occupation...We are students and come from poor families. Being a beer girl allows us to help our family and our education, and keep us away from other bad things such as drugs. Those who oppose us are those who do not know the problems we have and the impacts we have to face.” [A beer girl demonstration leader, Phoojadkarn Online Newspaper 25/04/2007]

Figure 10-5: Movements of the hospitality businesses against the ACC Bill



From Left top, clockwise:

- Beer girl's demonstration in front of parliament, the banners read 'our job is legal' and 'please reconsider the Bill', from www.manager.co.th. (April 2007)
- Beer girl representatives submitted their statement against ACC Bill to Labour and Social Welfare Committee, NLA (April 2007)
- Demonstration against ACC Bill of Thai Restaurant Association in front of parliament (October 2007)

10.9 Thai Health Promotion Foundation and partners

10.9.1 Thai Health Promotion Foundation

A. Characteristics

The emergence of ThaiHealth was a crucial event for the Thai alcohol policy process. Identifying itself as a part of civil society, ThaiHealth was established by the Health Promotion Foundation Act B.E. 2544 (2001) as a public organisation, but free from bureaucracy. It has a unique budget system of 2% of the tobacco and alcohol excise taxes. ThaiHealth was set up to provide financial support for health promotion activities (Thai Health Promotion Foundation, n.d.-c), particularly in areas hard-to-reach by conventional bureaucratic systems, by acting as a catalyst for projects that change values, lifestyles, and social environments. ThaiHealth has woven different partners into networks working closely with others. ThaiHealth's strategy has employed the concept

of the Triangle that Moves the Mountain aimed at extending the power of wisdom, social participation and policy mobilisation (Thai Health Promotion Foundation, 2006).

ThaiHealth is managed by its Governing Board, consisting of political, bureaucratic and expert members, reporting directly to the Legislative body annually. The Governing Board consists of two political members; the PM or assigned Deputy PM as ThaiHealth Chair, and Health Minister as the first Vice Chair. Nine bureaucrat officers and nine selected health and well-being experts are also on the Board, including the second Vice Chair. The practice and performance of ThaiHealth is appraised by its internal Evaluation Board, ranked at the same level as the Governing Board (Thai Health Promotion Foundation, n.d.-d), as well as evaluation teams contracted for each area of work.

Many key people in ThaiHealth used to be public officers of, or work collaboratively with the MOPH. Dr. Supakorn Buasai-ThaiHealth Manager, and the former vice-Chair, Dr. Prakit Vateesatokit, were two key people in the anti-tobacco movement (Siwaraksa, 2005), which successfully advocated for the Tobacco Control Act B.E. 2535 (1992), tax rises and advertising ban.

Theoretically, ThaiHealth cannot explicitly influence alcohol policy by itself but must work with other ‘partners’. However, ThaiHealth has both direct and indirect roles in alcohol policy process. ThaiHealth has, by itself, shaped the social climate for alcohol through public campaigns, and indirectly influenced the process by supporting its allies such as the SDN, and working with official mechanisms, including the RSMC and NACCC.

“Our duty is to make ThaiHealth the platform for a secure, adequate, and effective health-oriented social movement, through sustainable financial support and a value-adding process...We do not raise ourselves as outstanding stakeholders...or a responsible unit...we are facilitators.” [A ThaiHealth administrator]

“By its mandate, ThaiHealth is not designed to exert pressure on anyone, but ThaiHealth is to support public forums and mechanisms to exert power to the policy makers, including the MOPH.” [A former ThaiHealth administrator]

ThaiHealth is easily seen as the ‘master mind’ for anti-alcohol movements, mainly because ThaiHealth has strong relationships and explicit roles with its active partners, the CAS, SDN, MOPH and the NACCC. The alcohol industry once criticised ThaiHealth as exceeding its mandate by influencing the formulation of the 2003 advertising ban, which ThaiHealth later denied [Than Setthakit Newspaper 24/07/2003].

“The Alcohol industry has misunderstood, seeing us as the origin of the advertising ban and questioning us as to why ThaiHealth does not promote exercise for health instead... We work as supporters for projects in other sectors, if those projects can benefit the public. ThaiHealth does not work as a policy advocator.” [An unnamed source from ThaiHealth, Than Setthakit Newspaper 24/07/2003]

ThaiHealth’s Alcohol Consumption Control Programme was developed with four objectives; to reduce consumption and harm, to promote sensible attitudes particularly among youth, to support alcohol control agencies, and to strengthen research capacity (Thai Health Promotion Foundation, n.d.-b). However, many identified it as inappropriate that ThaiHealth’s strategies focus only on consumption reduction, for example by using only ‘No-alcohol’ messages in its public campaigns. The alcohol industry labelled the MOPH and ThaiHealth and their allies as ‘Alcohol haters’ (Federation on Alcohol Control of Thailand, 2006).

“One of our responsibilities is to reduce alcohol consumption. Surely, we are not neutral, we are advocating for consumption reduction. We have never said that we are in the middle between the alcohol industry and health professionals.” [A ThaiHealth administrator]

“ThaiHealth is trying to brainwash people in Thai society that alcohol is bad. This approach may look down on people’s intelligence and is also against the

fact that alcohol may bring some benefits, if used properly. ThaiHealth is bending the truth.” [An MOPH technocrat]

ThaiHealth and its programmes have been questioned on their effectiveness, compared to other potentially cost-effective alternatives, particularly on issues of transparency. The PM warned ThaiHealth to stick to its mandate and to avoid outside activities [Post Today Newspaper 22/04/2005]. The ED Director once expressed his general disappointment about dedicated sin tax spending¹⁶ (Samitsarn Journal, 2006). During the controversy around the 2006 advertising ban, a ThaiBev administrator stated that ThaiHealth spent only one-quarter of its budget on alcohol and road safety issues, and the other three quarters would have been more than enough to support the sports sector [Matichon Newspaper 25/10/2006]. Later the media accused ThaiHealth of being unreasonable and tagged ThaiHealth as a ‘self-interested’ group who are promoting their own good image [Thairath Newspaper 9/04/2007].

“ThaiHealth does not sort out areas of priority; they want us to integrate some unnecessary work, leading nowhere. It is better to be strict on concrete activities with a quick impact, such as paying police to enforce breath testing. It is better than broadcasting humorous advertising public campaigns.” [An MOPH technocrat]

“ThaiHealth unreasonably spends their budget, it would be better if they use their two billion Baht a year budget to teach our children, how bad alcohol is.” [A former ED administrator]

“ThaiHealth allegedly provides one-sided unbalanced information and spends in a dodgy way. Why don’t you publish a book to educate people on drinking? Is it worth publishing religious books, when your mandate is to control alcohol consumption? ... ThaiHealth uses ‘our’ money, not only did they not invite us to join, they condemned us. In the moral dimension, this is wrong. Because of our money, they can have their salary. They spend our money in a fishy way as well... something is definitely wrong” [A domestic alcohol company consultant]

¹⁶ ThaiHealth was the only agency funded by sin taxes as of Dec 2006

B. Influence on alcohol policy

Although in existence for only a few years, ThaiHealth has had a significant contribution to Thai alcohol policy process. ThaiHealth has interlaced health networks nationwide, and established two active health camp stakeholders, the SDN and CAS. The role of ThaiHealth and its allies, particularly in public campaigns, are well recognised and have shaped social perceptions on alcohol issues. ThaiHealth has played a proactive role in the RSMC and NACCC, where the Chair of the RSMC and NACCC act as Chair and Vice Chair of the ThaiHealth Governing Board. Four factors underlie the success of ThaiHealth in the alcohol policy arena; flexibility, financial security, effective strategy, and strong partnerships.

- Flexibility

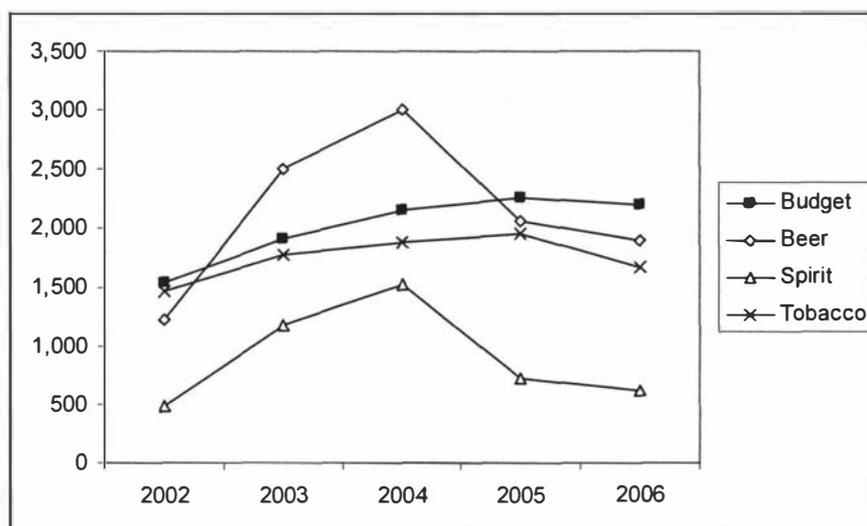
ThaiHealth's autonomous public institutional status allows it to facilitate and coordinate with both the public and private sectors. Representatives of the political, bureaucratic and social sectors govern ThaiHealth. This gives ThaiHealth communication channels to all these sectors. However, these policy makers may see ThaiHealth as an 'informal national budget source'. Many times, Cabinet has requested ThaiHealth to support programmes on the Cabinet's behalf, for example children's television programmes (The Secretariat of the Cabinet, 2004).

- Financial security

ThaiHealth has a non-bureaucratic budget system, generating a stable budget of around two billion Baht annually (approximately 50 Million USD). Although it is a public agency, it does not have to request and defend its annual budget to the National Budget Bureau. It has its own mechanisms for resource allocation. This financial independence perhaps allowed ThaiHealth to mitigate resistance during the 2003 advertising ban formulation, by replacing alcohol industry sponsorship in sports [Dailynews Newspaper 26/07/2003]. Figure 10-6 shows that the ThaiHealth budget did not decrease at the same pace as falling alcohol and tobacco consumption in 2005-6. ThaiHealth's 2006 Alcohol Consumption Control programme budget was 300 million Baht (Thai Health Promotion

Foundation, n.d.-a) (approximately 7.5 million USD), with over two-thirds allocated to replacing industry support for sports and public campaigns, as shown in Table 10-6.

Figure 10-6: ThaiHealth budget (million Baht), production volume of beer and spirits (million liter) and tobacco (million pack), 2002-2006 fiscal years



Sources: ThaiHealth Annual Reports, and (Excise Department, n.d.-b)

Table 10-6: ThaiHealth Alcohol Consumption Control program budget for 2006

Program Item	Budget (million Baht)	Percentage
Develop common aims among partners	15	5
Develop and campaign for public policy	20	6.67
Support state and private agencies involved in enforcement of regulations	25	8.33
Promote public campaigns	90	30
Develop and manage knowledge	30	10
Fund events that were formerly sponsored by the alcohol industry	120	40
Total	300	100

Source: (Thai Health Promotion Foundation, n.d.-a)

- Effective strategies

ThaiHealth's complementary role in coordinating with, rather than replacing, existing structures/agencies is widely and positively accepted. ThaiHealth's public campaigns have successfully raised the public awareness of alcohol and its related problems. The establishment of the SDN and CAS is acknowledged to have closed the gap in knowledge and social mobilisation.

“What the alcohol industry is doing, convincing people for such a fake thing, needs a lot of resources. Our expenditure on alcohol is less than 10% of the alcohol promotion budget, but has gained massive support. Our product is for real.” [A ThaiHealth administrator]

- Strong partners

ThaiHealth’s partners are influential players in alcohol policy both in the public sector, such as the NACCC, RSMC and the MOPH, and non-public sectors including many opinion and spiritual leaders and SDN.

“Before we had ThaiHealth, the MOPH position was not strong as is the anti-alcohol network was, blurred and weak.” [A former SAO staff member]

C. Mechanisms of influence

Generally, the activities of ThaiHealth and its allies have been context-relevant and well woven into ‘common themes’, strategically selected for each period. For example, ‘Stop Drink-Stop Poverty’ was employed during the period of social concern around the King’s ‘Sufficient Economy Theory’. The ‘60 million people 60 million good things for our Father’¹⁷, which defined refraining from alcohol as a good practice, was the main theme for the 60th year of the King’s accession to the throne. Furthermore, its social marketing programme used tailored methods and contents to target different groups, for example religious beliefs of adults and by using celebrities as anti-alcohol role models, music, games and peer persuasion for teenagers. Many questioned the appropriateness of ThaiHealth alcohol public campaigns with its strict ‘no alcohol’ message, and their ability to reach target groups, particularly high-risk drinkers. However, evidence shows that drinkers have a high awareness of ThaiHealth’s campaigning for alcohol-free activities (Sathapitanont, 2006c).

¹⁷ The King is symbolised as the national Father

“ThaiHealth works on an opportunistic basis, and is programme-based, not project-based. Project-based operation has a well-defined timeframe, but we work on an ongoing basis with high context relevancy.” [A ThaiHealth administrator]

“We buy advertising time but at a much cheaper rate (than the private sector)... Although we recognise that we do not have to always say no to alcohol at all times, our organisational role does not allow us any message other than ‘No alcohol’.” [A ThaiHealth staff member]

“ThaiHealth invests heavily in an impossible mission, wanting to abolish alcohol from Thai society... Many ThaiHealth programmes are not worthwhile. Many public campaigns did not reach the target group.” [A former SAO staff member]

“Current drinkers feel badly about ThaiHealth, They think that ThaiHealth is looking down on their capacity to control their own life.” [An administrator of an international alcohol company]

ThaiHealth’s indirect mechanisms of influence include the operations of its partners and its role in official forums, such as the NACCC and RSMC. One particular unique policy influencing mechanism is to reduce social resistance, created by previously industry-sponsored sectors. In the downstream, ThaiHealth has supported projects to strengthen policy enforcement, for both public and private agencies, including the establishment of the Tobacco and Alcohol Hotline Center under the MOPH.

In interviews, many key people have expressed concern about the consequences for ThaiHealth and its partners of their strategy to focus narrowly on no-alcohol policy interventions, and to reject the participation of the alcohol industry. This is mainly because such strategies are likely to create a war-like situation with the alcohol industry and related sectors.

“ThaiHealth has to consider its role and potential consequences for every action. If ThaiHealth moves for an advertising ban explicitly, it may push the media to be our opponent. This could do harm to other ThaiHealth programmes

as well...ThaiHealth has to keep the optimum distance with society. Being too forward could cause harm in the long run; they will not believe us anymore.” [A ThaiHealth administrator]

“As a technocrat, I feel uncomfortable with the trend of national alcohol policy, which is induced by ThaiHealth. Why should we have only one solution, in one dimension, to create the ‘No alcohol’ social norm, and exclude all other means? This is just like ThaiHealth is expanding its belief to policy makers.” [An alcohol treatment expert]

“We did not fight with them (alcohol industry). We have never used any aggressive approach, but we are always strong in our position. We do not expect the short term victory. It may take at least twenty years. We have many mile stones to achieve.” [A ThaiHealth administrator]

D. Relationships

The emergence of ThaiHealth has highlighted the separation of opposing players into two camps, particularly as a result of ThaiHealth’s values on the acceptability of alcohol consumption, or its no-alcohol stance, and their views on industry involvement. Further it has affected the relationship of stakeholders not only for ThaiHealth, but also among themselves, for example between the DDD Foundation and entrepreneurs (Sathapitanont, 2006a).

“Dr. Udomsilp (ThaiHealth vice-Chair) wants to use alcohol policy to change social norms. He consistently sticks to the ‘No alcohol’ campaign, and never talks about responsible drinking. This may be an unbalanced position, inconsistent with other interventions... This is the ideological conflict between ThaiHealth and others. He labelled other people who want to shape social norms into other directions as opponents.” [An MOPH technocrat]

“ThaiHealth always keeps like-minded partners with them and rejects those who think differently. As times goes by, this practice will end up as an extremist connection.” [A former SAO staff member]

ThaiHealth has a mixed relationship with politicians. In its organisational structure, ThaiHealth is directed by executive officers. The strong relationship to policy makers and the varied backgrounds of the Board members, that includes politicians, have been critical success factors for ThaiHealth’s advocacy on alcohol policy (Sathapitanont, 2006c). In turn, the ThaiHealth platform has also allowed them to acknowledge and understand alcohol problems and policy. However, the political involvement of ThaiHealth also created conflict among Board members in 2004, when the Deputy PM accused the second Vice Chair of having a conflict of interest. He successfully pressured Cabinet to remove the Vice Chair [Phoojadkarn Online Newspaper 28/07/2004]. However, the PM explained this cabinet decision was because the Vice Chair did not conform to the regulations, nothing to do with corruption [Kom-chad-luek Newspaper 28/07/2004].

“In the first three years, ThaiHealth had faced strong political pressure. Many ThaiHealth-like agencies have failed within their first five years. Now the situation is better, but it also depends on the characteristics of the ThaiHealth-related politicians: the PM, Deputy PM, Health Minister, and the whole Cabinet.” [An anti-alcohol NGO leader]

ThaiHealth relates to its partners in a supportive and collaborative basis; this includes their relationship with the mass media and alcohol-related public sectors, the MOPH and Ministry of Interior, and inter-agency mechanisms such as the RSMC, NACCC and the Cabinet. Many health camp players, particularly SDN-connected groups, are frequently defined as ThaiHealth allies. ThaiHealth support also shapes operations of its partners, who may have different positions on alcohol policy. For example, the efforts of the DDD Foundation to conduct alcohol education were halted. Furthermore, ThaiHealth wanted to expand the basic principle of the DDD Foundation from ‘getting intoxicated people off the roads’ to ‘prohibiting drinkers from driving, regardless of volume consumed’.

“Between ThaiHealth and media, our principle is to present only the truth; never bending the facts and what we want ...Compared to the alcohol industry, ThaiHealth is in better position as we work for societal benefit, nobody questions us on conflicts of interest.” [A ThaiHealth staff member]

The alcohol industry sees ThaiHealth as a threat. Most ThaiHealth and SDN partners have agreed that they cannot work with the alcohol industry, because of concern on making the network ‘grey’, by being seen as a servant of the industry, and confusing the public with such an association (Sathapitanont, 2006c). Furthermore, one major criterion in applying for ThaiHealth support is not being involved with or sponsored by tobacco and alcohol industries. ThaiHealth’s Tobacco and Alcohol Control Unit is internally seen as the ‘enemy seeker bureau’. Many key people also see the poor relationship with the alcohol industry as capacity-limiting and harmful.

“ThaiHealth cannot have knowledge about the alcohol industry if it is excluded. The alcohol industry of course is powerful, so directly confronting the alcohol industry is a risky approach. The implication of any wrong strategy is a backlash ThaiHealth will face. I guess if opportunity allows, ThaiHealth will be terminated or disabled.” [A road safety expert]

“ThaiHealth has been destroyed all the time by the business sector. This is a test for ThaiHealth, to see how well it is supported by society. ThaiHealth does not have to change its position to soften its threat, but to keep carrying out its mandate in supporting other agencies and society, being aware of becoming too extreme and isolating itself.” [A former ThaiHealth administrator]

10.9.2 CAS

A. Characteristics

In September 2004, ThaiHealth and the Health System Research Institute established the CAS as the national alcohol research and knowledge management institute (Center for Alcohol Studies, n.d.-a). ThaiHealth, who also set up the CAS Steering Board, funds

CAS. Dr. Bundit Sornpaisarn is the CAS Director. The five areas of CAS work are gathering and synthesising available knowledge, transforming it into a usable format, coordinating and supporting research, creating user-friendly knowledge sources, supporting the learning process of involved sectors, and supporting the development of stakeholder networks through knowledge management activities (Center for Alcohol Studies, n.d.-b)

“Although we have existing channels between technocrats and policy makers, we still need a catalyst and match maker to boost research utilisation.”

[A MOPH technocrat]

The CAS position on alcohol is not too different from that of its sponsor, ThaiHealth. The difference is that CAS presents its position through academic-style publications and technical forums including the National Alcohol Conference. Further, CAS’s priorities are not confined to strategies for reducing consumption.

“In my opinion, Dr. Bundit is different from Dr. Prakrit (anti-tobacco policy champion). He works in a more technocratic or academic style. Dr. Bundit did not declare war on industry like Dr. Prakrit did, which I see it as too aggressive.” [An MOPH technocrat]

B. Influence on alcohol policy

The major influence of the CAS on the alcohol policy process is through the utilisation of its information. Many stakeholders, including policy makers, the media and the alcohol industry, have referred to CAS data and publications. In recent times, the CAS Director has been a source person for the media on alcohol policy issues. For researchers, CAS has the authority to set direction and areas of alcohol-related research, as well as to utilise research outcomes in the policy process. Some CAS-supported researchers had a significant influence on the policy formulation process, for example, the study of the tax system by Niphon Poapongsakorn.

C. Mechanisms of influence

The role of the CAS is dependent on the policy situations rather than a comprehensively planned strategy. The CAS has opportunistically influenced Thai alcohol policy through technical channels, both passively through the utilisation of its information, and actively by:

- Influence through official mechanisms

Dr. Bundit Sornpaisarn in particular regularly attended NACCC meetings, and the NLA Committee to consider the ACC Bill.

- Publishing technical papers

Many CAS publications are strategically produced during policy hot times, such as the ‘Alcohol and the Stock Exchange Market’ during the protest against ThaiBev’s listing. Furthermore, most of CAS publications are in a reader-friendly format, intended to be used as technical tools for policy movement rather than for general academic publication.

- The National Alcohol Conference

The annual National Alcohol Conference, run since 2005, is not a full-blown academic conference, but also a forum for alcohol policy advocacy. For example, the second Conference, conducted during the time of uncertainty around the FDA total advertising ban, led to policy recommendations to the Government in many areas including the ACC Bill and advertising bans (Center for Alcohol Studies, 2007). Furthermore, it is a communication forum for alcohol policy stakeholders. However, representatives from the alcohol industry weren’t allowed to attend the second Conference in 2006 (Federation on Alcohol Control of Thailand, 2006).

“The reasons why we deny alcohol industry participation are for concerns on situations and the programme of the conference, and we want our conference to be technical, and free from conflicts of interest. At the first conference, [a

foreign alcohol company] *sent five participants to oppose and reject so many issues. It made a mess of the conference.*” [A member in the National Conference Organising Committee]

- Organising media/press events

During the 2005 tax system adjustment, the CAS unusually conducted a special press conference to call for tax rate rises under the existing 2-for-1 system [Thai Post Newspaper 5/07/2005].

D. Relationships

The close relationship between the CAS and ThaiHealth is clear; some see this as an obstacle for the CAS. To researchers, the CAS is more than just a funder, as the CAS also has a role in commissioning, monitoring and managing research findings. On the other hand, the blocking of alcohol industry participation in CAS-organised events reflects the poor relationship between them.

“CAS has no independence. There is a lack of technical independence. It only serves the immediate needs and concerns of ThaiHealth” [An independent academic]

“I can predict what the CAS-sponsored researchers will conclude from just looking at the researcher names. CAS selectively sponsors only those who think along the same lines as them...Speakers at the CAS conference are mainly alcohol-haters; those who are not on the same line with them will get lots of stick at the conference.” [A former SAO staff member]

10.9.3 StopDrink Network

A. Characteristics

The SDN was established in mid-2003, during the partial ban formulation, as the coordinating body for formerly fragmented individuals and social groups who shared the same concern for alcohol problems. Formerly these groups were confined to, and mainly isolated in their own areas of interest, such as religion, youth, accidents, violence and poverty. ThaiHealth provided a budget of 11.3 million Baht to fund the work of the Network and 60 million Baht to support the Network's partners for the period April 2004 – April 2005 (StopDrink Network, n.d.-d). The SDN successfully convinced potential partners to engage in alcohol issues, such as the Friends of Women Foundation, and supported the setting up of many new agencies and groups. For example, the No Nicotine No Alcohol (NONA) group and Drink No Alcohol (DNA) were established by alcohol-concerned youth. One hundred and forty four organisations from various sectors nationwide have joined the SDN (StopDrink Network, n.d.-c)

“We started our direct involvement in alcohol issues around 2003, ThaiHealth discussed with me about the need for social support to help the process of the advertising ban, after the decision had been postponed many times. That was only two weeks prior to the Buddhist Lent period, and there was already a social agenda for an alcohol-free Lent period. So, the religious network was the first group to form the SDN.” [An anti-alcohol NGO leader]

“In recent times, we have seen strongly supportive conditions; many agencies are more involved and are connected, both in central and rural areas. We have had strong religious networks.” [An MOPH administrator]

The SDN and ThaiHealth are also linked administratively. The SDN Chairperson, Dr. Udomsilp Srisangngam, was a member of the ThaiHealth Governing Board and was later promoted to second Vice-Chair in 2004. Key SDN people have personal backgrounds in, and connections to, many sectors including religious, political and bureaucratic, which has benefited SDN collaboration and operations. The SDN works

on six strategies: 1) Strengthening partners, 2) Building up the network of volunteers, 3) Creating new social trends, values, culture and consciousness, 4) Advocating for policy changes, 5) Coordinating with the political and academic sectors, and 6) creating awareness of the strategies of the alcohol industry (StopDrink Network, n.d.-d). These strategies clearly reflect SDN interests and positions in alcohol policy.

“Others may think that we are extreme. But there are two main reasons. Firstly, it is a tactic in the ‘policy fight’ or negotiation, and secondly it is a sincerely held position. It was also directed from our starting point, we started as a religious network, and religions prohibit alcohol drinking. Our bottom line of belief is that no alcohol is better. Without our strong position, the alcohol industry would have it easy.” [An anti-alcohol NGO leader]

In late 2006, the SDN together with its allies established the Alcohol Problem Prevention Network (APPN), with a broad base, covering victims, general civil society and academics (StopDrink Network, 2006), with a focus on policy advocacy.

“(In APPN establishment) We try to protect ThaiHealth. ThaiHealth is still a public agency, and works in many issues -not only alcohol, so it should not confront with others directly. We restructure the partners, and this enables us to use each partner’s expertise. Our agreed principle is that we must have many leaders to avoid the situation when one leader is blocked. The APPN also has area-based focal points in each region. In addition, it would expand beyond existing campaigners, to include victims and others who are concerned about alcohol problems, even if they are still drinkers.” [An anti-alcohol NGO leader]

B. Influence on alcohol policy

Although established only recently, the role of the SDN has been widely recognised (Sathapitanont, 2006c). Upstream, SDN has been an outsider, creating pressure on policy makers, directly and indirectly, through social awareness and strong movements. In implementation process, SDN and its allies have been the main movers for altering the drinking context, and education and persuasion programmes, particularly the Alcohol-free Buddhist Lent period campaign.

The main financial source for SDN operations is ThaiHealth. Therefore it is no surprise to see the closeness and perhaps dependency between them. Set up as a coordinator, SDN strength depends on the number and commitment of its partners. Therefore, increasing the capacity of its partners, and having a common direction and effective collaboration are identified principles for SDN (StopDrink Network, n.d.-d). SDN and its partners gain strength indirectly from their public reputation. Many opinion and spiritual leaders in Thai society have been involved with SDN activities, such as fronting SDN's public campaigns. Participation in SDN-organised events benefits the public image of politicians and high-ranking bureaucrats as well.

“SDN’s strategy is not a fixed one. All strategies come from consultation with partners...Survey polls also helped it a lot, supporting the SDN movement, and, showing what we should and should not do...Because the SDN has no authority to force anyone. It just feeds its partners with information and requests their contribution.” [An anti-alcohol NGO leader]

“The roles of SDN are related to ThaiHealth and alcohol policy conditions... Religious networks had major roles in the second and third year, while community-based networks started to have a role for the fourth. The shift of focus is due to the change of core key people in each year.” [A Communication Art academic]

“We fully hope to push the law through this government, as we know that doing so in an elected government would be more difficult. If it fails, however, our movement is not useless, as it can build up and expand the network as well as wake up society.” [An anti-alcohol NGO leader]

C. Mechanisms of influence

Policy advocacy is one of SDN's missions. To do this, the SDN and its partners employ many strategies, including shaping social perceptions and expectations on alcohol policy through public campaign programmes. Other major mechanisms include;

- Influence through official mechanisms

The SDN has a proactive role in NACCC meetings. On behalf of the ThaiHealth Vice Chair, the SDN Chairperson is also the NACCC vice-Chair; on one occasion he also chaired an NACCC meeting (The National Alcohol Consumption Control Committee, 2004a). The SDN Director also attended NACCC meetings as a Consultant to the Health Minister in 2004 (The National Alcohol Consumption Control Committee, 2004a, 2004b), until he was appointed to NACCC as the SDN-representative in 2006 (The National Alcohol Consumption Control Committee, 2006b). Furthermore, SDN's programmes have involved many public agencies, such as the Ministry of Interior in the Alcohol-free Buddhist Temple campaign and the Ministry of Education for youth programmes.

- Conducting policy-influencing events

The SDN-organised movements range from soft and positive actions, such as requesting and showing support to policy makers, to more aggressive movements. In some circumstances, the SDN and APPN have directly attacked some agencies. An example is when Buddhist monks expressed their disappointment about the CS decision to rule out the FDA Announcement [Phoojadkarn Online Newspaper 28/11/2006], the call from 500 young people requesting that the CS reconsider its decision [Matichon Newspaper 28/11/2006], and the demonstration in front of alcohol companies requesting them not to block the ACC Bill process in 2007 [Phoojadkarn Online Newspaper 23/03/2007]. In many cases, the SDN and APPN have softened their approach with lively demonstration activities, such as using street plays to protest the CS decision [Phoojadkarn Online Newspaper 29/12/2006], or by conducting a Chinese Opera in front of Parliament where the NLA was symbolised as a servant of the alcohol industry [Phoojadkarn Online Newspaper 5/07/2007].

- Influence through technical forums

Technical forums, such as the National Alcohol Conference are also a mechanism by which the SDN and partners voice concern, disseminate information, and make policy recommendations. SDN partners publicised many attention-grabbing data, for example

revealing that the youngest drinker found in a survey was only 4-years old [Phoojadkarn Online Newspaper 12/09/2005].

D. Relationships

The SDN is theoretically the non-institutional association of alcohol-concerned civil society, whose membership is on a voluntary basis. SDN partners come from various sectors with different opportunities and limitations. Importantly, some partners may have different positions to SDN's main direction, particularly on ambiguous issues such as ThaiBev's listing on the stock exchange. Therefore inconsistent relationships with the SDN are to be expected. In terms of organisational roles, it can be assumed that SDN is a supplementary body that can work in areas prohibited to, and synergise with, ThaiHealth.

“There are also some partners that separate themselves from the SDN, including some religion-based groups. However, there is no ideological conflict on alcohol among partners; actually it is not totally cut off. They are still linked. Sometimes they come to help the SDN on the movements that require big numbers.” [An anti-alcohol NGO leader]

SDN has a mixed relationship with other players. SDN is seen as a group of extremists by the alcohol industry and related sectors, while health camp public agencies including the MOPH and NACCC are identified as SDN partners (StopDrink Network, n.d.-c). In interviews, two caveats on SDN include the failure to expand their partnerships into new areas and the possibility of internal breakdown.

“This year is our fifth; SDN has expanded its network in terms of number of partners, but not in terms of new sectors. It is just walking in the same footprint and fails to make alcohol problems a public issue, alcohol is still an issue of ThaiHealth and SDN.” [A key person in SDN]

“I still cannot see how they can reach a compromising point, SDN activists are those fundamentalist who are religion-based and believe in extreme

situations... This poses a risk for internal breakdown, particularly between religion and social-based partners.” [An independent academic]

Figure 10-7: Movements of SDN



From left upper, clockwise

1. The Prime Minister signed in support of the ACC Bill with SDN mascot
2. Mocked up parliament in front of the real parliament to discuss advertising
3. SDN youth discussing with PM about an alcohol-free New year
4. People with disability in Running Against Alcohol
5. Running Against Alcohol, nationwide

10.10 Civil society and other NGOs

10.10.1 Don't Drive Drunk Foundation

A. Characteristics

The DDD Foundation stemmed from the MOPH's effort in the early 90s, in response to the increase in road traffic accidents and their correlation with alcohol consumption (Sathapitanont, 2006a). Dr.Tairjing Siripanich, the Director of Trauma and Disaster Medical Institute-DMS, was urged to develop a strategy to reduce the drink-driving burden. This attempt later led to the establishment of the 'Society of the New Generation who Don't Drive when Drunk' on 11/07/1997, which was later renamed as the Don't Drive Drunk Society in 1998 (Sathapitanont, 2006a). Damrong Puttarn, a public media professional and Senator chaired this Society. Dr.Tairjing acted as the Society Secretary. The Society was upgraded to become the DDD Foundation on 6/09/2002 (Don't Drive Drunk Foundation, n.d.-a).

“When we were fully under the MOPH, we struggled with the shortage of budget and being neglected. Now we have two statuses, wearing the NGO hat as the DDD Society and later as a Foundation, and also the public agency hat within the MOPH. This ‘two-hat system’ gives us flexibility to work and coordinate with other sectors, both public and private.” [A key person in the DDD Foundation]

The strategies of the DDD Foundation include policy advocacy and support for enforcement, creating social awareness through public campaigns, and strengthening the drink-driving network (Don't Drive Drunk Foundation, n.d.-a). The policy position of the DDD Foundation has been confined to the reduction of drink driving incidence, or 'to get drunken people off the roads' (Sathapitanont, 2006a). Reducing consumption in the general population is not a priority area for the DDD Foundation. This position allows flexibility to work with various private sectors, including the alcohol industry.

B. Influence on alcohol policy

The DDD Foundation has had a significant role in raising awareness among the population including among drink drivers, the media, and in alcohol policy advocacy (Sathapitanont, 2006a). The catch phrase 'Don't Drive Drunk' is broadly recognised. Many business sectors have created their own drink-driving activities, including the alcohol industry.

The DDD Foundation has participated in all stages of drink-driving countermeasures, from raising awareness in agenda setting, attempts to strengthen regulation, efforts to improve drink-driving enforcement, and in evaluating performance. The DDD Foundation provides breathalysers and disposable mouthpieces to implementers. However, the DDD Foundation has also been involved in other policy areas, such as the advertising ban and availability control. The DDD Chairperson, a former Senator, was a key person in the agenda setting process for the advertising regulation in 2003. The strengths of the DDD Foundation include the high social reputation of the DDD Foundation and involved people, high levels of social support, and their skills in convincing and coordinating with other stakeholders, including gaining political commitment. Having celebrities as drink-driving victims and volunteers has also helped the DDD Foundation to gain public attention.

C. Mechanisms of influence

Compared to the SDN, the DDD Foundation conducts activities in a less aggressive fashion, perhaps because of differences in policy issues. The public campaign programmes of the DDD Foundation depend on collaboration with the media, without buying media space (Don't Drive Drunk Foundation, n.d.-a). Provision of stickers to be attached to vehicles is another important channel. Dr. Tairjing has been a source person for the media on drink-driving and other issues, including the advertising ban.

In the policy formulation process, the DDD Chairperson has used his authority to raise questions in parliament and later for submitting five recommendations to the RSMC, which led to the partial advertising ban. Additionally the DDD Foundation participated

closely in the attempt to close legal loopholes in drink-driving enforcement, and in support of provincial pilot programmes for drink-driving control.

The DDD Foundation expanded its network by setting up many groups, including Students Against Drunk Driving (SADD) and Victims Against Drunk Driving (VADD), that gained public and media support (Sathapitanont, 2006a) becoming main actors in awareness raising events.

D. Relationships

Effective networking has been a crucial factor in the initial success of the DDD Foundation, particularly when it expanded its connections to the private and non-health sectors (Sathapitanont, 2006a). During the years 1997-2002, partners of the DDD Foundation in the private sector came from three areas of business: insurance, automobile-related, and alcohol entrepreneurs. This association reflects the position and interests of the DDD Foundation. Dr. Tairjing declared his openness to working with the alcohol industry (Pantawanan, 2001). Later he urged the alcohol industry to allocate their advertising budget to the drink driving campaign [Post Today Newspaper 11/07/2003].

“I once worked with Dr. Tairjing to promote the standard drink and drinking guidelines.” [A former SAO staff member]

Later, the DDD Foundation's partners increased in number and expanded to include other business sectors, but partnership with alcohol operators was withdrawn after the DDD Foundation received support from ThaiHealth. ThaiHealth's involvement created two conflicts for the DDD Foundation; 1) In their partnership with the alcohol industry, and 2) in principles and areas of work. Although an explicit partnership with alcohol industry has been lost, the DDD Foundation is still indirectly involved with the alcohol industry; Care-4-Friends and REACT are identified as DDD Partners (Sathapitanont, 2006a). ThaiHealth has persuaded the DDD Foundation to expand its priority areas to cover general consumption reduction, as well as the prohibition of intoxicated drivers (Sathapitanont, 2006a). This can be seen in the conflict over terminology and alcohol education. The DDD Foundation had been promoting information on the volume and

pattern of drinking that avoids intoxication or exceeding the legal limit on its website (Don't Drive Drunk Foundation, n.d.-b) by using SADD leaflets. ThaiHealth halted this.

“ThaiHealth is the funding agency, while the DDD Foundation is the campaigner. One implication, of which I do not have direct evidence, is that the DDD Foundation receives money from both sides, ThaiHealth and the alcohol industry. This happens while ThaiHealth identifies the alcohol industry as its opponent.” [An independent academic]

“Before using ‘Don’t Drive Drunk’ terminology in public campaigns, we heavily debated, and finally agreed that this term is more attractive than ThaiHealth’s word ‘Drink not Drive’. And it directly serves our mission to ban intoxicated people from driving.” [A key person in the DDD Foundation]

10.10.2 Alcohol Problem Prevention Association

The APPA was founded in the late 80s, under the administration of Dr. Seewong Hawanont, Medical Expert at the DMS at that time. Dr. Tairjing Siripanich, a medical officer in the Department, had been the APPA Secretary. The primary intention of the APPA is to raise public awareness on alcohol-related problems. The APPA is close to the DDD Foundation through key people and its establishment process.

The APPA’s significant contributions have included facilitating the change in the MOPH paradigm from treatment to prevention, and being the first campaigner to reduce alcohol consumption during the Buddhist Lent period, under the ‘Deposit your beverages during Buddhist Lent period’ programme and also in calling for a ‘National No-alcohol Day’. However, the APPA has received little recognition as its activities are conducted on a small scale; for example, less than twenty people participated in the alcohol deposit campaign at the beginning of the 2002 Lent period [Phoojadkarn Newspaper 26/07/2002] Later however the APPA was included in the list of SDN partners (StopDrink Network, n.d.-c).

10.10.3 Religious groups

From 1997 to 2006, actions of religious groups created many important effects. Some of these groups have been linked with the SDN. Representatives of religious groups were involved in the establishment of the NACCC. [Matichon Newspaper 22/07/2003]. During the formulation of the total advertising ban regulation in 2006, Phra Payom Kalayano, one of the most famous Buddhist monks, explicitly asked those who opposed the total advertising ban to stop blocking it. [Phoojadkarn Online Newspaper 13/10/2006].

The most influential group was the ‘Santi Asoke’ group, led by General Jamlong Srimuang, former Deputy PM and Bangkok Governor and NLA member. This group was prominent in the protest against ThaiBev’s listing, which is believed to have led to the 2006 total advertising ban process. General Jamlong was appointed as a Consultant to the NACCC and its Sub-committee, to develop the total advertising ban proposal (The National Alcohol Consumption Control Committee, 2006a). According to the media, ThaiBev offered support to Jamlong’s charities if the protest was terminated [Thaipost Newspaper 21/01/2006].

The religious network works on a voluntary basis, and does not use much technical knowledge.

“We moved under the name of Buddhist followers, promoting for ‘Precept 5’ and ‘6 Ways of Deterioration’. Working against alcohol does not require much technical knowledge. The key is whether we are serious enough or not...I am strictly on religion’s side, and did not coordinate much with other networks. Those who agree with my position came by themselves.” [An anti-alcohol religious group leader]

Figure 10-8: Movements of religious groups



From top left, clockwise,

- Protest against ThaiBev listing
- Various priest/monks in events supporting the ACC Bill
- Buddhist, Hinduism and Christian priests/leaders in the demonstration to support the ACC Bill in front of Parliament (2007), from www.manager.co.th
- Muslim youth against ThaiBev listing
- Buddhist monks against ThaiBev listing

10.11 Public media

A. Characteristics

The public media have many roles in the public policy process. They are a key gateway for interest groups to approach opinion leaders and policy makers, as well as a channel for formal players to communicate with public and other stakeholders, and to perceive the response. Upstream, the media can set agendas, shape policy debates and advance policy, identify relevant factors, convey the information to relevant stakeholders, and organise policy-related events (Wallack & Dorfman, 2001). Downstream, the media are significant in monitoring and evaluating policy enforcement and outcomes.

The public media definitely have their own interest in alcohol policy. The media themselves can create and shape the problem and policy agenda for their personal and institutional interests. Income sources for the media include advertising budgets from public agencies such as ThaiHealth, and the private sector including alcohol industry. The role and position of media in advertising regulation differs from other players because they are directly involved.

“The advertising ban of course affects the media. Some TV programmes are exclusively supported by the alcohol industry.” [A newspaper editor]

B. Influence on alcohol policy

The public media are a key element in the process for modern public policy, particularly in agenda setting. Media concern on road traffic accidents, particularly during festive periods, created social pressure on policy makers, which was a key factor for further policy decisions.

In the policy formulation phase, the media has the role of amplifying the opinions and interests of different groups, and thus shaping the direction of policy debate. In turn, policy groups always compete to occupy media attention and space. In the 2005 tax system adjustment, it is possible that a group of alcohol companies used many newspapers to advocate for the Specific rate system, taking into consideration the ‘sets of information’ including patterns and content of data, the key people referred to, and the catch phrases such as “(previous) *tax rate increases cannot reduce consumption*’ which was in line with the policy discourse used to lobby the Prime Minister. A newspaper organised the conference ‘Gainers and losers from the alcohol tax system’, with key speakers from alcohol entrepreneurs that would benefit from the Specific rate system [Post today Newspaper 16/09/2005]. Boonrawd also bought exclusive newspaper space to call for the Specific system, with the title ‘*Increase by-degree tax rate for better society and better health*’ [Than Setthakit Newspaper 21/08/2005].

In the downstream process, media reports can affect policy enforcement both positively and negatively. Reports on poor performance certainly put pressure on officers in responsible agencies, such as reports on provincial death tolls.

Media can shape public perceptions of policy players in both directions, such as the appreciation of ThaiBev's sponsorship of the World Cup Soccer broadcast and blanket donations, and in contrast to the series of reports in Phoojadkarn Newspaper calling ED as the 'Elephant's slave'¹⁸ for favouring ThaiBev [Phoojadkarn Newspaper 13/10/2000, 16/10/2000, 11/11/2000, 15/11/2000, 6/12/2000].

C. Mechanisms of influence

News reporting is a basic policy-influencing mechanism. During policy hot times, the media have to actively contact their news sources or informants, including people in authority such as politicians and high ranking bureaucrats, and some key informal stakeholders. An interesting issue is that top ranking people among domestic alcohol entrepreneurs mainly keep themselves out of the media [Prachachat Thurakit Newspaper 21/12/2006], (Jaiyen, 2005), particularly when compared to foreign companies.

Passive influence, whereby stakeholders feed them preferred content is a common approach. This is done by inviting the media to join an event and/or by directly feeding them information. Many agencies including ThaiHealth have specific 'public relations' units to deal with the media, while some contract out this task, for example some alcohol entrepreneurs and SAOs. Many times, news reports and promotions are difficult to distinguish from each other.

Media can influence the alcohol policy process in non-specific ways by shaping the social climate on alcohol consumption and policy. Collaboration between media and health camp players can boost social awareness on alcohol and its consequences, and also passively pressure policy implementers. For example, the public campaign with the key theme "Drink and drive and you will be arrested definitely" created a social

¹⁸ Literally; a low ranking servant whose mandate is just to reap grass for elephants

expectation of enforcement. Conversely, media content promoting responsible drinking and alcohol education [e.g. Siamrath Newspaper 10/10/2005], including advertising, can promote an industry-friendly scenario.

D. Relationships

Stakeholders know their relationships with the media are important. The private sector may have an advantage in this regard as they have an advertising budget with the media. In modern times, however, public agencies including ThaiHealth also allocate budgets for working with the media, including through public campaign programmes. In an interesting example, ED offered journalists a ‘vacation-like’ press conference in a five - star hotel in a resort province. ED officers spent only a short time in discussion about ED, which included defending many criticisms on the relationship with alcohol industry [Phoojadkarn Newspaper 9/05/2001]. Apart from advertising budgets, many believe that the alcohol industry supports the media in a number of ways, including personal benefits and support for operations, and ‘media buying’ payments.

“Normally, columnists do not find data by themselves. To feed them news, we must have personal connections with them; without connections our work would be ineffective... We don’t know exactly how alcohol industry influences media, but at least they support media on personal occasions, such as marriage ceremonies, birthdays, and in support to travel abroad.” [A ThaiHealth staff member]

“The alcohol industry has also funded sports media, for example by supporting journalists to go abroad and to write news about sporting events that are supported by alcohol companies.” [A newspaper editor]

“It is not weird that [a newspaper] accused ED... That newspaper also received money and, was paid to write as such.” [A former Excise Department administrator]

On the opposite side, there were reports on the negative relationship to public media in some circumstances. A columnist revealed that he was threatened after reporting on the

tied selling practice and the entrepreneur's relationship to ED; as a result advertising was withdrawn from his newspaper [Phoojadkarn Newspaper 19/09/2000].

10.12 Professionals

This section analyses characteristics and roles of academics and researchers, and health, communication and legal professionals in the alcohol policy process during the years 1997 to 2006.

A. Characteristics

These professionals have vastly different interests and positions on alcohol policy, including intra-professional diversity. Some are close to the industry camp, others are close to the health camp, and many more are positioned somewhere in between. The acceptability of alcohol industry support and participation is a clear point of difference.

“It is not too bad to have support from alcohol industry for research, but it needs a good third party for control...But at least, why do we have to obstruct them to do good things, we know that research funding from the public is not enough.” [An alcohol treatment expert]

“There is no midway between good and bad. Between good and good there is happy medium. Harmonisation is not to link goodness with badness. This is a misunderstanding. Otherwise, Lord Buddha would say drinking at some level is OK.” [A medical law expert]

B. Influence on alcohol policy

Many contributions of these professionals have been important to the alcohol policy process, although they may not have been widely recognised. In one example, the concern of a Consultant to LCT who later submitted a request to MOF was claimed as a triggering factor for the prohibition of the little bottle (150 ml.) of White spirits [Than Setthakit Newspaper 7/11/2004]. The HWA and RDS were important players in the

Running Against Alcohol programme in early 2007 [Phoojadkarn Online Newspaper 30/11/2006]. According to interviews, a study of types of beverage and road traffic injury is believed to have had a significant effect on the RSMC decision in 2003. The results of public opinion surveys and the finding of the Media Monitor project on alcohol advertising practice have been common advocacy tools for health camp players.

For professionals like researchers, their influence on the process relies on the uptake of information by other players. The public survey poll would have had only minimal impact if the public media and advocates had not broadcast the results and created social pressure. In turn, major stakeholders have strategically used these professionals as their advocacy tools, including giving them financial support. FACT requested LCT to consider the legitimacy of the FDA Announcement, and later used this favourable opinion in policy debate. It is likely that some surveys and studies were designed to produce some favourable outcomes.

C. Mechanisms of influence

Professionals have influenced the alcohol policy process through a number of mechanisms. These are;

- Publicising of research and survey findings

The channel and timing for publicising research is important for its impact. The finding of the association between alcohol marketing and accidents, which supported regulation, was reported in the public media during the formulation process for the 2003 advertising ban [Phoojadkarn Newspaper 25/06/2003]. The research of Niphon Paupongsakorn on the alcohol taxation system was frequently referred to in the public media during the tax system adjustment process in 2005 [Krungthep Thurakit Newspaper 31/03/2005]. Furthermore, funding agencies can determine research direction and outcome utilisation to some extent. For example, the National Research Committee allocated a specific budget for projects promoting traditional beverages and domestic wine [Krungthep Thurakit Newspaper 5/06/2002]. The Alcohol Impact Reduction Fund, managed by MOI, was used to promote beverage quality, including research (Alcohol Impact Reduction Fund, n.d.).

Two studies concluding that the advertising ban was ineffective were published at a crucial time in the 2006 advertising ban process. Dr. Jakrit Phoomisawat, Secretary of AMF, concluded that the advertising ban was ineffective, and would lead to health, social and economic undesirable consequences [Krungthep Thurakit Newspaper 29/03/2006], at the seminar co-organised by the Foundation and ‘Alcohol Knowledge Information Center’ [Dailynews Newspaper 18/05/2006]. His comments were released in tandem with opinions from like-minded stakeholders such as alcohol entrepreneurs and advertising agencies [Thairath Newspaper 29/04/2006 and Than Setthakit Newspaper 16/04/2006].

The findings from another study were presented at a seminar¹⁹ on the day before the last public hearing event that the total advertising ban was scheduled [Phoojadkarn Online Newspaper 18/09/2006]. The researcher from Mahidol University concluded that the advertising ban had been ineffective and that the government should encourage alcohol industry engagement in the alcohol policy process (Aziam Burson-Marsteller Co., Ltd, 2006). These results were disseminated by Aziam Burson-Marsteller Co., Ltd., the foreign public relations agency who also had customers like Riche Monde and other importers (Aziam Burson-Marsteller Co., Ltd, 2007a, 2007e), and FACT (Aziam Burson-Marsteller Co., Ltd, 2007c). Later this study was referred to by FACT in its advocacy (Thai PR.net, 2006b). The study was criticised by the other side as having a hidden agenda with poor methodology, such as questions like ‘Will you quit drinking if alcohol advertising is banned?’ [Phoojadkarn Online Newspaper 19/09/2007]

- Opinion and position declaration

The 2006 FDA advertising regulation, perhaps due to its ambiguity, was overwhelmed with competing opinions from experts. This is particularly in response to the CS decision in ruling against the legitimacy of the FDA total ban announcement. Dej-udom Grailit, the President of the LCT, stated that the FDA announcement process was not a legitimate procedure. The Council agreed with the CS decision, and wouldn’t agree to use OCPB’s authority to continue the total ban attempt, tagging MOPH as ‘muddling,

¹⁹ un-stated host and name of the seminar in the media

deaf and stubborn' [Matichon Newspaper 29/11/2006]. The Council decision resulted from a FACT request. On the other hand, two legal experts opposed the CS decision, claiming that the decision was made from legal wording and ignored the intention of the law. They recommended that MOPH appeal the decision [Bangkok Post Newspaper 27/11/2006]. Further, RDS [Phoojadkarn Online Newspaper 27/11/2006] and HWA [Phoojadkarn Online Newspaper 30/11/2006] also accused CS of protecting the interests of the alcohol industry.

"Individual moral and background are very important for lawyers. This is a key as to why lawyers see things differently. We have two types of lawyers; Law-learners who prioritise the wording, and Law-understanders who understand the law's intention. The first group sees wording as justice, the latter group rates the intention. The first group will say that running on the lawn with a sign of 'Do not walk over' is fine." [A legal officer of MOPH]

- Organising events and projects

In the pre-legalisation period, many universities hosted and co-hosted exhibitions to promote traditional beverages. Stakeholders advocated for legalisation [Siam Thurakit Newspaper 24/01/1999], and the relaxing of producer qualification requirements [Siam Thurakit Newspaper 19/11/2000]. During the uncertainty around the 2006 FDA advertising ban regulation, the Thai Chamber of Commerce University, together with FACT and surrounding alcohol outlets, launched the self-regulation project [Khao-sod Newspaper 5/12/2006]. This project was later used by FACT [Phoojadkarn Online Newspaper 26/11/2006] and Riche Monde (Aziam Burson-Marsteller Co. Ltd, 2007e) in their advocacy.

"Cooperation is better than legal obligation. From now on, we will have our own monitoring system to make our youth safe, protect new drinkers, to warn customers if they drink too much...I hope that self-regulation is a good starting point to make our society better morally and responsibly " [Ka-nungnij Ratanaphinyophong-Deputy Dean of Thai Chamber of Commerce University, (Thai PR.net, 2006a)]

D. Relationships

It is clear that many academics and professionals are closely involved with ThaiHealth and SDN, for example HWA. Some researchers were connected with CAS activities. On the other hand, there were also many professionals close to the alcohol industry, either knowingly or unknowingly. Both industry and health camp players used the output of professionals to serve their interests. The interesting issue is the feedback given to professionals who take a different position from that expected by their organisations.

“It is natural for business to try and engage with policy, by supporting research. We have to examine the creditability, validity and rationale of such sponsorship. It should be blamed on the academic world or deserve punishment for civil servants if they are involved in cases of abusing knowledge to confuse the public.” [A DDC administrator]

10.13 Other informal stakeholders

10.13.1 Foreign agencies

Although having role in both legs of policy, the influence of foreign agencies, such as officials from other countries and diplomats, in the agenda setting and formulation process is much more explicit. The role of these countries’ delegates is clearly to favour and protect the alcohol industry, particularly entrepreneurs from that country.

Direct lobbying to policy makers is a common approach, such as the lobby by representative of Australia’s MOF²⁰ to the PM on the taxation system [Prachachat Thurakit Newspaper 14/06/2005], the lobby of British Commerce Ambassador to delay whisky tax rise [Than Setthakit Newspaper 10/03/1997], and the US Ambassador who brought representatives from the tobacco and alcohol industries to meet the Health Minister to ask for industry participation in the ACC Bill formulation process [Nation

²⁰ Many tag this professional lobbyist as a representative from alcohol industry

Newspaper 25/08/2006]. Foreign players also made formal complaints and requests to the Thai government, such as complaints about the rise in wine tax from the US government [Krungthep Thurakit Newspaper 9/04/1997], opposition to the attempt to apply the compulsory industrial standards from US government through the US Embassy [Matichon Newspaper 17/11/1999], and requests to delay enforcement of the FDA Announcement by the French Embassy together with alcohol companies [Phoojadkarn Online Newspaper 22/11/2006].

In many cases, the approaches that were made offered trade-offs, such as the request to cut the wine tax rate in return for an offer to promote Thai agricultural product exports to the EU by the Foreign Trade Minister of France [Khao-sod Newspaper 4/03/1999]. Another offer was the possibility of a French automobile operator setting up its manufacturing site in Thailand as suggested by the French Finance and Industry Minister [Phoojadkarn Newspaper 25/11/2003]. This is not much different from the request for removal of taxation on beverage concentrate imported from the UK. Sir Anthony Greener, CEO of Diageo [Than Setthakit Newspaper 26/12/2002], and later the UK Trade and Industry Minister [Phoojadkarn Newspaper 11/01/2003], talked about the possibility of setting up new RTD and whisky factories in Thailand, using Thailand as the export hub for the Asian continent, saying that otherwise the investment would go to other countries. However, although taxation on unprocessed alcohol was removed in 2004, there has been no investment so far.

A clear instance of the influence of these foreign agencies in policy implementation is the role of Philippines Embassy and Commerce Minister. After the Thai CD ruled that some imported whisky lots were AFTA out-zone products, and so subject to higher customs duties, the Philippine officials objected and certified the in-zone status of these beverages [Prachachat Thurakit 15/04/2004]. Later this conflict led to arbitration by supra-national mechanisms, the Asean Arbitration and Asean Senior Economic Officials Meeting [Post Today Newspaper 19/04/2004]

10.13.2 International agencies

In many cases, domestic players selectively publicise opinions and information from international agencies that benefit their interests. Information on the consumption situation from the WHO database created social awareness, and has been frequently used in policy advocacy. The Health Minister stated his intention to review Thai alcohol policy and enforcement at the conference held by ThaiHealth and Global Alcohol Policy Alliance (GAPA) [Khao-sod Newspaper 16/12/2002]. Later, support from this Alliance was acknowledged by the SDN during the FDA formulation process [Phoojadkarn Online Newspaper 22/10/2006]

In 1997, the IMF urged the Government to increase state revenue, including the use of a wine tax rate increase [Prachachat Thurakit Newspaper 11/08/1997], which occurred two months later. However, two important recommendations from the IMF have not been realised. The first is to merge ED with the Revenue Department, and the second to change the tax base from ex-factory price to retail price [Thai Post Newspaper 1/08/1998].

Table 10-7: Alcohol policy stakeholders, interests, and significance in policy stages

Stakeholders	Interests	Relationship*	Agenda setting	Formulation	Implementation	Evaluation
Executive and legislative officials	balancing personal and societal interest	H,I	+	+++	+	+
ED	maximising revenue	I		+++	+++	+++
MOPH	protecting health	H	+++	++	+	+++
Ministry of Interior and RSMC	focus on drink-driving	H		+	++	++
OCPB and PRD	advertising regulator	H		+	++	
MOJ	focus on drink-driving and MPA	H, I	+		+	
Police	balancing personal and societal		+	+	+++	+
Alcohol industry	protect interest, competing among entrepreneurs	I	+	++	++	
SAOs	proxy movement to industry	I	+	++		
TBPN	protect themselves, compete with industry	I	+			
Other private sectors	Protect interest	I	+	+		
ThaiHealth	Support other, indirect influence	H	+++	++	+	++
CAS	knowledge building, serving allies	H	+	++		+++
SDN	Connecting fragmented agencies, collective movement	H	+++	+		+
DDD Foundation	focus on drink-driving	H,I	++	++	++	++
Religious groups	conduct movements on moral dimensions	H	++	++		
Public media	various, also self interest	H,I	++	+		++
Professionals	various	H,I	+	++		+
Foreign agencies	selectively protecting industry	I		+		

Note

- *: relationship close to H=Health camp players, I =Alcohol industry
- Blank cell: none or very minimal

Table 10-8: Main positions of major stakeholders on alcohol policy intervention

	Taxation	MPA	Other availability controls	Alcohol-free program	Drink-driving & RBT	Advertising regulation	Education and persuasion	Treatment
Executive and legislative officials	MS*	S	?	S	S	?	S	S
ED	S*	S	MO				MS	
MOPH	S	S	S	S	S	S	S	S
M of Interior and RSMC		MS	S	MS	S			
OCPB and PRD						?		
MOJ		S			S			
Police	?	?	?		MS			
Alcohol industry and SAOs	O*	MO/N	O	N/MO	N/MS	O	MS*	
TBPN	O*	MO	O			O		
Other private sectors			O			O		
ThaiHealth and allies	S	S	S	S	S	S	S	S
DDD Foundation	S	S	S	S	S	MS	S*	

Note:

- Abbreviations: S supportive, MS moderate supportive, N neutral, MO moderate opposing, O opposing, ? mixed / indefinable
- *: with condition(s)
- Blank cell: not involved/ n.a.

10.14 Conclusion

Changes in the roles of policy players are apparent, including the increasing role of the MOPH. New health camp players, including ThaiHealth, SDN and CAS became central in the movement of informal players, and also involved with formal mechanisms in many cases. Conversely, the MOI and ED have lost their role as indirect producers in the concession system. The value of production promotion has generally decreased, although the revenue collecting function is still important. In the private sector, alcohol business has become more open during the liberalisation period. Foreign and small domestic operators have had explicit roles, individually and collectively, as never before. These operators allocated budgets for influencing alcohol policy, particularly through the SAOs. ThaiBev, who used to be low profile, has started to move into public

relations. Hospitality and advertising businesses have now joined shoulder-to-shoulder with the alcohol industry.

Policy influencing mechanisms during this period became increasingly sophisticated. Multi-agency mechanisms, including the NACCC and RSMC have become major platforms for health camp players. The public media became a partner to health camp players in acknowledging public and policy makers, and raised public support and awareness in the process. The SDN conducted both positive and aggressive movements. ThaiHealth and the CAS have continuously provided technical support and rationales for policy actions and decisions. In the industry camp, alcohol operators have employed many innovative methods, including technical knowledge mechanisms, showing responsibility, indirect influence through SAOs, advocacy through the public media, collective negotiation, and indirect lobbying by international players.

Among stakeholders, the formation of coalitions with like-minded players was evident. This also intensified the separation of players into two camps. Health camp players extended their network from health to the religious groups, and then further to socially-based and professional sectors. Alcohol operators have strengthened both their internal relationships, and relationships with related-businesses and industry-supported sectors. Players in both camps have played tug-of-war to cement relationships with policy makers. Meanwhile, policy makers have connected to both sides in different ways. The affiliation of executive officials to alcohol industry was mainly conducted on a more implicit and reactive basis. Moreover, players in both sides employed many mechanisms to foster their relationship to the media, including through advertising budgets, cooperation, and institutional and personal support.

Chapter 11

POLICY CONTEXT

“Those who drink alcohol regularly will not be able to think rationally, about cause and effect. They can do harm to their mother, father, Buddha and followers. While they still live on earth, they will be condemned. When they pass away, they will go further to the realm of woe and will be distraught... Those who drink more and more will be underworld-demons, brutes, or hungry ghosts. This is wrong-doing. The minimum penalty is being insane if they can reincarnate to be human beings.” [Buddhist Scriptures, from (Phramaha Somruay Nanasamvaro, 1999)]

The last chapter explained the role of stakeholders in the Thai alcohol policy process. Basically, these players do not influence the process in isolation and independently, but through complex interactions. Any decisions and actions are certainly affected by external conditions; in the administrative, social, and economic dimension, as well as from other players and interactions among players. This chapter describes the external conditions that have effects on major policy stakeholders, and therefore further affect Thai alcohol policy process.

11.1 Introduction

Alcohol policy does not occur in a vacuum, but is more or less a response to various complex existing conditions. These conditions are a set of social, political and economic processes and structures. Understanding these contexts helps to explain the policy process, both up and downstream, and the behaviour of policy players.

This thesis modifies Leichter’s approach (Leichter, 1979), which classifies major external factors in the health care policy process into four groups; structural, situational, cultural and environmental. ‘Situational’ factors include changes and conditions

transient to the policy process, in contrast to static 'structural' factors. 'Cultural' factors are influential values given to or affected by policy players and/or society as a whole. And lastly 'environmental' factors are factors beyond the boundary of the policy system.

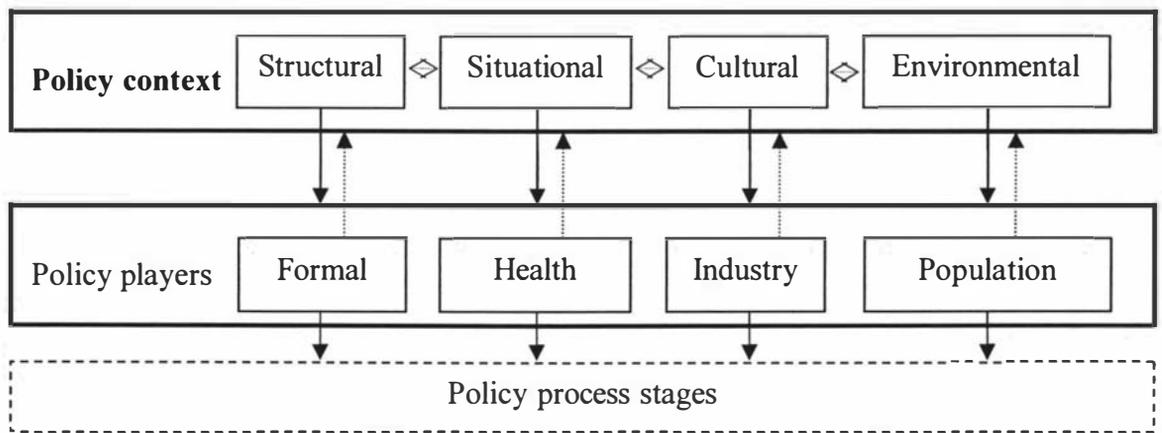
Analysing the effect of external conditions is not a straightforward process. The boundary between internal and external factors of the policy process is rather ill defined (Birkland, 2001). For example, international alcohol entrepreneurs and media are hardly defined as environmental factors in the globalised world. Furthermore, each context may influence each stage of the policy process in different ways and/or to different extents. Non-sudden changes of policy context may fall into the ambiguous area between structural and situational factors. This thesis, however, classifies these gradual changes, including economic growth and social modernisation, as structural context.

These external factors are complicated and interlace with each other. The influential contexts on a policy player also include internal and external conditions, and the role of other players. For example, religious beliefs among the population can be a key factor for alcohol industry marketing, a crucial tool for players in the health camp, and a rationale for policy makers.

An external condition affects policy players differently. Economic growth is a promising sign for the alcohol industry, but may be threatening from a public health perspective, as is also true for trade agreements and the modernisation of lifestyle. Media accessibility increases marketing channels for the alcohol industry, but is also the mechanism for public campaigning by health camp players.

Therefore, instead of describing the implications of policy context on the alcohol policy process as a whole, this thesis differentiates effects of context on each group of policy players; formal players, health camp players, the industry and the general population. Formal players are political and bureaucratic officials, ranging from policy makers and system administrators to policy implementers.

Figure 11-1: Policy context analytical framework



11.2 Structural context

In this analysis, structural context includes static political, economic, social and demographic conditions, and steady changes that are unlikely to be only transient, such as the trend of modernisation or the fading out of social control from alcohol consumption.

A. Formal stakeholders

It can be argued that the Thai government is basically more in line with the concept of a ‘Weberian Bureaucratic’ government than with the modern state model. According to the Weberian concept, power is centralised and administrated by the hierarchy, while the role of informal stakeholders in the policy process is commonly limited (Richards & Smith, 2002). However, the participation of stakeholders and civil society has become increasingly important, particularly under the 1997 Constitution.

This 1997 Constitution set many trends and practices for the Thai administrative system, including the establishment of independent agencies to oversee the operation of the public sector, and guarantee the right of citizens and entrepreneurs to be involved with and petition government and the public sector. Four specific articles of the Constitution were used in alcohol policy advocacy. The traditional custom and culture (Article 46), freedom of occupation (50), free trading and fair economic system (87) are

the rationales for traditional beverage legalisation advocacy [Dailynews Newspaper 5/07/2001]. Article 87 reads “*The State has to support the Free Enterprise Economic system, using market mechanisms, support fair competition, protect consumers, prevent market domination directly and indirectly, remove and exempt laws and regulations that unnecessarily regulate business, and must not compete with private entrepreneurs except for reasons of state security, to protect social benefit and promote public utility*” (The Constitution of the Kingdom of Thailand B.E. 2540, 1997) . This concept is fundamental to the production liberalisation campaign (Wachirawiroon, 2000).

Lastly, Article 59 highlights stakeholder participation, stating that each “*citizen has the right to be informed by the public sector before the enactment of regulation and launching of any projects and activities that could affect the environment, health, and well being including any benefit or detriment, and has the right to inform their opinions in this regard, in the official public hearing mechanism set up by relevant laws*” (The Constitution of the Kingdom of Thailand B.E. 2540, 1997) . Together with the Public Administration Act B.E.2539 (1996) and the Administrative Court, an independent agency, public policy stakeholders have official channels to oppose public regulations.

Apart from policy interests, many administrative issues affect the involvement of public agencies in the process. These include lack of clear organisational mandates, poor coordination, and inadequate resources. Many key people in the alcohol policy arena have identified the split responsibilities of many public agencies, and lack of collaboration among them (Sathapitanont, 2006c). It is evident from interviews, however, that this situation provided a loophole for ThaiHealth to enter the alcohol policy arena without invading anyone else’s area of responsibility.

“In the existing structure, the FDA deals with food, the OCPB deals with exaggerated promotions and harmful products. And the PRD is responsible for TV and radio. But alcohol could be identified as a non-harmful product, being marketed in a non-exaggerated content. So it can escape this regulatory setting. So alcohol promotion or consumption control has no direct responsible agency. The ED is a big player here, but not as controller... The existing public agencies’ structure still poses problems in alcohol control; overlaps, loopholes and lack of coordination can be seen everywhere.” [An FDA administrator]

“The weaknesses in our bureaucratic structure are the lack of consistency and commitment, particularly in implementation, and un-harmonised collaboration among public agencies having different interests” [An MOPH administrator]

Commonly, poorly resourced settings have significantly limited the operation and performance of public agencies, particularly in policy implementation, which generally demands more resources than the upstream process. Limitations include the low salary given to public officers, which leaves the way open for bribery and abuse of authority. Previous chapters showed that support from the private sector could be influential for policy formulation and implementation, in such a low-income setting. In turn many policy attempts were made to address the poorly resourced setting.

“Of course, budget is one resource that could enable our work. That’s why we want to have our own dedicated budget system (in ThaiHealth-like format, as put in the very first draft of the ACC Bill), although we know that the chance is slim” [An MOPH administrator]

B. Health camp players

Most health camp players, particularly non-officials, engage in the alcohol policy arena on a voluntary basis. These players always stick to their background, such as health and religion, and use the strength of beliefs commonly held in Thai society in their movements, such as religious beliefs and the significance of the King. Social support and the reputation of many key people, such as religious and opinion leaders, were strategically used in advocacy. In recent years, an increase in the availability of technical knowledge on alcohol consequences and policy has supported their actions.

“We have had very good opportunities recently; ThaiHealth is very well known. And in particular, we are in the climate of wanting to do good things for the 80th birthday of our King.” [An SDN key person]

“I fully support this policy (the total advertising ban). I will pray for the government to have this victory. Our society desperately needs morals and ethics. An alcohol advertising ban will create ethics (among the population). If we do not support this issue, what on earth should we support? And I would like to beg for opposition and social consciousness.” [Phra Phayom Kalayano²¹, Phoojadkarn Online Newspaper 13/10/2006]

C. Alcohol Industry and related sectors

The alcohol industry and related businesses have expanded in line with economic growth. A survey in 1997 shows that over half of alcohol outlets in Lopburi Province were established within the five year period of economic growth (Laichuthai et al., 2002).

Production liberalisation, or termination of concessions, was the most significant event for alcohol business during this period. Although it introduced many new operators and brands to the Thai market, it failed to eliminate market domination (Nikomborirak, 2002), as expected. During the concession period, the alcohol market was, particularly for domestic beverages, managed and regulated by the public sector, including production, authorised distribution and permitted distribution zones. Owning the production monopoly allowed concessionaires to determine the price and availability to some extent.

In the post-concession period, those ex-concessionaires still have a higher market share. Market domination also enhanced the degree of influence of these giant entrepreneurs. The effort to continue market domination has been conducted in many ways, and it has certainly affected other operators. For example, the tactic of stockpiling has allowed ThaiBev to practically block other operators who want to enter the economy-grade beverage market [Prachachat Thurakit Newspaper 3/09/1998], including traditional beverage producers (Trirat, 2006). Apart from this business strategy, another mechanism is influencing alcohol policy, which normally requires a strong relationship to the public sector. In contrast, having a smaller foothold in market forces small

²¹ A famous Buddhist monk, The monk's begging is a strong plea to Thai society,

entrepreneurs, particularly importers and traditional beverage producers, to work together to try and influence alcohol policy on a collective basis. Many joint efforts by these operators have helped drive policy in their direction.

Conventional Thai retail alcohol trading practices include selling on credit [Khookhang Thurakit Newspaper 30/06/1997], and selling by portioning alcohol out from the bottle. A survey in 1997 showed that more than half of all alcohol outlets allow customers to buy on credit (Laichuthai et al., 2002). A representative of the Traditional Beverage and Domestic Wine Producer Network revealed that 80% of White spirits drinkers do not buy by the bottle, but in quarter or half portions instead [Krungthep Thurakit Newspaper 31/10/2003]. These practices of course distort the influence of price and taxation measures, as well as the warning messages for drinkers.

However, modern trade systems, including department stores, discount stores and convenience stores, have become increasingly important for alcohol marketing. The modern retailing system has its own distribution system, which is separate from that of the authorised regional dealers. Perhaps because of better management practices, the modern retailing system provides cheaper beverages for outlets and drinkers [Khookhang Thurakit Newspaper 30/06/1997]. The emergence of the modern retail trade, particularly convenience stores, has also increased alcohol availability for Thai consumers. On the positive side, these modern outlets conform better to time-of-sale regulations, compared to conventional grocery stores [Thairath Newspaper 6/12/2005].

Many traditional beverage producers have experience in illegal production and bribery practice in the pre-legalisation period. This may make it easy for them to conduct illegal and quasi-illegal practices in the legalisation period, particularly under the monthly quota practice.

D. General population

Thailand recovered from the 1997 economic crisis within a few years and has continued to expand since. Economic growth, or increased purchasing power, has been matched by the escalation of alcohol consumption (Thamarangsi, 2006), and also a shift in

consumer preference from low-priced White spirits to beer (Thai Beverage Public Company Limited, 2006).

“The alcohol consumption situation depends on the domestic and the global economic situation... With economic growth, consumers tend to shift toward high quality beverages, rather than just increase their consumption volume.” [An administrator of an international alcohol company]

Demographic changes including urbanisation and a growing young population have affected alcohol consumption and related problems. A survey indicates that on average urban inhabitants consume twice as much per occasion as rural population (Laichuthai et al., 2002). Young adults have higher drinker prevalence and drinking frequency (National Statistic Office, 2005), and consumption volume (Porapakkham & Boonyarataphan, 2006) than other groups. This is exacerbated by the modernisation of Thai lifestyle, including exposure to public media and advertising. Meanwhile, social mechanisms for controlling drinking, such as the role of senior family members and community leaders, and religious belief, have lost their influence.

“Globalisation, materialism, and capitalism, all force Thai people to live with so many expectations in a busy world. These conditions make people prone to anxiety and stress. So alcohol, games, drugs, and sexual abuse become their escapes from these situations.” [An alcohol policy expert]

Public awareness on alcohol-related problems has grown recently, partly as a result of public campaigns. The participation of citizen movements and civil society in the alcohol policy process has also increased significantly as well. The 1997 Constitution and Thaihealth have been two important factors in this trend.

11.3 Situational context

A. Formal stakeholders

During the time of economic progress prior to the 1997 crisis, Thailand's annual economic growth rate was 5 to 9% (Organisation for Economic Co-operation and Development, 1999), with industry becoming the main source of income, overtaking the agricultural sector. The trans-border financial deficit, together with the attack on the currency, forced the Thai government to float the Baht on 2/07/1997. The Thai Baht was devalued from 25.34 Baht/USD in 1996 (Bank of Thailand, 1997) to its lowest point of 50-55 Baht/USD [Krungthep Thurakit Newspaper 30/07/2006], but it bounced back to around 40 Baht/USD afterward.

In response to the economic crisis and financial deficit, the Thai government employed many strategies to promote economic recovery. The Thai government announced a strategy to ameliorate the deficit, which aimed at reducing the importation of non-essential commodities, including alcohol [Khookhang Raiwan Newspaper 24/02/1997]. The VAT rate was increased to 10% in mid 1997 and later reduced to its former level of 7% in mid 1999. After a request for financial and technical assistance on 14/08/1997, the IMF recommended many financial measures, including excise taxation. During the economic crisis, tax rates for luxury beverages, including wine, beer and whisky, were raised many times.

The Government declared the Public Sector Reorganization Campaign in 2002. During this campaign, many new agencies were set up, or re-established, such as the Ministry of Culture and Ministry of Social Development and Human Security. The mandates of the MOPH were re-arranged among its Departments; alcohol-related problem prevention was relocated from the DMC to the DDC, which was upgraded from the Department of Communicable Disease Control. The TACCU was established under the DCC. The district excise units were merged at the regional (multi-district) level.

During the period 2001 to 2006, Thailand was administered under Thaksin Shinawatra, who had only short-term political experience, and uniquely came from a business

background. Previous PMs had long experience as either professional politicians or public officials. One of the declared rationales for both the 1991 and 2006 revolutions had been corrupt politicians²².

The 2006 revolution provided the opportunity to strengthen alcohol policy under the temporary government and legislative body. This was similar to the experience with tobacco control legislation after the 1991 Coup. Further, many saw the government under Thaksin Shinawatra was not supportive of alcohol control policy; for instance they froze the total advertising ban process in early 2006. Dr. Mongkol Na Songkhla, an experienced MOPH administrator and member of many ThaiHealth's committees, commented the alcohol control legislation would have been harder to push through under an elected government [Prachachat Thurakit Newspaper 13/11/2006].

Interviewer: *"This issue is difficult for any normal government, isn't it?"*

Dr.Mongkol: *"One problem is because they request financial support (from the alcohol industry). Therefore the opportunity (for the ACC Bill) is very slim.*

However I don't think that our process will be easy. Alcohol issues are always difficult and many obstacles are waiting ahead."

[Interview of Dr. Mongkol Na Songkhla-Health Minister, Prachachat Thurakit Newspaper 13/11/2006]

"We try to use the political coup conditions as an opportunity. I hope to deal with the new Minister on many issues, particularly those that need multi-ministry coordination, such as the FTA and tax-free alcohol. In alcohol policy, we hope to push two issues; an advertising ban under the FDA and OCPB's authority and the new Bill." [An MOPH administrator, interviewed just after the Coup and prior to the appointment of Dr.Mongkol]

Increasing public awareness of road traffic accidents during the 90s created pressure on the government, who later declared road safety as a National Agenda and established the RSMC.

²² In 1991 revolution in particular, evidence of corruption included a gift cheque believed to be from an alcohol entrepreneur (Jaiyen, 2003), [Nation Newspaper 23/07/2001].

B. Health camp players

The establishment of ThaiHealth in 2001 was perhaps the most important change for health camp players. It brought opportunities for collective policy movement among many fragmented agencies. Cooperation among these agencies became particularly apparent after the establishment of the SDN in 2003. These players expanded their areas of alcohol policy advocacy from concern about specific issues, such as the treatment area among health professionals, religious practices among religious networks, and youth problems among NGOs for youth.

“These few years have been phenomenal for Thai alcohol policy. We have never seen such active social movements and knowledge activities to support alcohol policy like this before.” [An alcohol policy expert]

“We have seen so many strengths in the alcohol arena recently. We have effective network formation, linking public and private sectors, both in central and rural areas. We have strong religious networks who amplify the no drinking social culture.” [An MOPH administrator]

However, the role of health camp players also depended on other circumstances, including the political situation. For example, the SDN and its allies kept a low profile after the PM froze the total advertising ban process in 2006. General Jamlong Srimuang and the religious networks played a crucial role in the political movement against the PM in 2006.

“I think that the current situation is better for the pro-health side. The anti-Thaksin movement showed that Thai citizens are committed and quick to exercise their power.” [A religious network leader]

C. Alcohol Industry and related sectors

Increasing consumption and the potential for further growth are key incentives for alcohol entrepreneurs. This attracted international entrepreneurs to the Thai market, and forced domestic operators to protect their business, particularly after the liberalisation

campaign and trade agreements took effect. The market share of foreign companies and alcohol importers has increased in recent years. The AFTA (came into force 2003) and bilateral agreements, such as Thailand-China (2003) and Thailand-Australia (2005), have changed business practices among entrepreneurs; the repackaging tactic for instance [Thairath Newspaper 28/01/2003]. They have also negatively affected domestic operators [Thairath Newspaper 29/07/2004]. Free trade agreements allow importers to bring cheap whisky, beer and wine to Thailand. This situation would be worsened with further reductions in customs duty rates.

The boom in some particular beverages has had significant implications for alcohol entrepreneurs. During the period 1997 to 2006, there were two such rapid and short term surges; traditional beverages or 'Satho fever', and the 'RTD²³ fever'. The 300% growth in RTDs in 2001 lured many new operators into this market sector [Siam Thurakit Newspaper 7/04/2002]. A foreign company declared its intention to move its RTD production site to Thailand that would allow them to cut the retail price by 50% [Siam Thurakit Newspaper 3/06/2001]. At its peak, traditional distilled beverages reduced White spirits sales volumes by 40%, and forced ThaiBev to reduce White spirits retail price by 30% [Than Setthakit Newspaper 4/05/2003].

Competition among alcohol entrepreneurs has been particularly intense recently. It forced entrepreneurs to employ many marketing innovations, including advertising about the qualities of a beverage, the Beer Girl system, the tied selling practice and the local production of international brand beverages. These strategies inevitably affected the alcohol consumption situation and policy outcomes.

The Beer Girl system is believed to have been introduced by a foreign alcohol operator, and has become a necessity for most alcohol entrepreneurs. The main income for Beer Girls comes from commissions on sales, such as 3 Baht per bottle, and tips [Matichon Newspaper 25/02/2002]. A beer company manager admitted that Beer Girls can create brand awareness, stimulate purchases, and is more important than broadcast advertising [Post Today Newspaper 12/12/2003]. A restaurant estimated that Beer Girls increase their income by 20 to 30% [Matichon Newspaper 25/02/2002].

²³ Ready to Drink beverage

“Alcohol promotion strategy has changed a lot recently. Ten years ago, Boonrawd only advertised their impressive image, as part of Thai culture but not their actual products. That was before Chang beer was introduced. ThaiBev is the first one who directly speaks about the products properties , telling about the reward from beer contests and using a superstar singer to say how good Chang beer is” [A Communication Art academic]

Alcohol policy and practices of alcohol entrepreneurs directly affect each other. As a result of the 2003 advertising ban, some entrepreneurs contracted entertainment venues to exclusively sell their products [Phoojadkarn Newspaper 15/09/2003]. After legalisation, an alcohol giant employed many strategies to block traditional beverage entrepreneurs (Trirat, 2006). It is possible that these obstacles helped push many traditional beverage producers back to illegal beverage production.

The effect of the economic crisis, together with VAT rate increases and the devalued Baht currency, severely affected alcohol entrepreneurs. However, this effect was not equally distributed. Wine and Special spirits, including whisky and brandy were heavily affected, while White spirits and domestic beer only faced a short term dip and growth in sales recovered quickly [Saim Thurakit Newspaper 3/05/1998]. These conditions finished some entrepreneurs [Prachachat Thurakit Newspaper 24/11/1997], halted new investment [Khookhang Raiwan Newspaper 17/06/1997], and forced consumers to smuggle beverages [Prachachat Thurakit Newspaper 4/09/1997].

D. General population

In recent years, increasing public awareness of alcohol consumption and its consequences has been obvious. Information about increasing consumption, particularly among youth, and alcohol-related consequences, has been widely publicised. This is particularly for drink-driving and road traffic accidents.

Media, public campaigns, and organised events are the major mechanisms used to raise public awareness. The DDD Foundation found that drink driving victims are more noticeable in the media and to the public (Sathapitanont, 2006a). ThaiHealth’s public

campaign spots have been well designed and are very effective. Public surveys and events reflect the social climate and high level of support for alcohol policy formulation and implementation, for example the support for amendments to drink-driving regulations (Sathapitanont, 2006a), advertising regulations [Khao-sod Newspaper 22/07/2003, Thairath Newspaper 15/10/2006] and the Running Against Alcohol event to support the ACC Bill.

Both the general population and drinkers are exposed to the globalisation, industrialisation and modernisation of the alcohol industry. In order to stimulate alcohol consumption, the alcohol industry has employed many aggressive strategies, including price, availability and marketing. The cheapness and high availability of beer and secondary whisky have been major factors shifting Thai consumers toward European-style beverages. ThaiBev admitted that the low price of its beer was the crucial determinant of increasing beer consumption [Prachachat Thurakit Newspaper 24/09/1998].

A phenomenon from this period has been the diversification of alcoholic beverages. The alcohol industry tailored beverage types, sizes and drinking patterns to each consumer group. RTD and wine coolers have been symbolised as the female drink. The little bottles of White spirits were particularly popular among youth, because of the cheapness and ease of carrying and hiding for youth in their uniforms [Than Setthakit Newspaper 14/01/2004]. An increase in the number of drinking sites around universities, with innovative drinking styles such as the Alcoholic Frappe and serve-in-a-shot, were reported [Than Setthakit Newspaper 24/03/2005].

11.4 Cultural context

Cultural context is about the 'values' given by the population, and the values that have influenced the involvement of stakeholders in the policy process.

A. Formal stakeholders

The patronage system or ‘Cronyism’ is still significant for the Thai alcohol policy administrative system. It explains why the relationship to people in authority is so important. Alcohol entrepreneurs are effective in using indirect influence through the public sector, rather than direct engagement in the political arena (Trirat, 2006). Some entrepreneurs have been benefited from and been protected by public agencies during the concession period (Wachirawiroon, 2000) and afterwards (Trirat, 2006). The dependency of formal players on the alcohol industry has certainly affected their decisions and practices.

“The main obstacle is that we still are in the patronage system...it has been used for a long time and is used in every arena. Money from the alcohol business goes through politicians and public officers in every department, and the military as well. This has made this problem complicated.” [An alcohol company administrator]

Abuse of authority, including corruption and bribery, is common in the Thai administrative system. It depends on many conditions and circumstances. Top ranking officials may abuse their authority through policy decision making, while it is abuse of policy enforcement procedures with lower ranking officers. Lack of effective surveillance systems for public officials may support such practices, particularly in the procedures that depend on subjective judgements. Some excise officers have allowed temporary illegal production during festive periods, as they see that the beverages are solely for consumption within the community (Laichuthai et al., 2002).

The support from the alcohol industry to politicians and political parties, in the form of money or beverages, and the use of alcoholic beverages during political elections, reflect alcohol’s significance to Thai politicians. A key ThaiBev person admitted that the election period is a good time for the alcohol industry, when alcohol sales generally increase by 10% [Bangkok Today Newspaper 3/03/2006]. The Court’s decision to jail former national and local politicians for providing spirits in an election campaign [Phoojadkarn Online Newspaper 23/03/2007] provides more evidence. Many believe that a substantial proportion of beverages used in the political area are untaxed.

However, a more transparent public sector has become a priority recently. Authority abuse and questionable practices and relationships have become increasingly unacceptable from the public perspective

B. Health camp players

Perhaps because of their background, religious, physical and spiritual wellbeing, and citizen participation in the public process are important values for health camp players. The successful Alcohol-free Buddhist Lent Campaign and Alcohol-free temple are examples. Social mobility is prioritised as one of the three master strategies for ThaiHealth, under the Triangle that Moves the Mountain concept.

The King's 'Self Sufficiency Economic' concept has become important to health camp players recently. By using this concept, expenditure on alcohol beverages is seen as unnecessary spending. In line with this theme, programmes like 'Role Model for Saving and to Stop Drinking in Honour of the King', 'Alcohol-free Village for the Sufficient Economy' and 'Stop Drink, Stop Poverty' were launched.

C. Alcohol industry and related sectors

Alcohol entrepreneurs share many common beliefs, such as the importance of relationships to people in authority, identifying health camp players as a common threat, and a perception of their inadequate participation to policy process.

Corporate image has become a major concern among alcohol operators recently. Setting up the SAOs and social contributions are the main mechanisms for lessening the negative images associated with a sinful product. A reason to be listed on the stock exchange of an alcohol company is to distribute corporate ownership in order to improve its corporate image [Phoojadkarn Newspaper 23/10/1995]. ThaiBev set up its Corporate Communication agency to deal with its public image after facing protests against its listing [Nation Sudsabda Newspaper 28/10/2005].

Linking business to the Royal family and social elites is another effective approach. This is not confined to big alcohol companies. A group of traditional beverage producers announced its plan to request permission to produce jointly under the ‘Suwanachad²⁴’ brand [Prachachat Thurakit Newspaper 24/10/2002].

D. General population

Two of the biggest religions in Thailand, Buddhism and Islam, both totally prohibit alcohol consumption among their followers. Religious belief used to be the strongest alcohol consumption control tool for Thai society. For Buddhism, alcohol consumption is defined as one of the ‘Six Ways of Deterioration’ and prohibited under ‘Precept 5’, together with killing, stealing, adultery, and telling a lie. A common belief is that alcohol consumption is the most important Precept, as it can lead to the breaching of other four Precepts (Phramaha Somruay Nanasamvaro, 1999). The three-month Buddhist Lent has been a period when Thai people commonly limit their alcohol consumption.

“Alcohol reduces consciousness, which can change human beings into beasts and ghosts and lower their ethics...Precept Five in Buddhism is clear. The Lord Buddha strongly prohibited drinking under any circumstance, with no exceptions.” [Phra Wor Wachramethee²⁵, Hi-Class Magazine volume 23, No.245, 2006 cited in (Stopdrink Network, n.d.)]

However, the influence of Buddhist beliefs has increasingly faded from the Thai modern life style. Funerals, a religious event, have become occasions for drinking in many rural communities (Laichuthai et al., 2002).

“Buddhism has a lack of enforcement; therefore religious belief is not strong enough to control alcohol consumption.” [A ThaiHealth Administrator]

“Now we drink on all occasions, lucky and unlucky... Funerals are a significant drinking occasion for villagers. The first thing that the host is thinking

²⁴ name of a dog of the King

²⁵ a famous Buddhist monk

about when their relative passes away is where they can find alcoholic beverages.” [A retired local administrator]

Patterns of drinking for each beverage type differ. A historian said that the agricultural context used to be important for the production and consumption of local alcoholic beverages in Thai rural communities [Phoojadm Newspaper 18/09/1998]. Apart from the decreasing influence of social control mechanisms, modernisation and industrialisation have played a significant role in shifting Thai consumers from domestic beverages toward western-style beverages.

Gender differences around alcohol are still obvious in Thai society. Drinker prevalence is approximately five times higher in the male population (National Statistic Office, 2005). Over 80% of the population rate female drinking as unacceptable behaviour (Laichuthai et al., 2002). Figures on increasing female consumption have frequently been referred to in policy advocacy by health camp players.

Thai people consume alcohol for many reasons. Socialising is the main reason for drinking, accounting for around half the drinkers in both genders (Wibulpolprasert, 2005). Among female drinkers, the proportion of drinkers who use alcohol to relax has increased significantly, from 2.3% in 1991 to 14.9% in 2001 (Wibulpolprasert, 2005). In Thai society, drinking symbolises celebration, fun, and traditions (historical and community), and drinking is for social events, especially for occasional drinkers (Laichuthai et al., 2002). Furthermore, three main benefits of drinking perceived by drinkers are that it makes you bold (to do something), brings more friends, and boosts the blood circulation (for health purposes) (Laichuthai et al., 2002).

“The use of alcohol for socialising is acceptable for many Thais. Because Thai people are by nature introverted, and alcohol makes them extroverted. Thai people have not practiced enough to say no. And fundamentally we like a fun life; alcohol is for fun. It is the way to mitigate anxiety as well.” [An alcohol policy expert]

“Thai lifestyle is relaxed, not to be serious. Thai people are familiar with celebration events. Thai drinking behaviour won’t change quickly. Our drinking

style is not only drink to be drunk, but drink to the last drop or 'bottoms-up culture'." [An administrator of a foreign alcohol company]

11.5 Environmental context

The environmental or external factors are conditions, events, structures and values that are beyond the Thai alcohol public policy boundary.

A. Formal stakeholders

Experience from other countries show that the conditions of international trade agreements have weakened public health-based alcohol controls in a range of countries, in both the developed (Osterberg & Karlsson, 2001; World Health Organization Regional Office for Europe, 2006) and developing world (Room et al., 2002), including Asia Pacific countries (Buckley, 1997). Thailand decreased the customs duty rate for beer from 67 to 60% *Ad valorem* and 27.80 to 25 Baht per litre of beer in 1995 in line with WTO practice (Ruenklin, 1999), as well as introducing a twelve-fold reduction in customs duty for the in-zone beverages according to AFTA. Furthermore, these agreements allowed the cross border investment of foreign alcohol companies, introducing many new international brands. A group of alcohol importers protested to the Thai Government, claiming that the advertising regulations were contrary to the WTO agreement [Bangkok Post Newspaper 8/11/2006].

IMF and WHO are two international organisations that have influenced Thai alcohol policy. During the economic crisis, IMF recommended that the Thai government increase the excise tax rate, change the excise tax base, and reorganise ED and CD. Policy decisions and information from WHO have supported many policy decisions.

From a public health perspective, international experience on alcohol control can be both positive and negative for the process. The alcohol industry used the example of increasing overall consumption in some countries that have banned alcohol advertising to oppose such interventions [Prachachat Thurakit Newspaper 21/12/2006]. The Thai government learned from the Chinese experience that beer production liberalisation

could trigger foreign investment [Khookhang Raiwan Newspaper 4/08/1997]. Many countries have pressured the Thai government mainly to protect the interests of their own alcohol industry.

B. Health camp players

The lessons learned from tobacco policy process are very important to health camp players. Many players have tried to copy and paste tobacco control interventions and process strategies into the alcohol policy arena. The MOPH established TACCU to cover both alcohol and tobacco control issues under DDC. The two-pronged strategy of the total advertising ban was borrowed from the tobacco control policy process.

“Being bundled with tobacco is an advantage for alcohol policy. We can follow in the steps of tobacco. Experience from our anti-tobacco champions is useful.” [A DDC officer]

The roles of health camp players have received support from international movements. Health camp players have used information from WHO and anti-alcohol NGOs to advocate for their preferred policy options. The publication ‘Alcohol: No Ordinary Commodity’ (Babor et al., 2003) has been referred to frequently in many policy actions. It should be noted that the alcohol industry have also used this publication in their advocacy, specifically for claims about the unclear results of advertising bans [Thairath Newspaper 9/04/2007].

C. Alcohol industry and related sectors

The engagement of international alcohol entrepreneurs has had many consequences for the Thai alcohol industry and market, such as the many joint ventures between international and domestic operators, and the unusual phenomenon of beverages with a very low declared tax base. For example, collaboration between local business people in the Thai Northern region and Southern part of China imported the extremely low-priced beer [Phoojadkarn Newspaper 14/11/2003], the declared CIF price of which was rejected by CD [Phoojadkarn Newspaper 13/09/2004].

Furthermore, international trade agreements seem to benefit foreign alcohol operators more than domestic, such as in the significant growth of whisky importation after AFTA took effect (Pruitthiphinyo, 2005). A domestic giant claimed that AFTA would bring advantages to them from increased opportunities for export [Than Setthakit Newspaper 23/01/2000]. The most affected segment has been domestic distilled beverages. The Thai-Australia agreement that lowered the price of imported wine, and was used as a policy advocacy tool for domestic wine producers [Thairath Newspaper 29/07/2004].

“Prices of imported beverages can be very low, as they have mass production. In the future, if the CIF is so low, we can do nothing about it. Domestic entrepreneurs cannot compete with foreign companies certainly. Although White spirits is still monopolised by ThaiBev with no foreign competition, at their other beverages, Mekhong and Sangthip, now are heavily attacked by imported beverages with a very low CIF price.” [A former ED administrator]

The increase in cross-border movements of the population and the difference in beverage prices between countries have also affected the alcohol business. There was a reported trend in Thai consumers crossing the border to buy spirits at half price, after the tax rate was increased [Prachachat Thurakit Newspaper 4/09/1997].

D. General population

Thai people have increasingly been exposed to international media and alcohol advertising. Taking advantage of the popularity of English soccer, Thai alcohol operators advertised their beverages on the jerseys and in the stadiums of English soccer teams, explaining it as a strategy to export Thai beers rather than target Thai audiences [Siam Thurakit Newspaper 21/03/2004, Phoojadkarn Online Newspaper 16/09/2006].

“Advertising on soccer jerseys is the best, as cameras have to focus on the front side of players. Chang has already landed this sponsorship and it is trying to extend the contract. Singha’s case is still not clear whether it can advertise on the back or sleeves or not... Displays in the stadium, such as banners beside the pitch,

can create brand image as well. Furthermore, they can advertise back in Thailand, free from any regulations.” [Witthawat Chairprani-Chair of Advertising Association, Business Thai Newspaper 26/9/2007]

Many consumption situations and patterns of Thai consumers are perhaps influenced by international trends, involving both internal and external conditions. These include increasing youth consumption, the boom in flavoured alcoholic beverages, and the shift toward western-style beverages. Cross border movement of the global population, who carry their drinking culture with them, has also catalysed this change.

Table 11-1: Significant context to Thai alcohol policy process (1997-2006)

	Formal	Health camp	Industry camp	General population
Structural	<ul style="list-style-type: none"> • Characteristics of administrative system • Multi interests on alcohol • Constitution • Poor resource and coordination 	<ul style="list-style-type: none"> • Backgrounds, i.e religion, civil society • Voluntarism • Reputation of key persons • Social support 	<ul style="list-style-type: none"> • Business structure, i.e. market domination • Liberalization • Growth of modern trade 	<ul style="list-style-type: none"> • Economic conditions • Demographic changes • Citizen’s participation • Fading out of social control
Situational	<ul style="list-style-type: none"> • Economic crisis • Public sector reform • Political revolution • Public awareness, i.e. road safety 	<ul style="list-style-type: none"> • Opportunity to aggregate and work together, • Public awareness 	<ul style="list-style-type: none"> • Consumption growth • Highly competitive, innovative marketing, • Adjustment to regulation • Economic conditions, trade agreement 	<ul style="list-style-type: none"> • Aggressive marketing techniques, i.e. cheap beverage, high accessibility, new market sectors • Increase in awareness
Cultural	<ul style="list-style-type: none"> • Patronage and Cronyism • Relationship • Authority abuse • Transparency 	<ul style="list-style-type: none"> • Social belief • Sufficient Economic 	<ul style="list-style-type: none"> • Corporate image • Relationship to social elites and public sectors 	<ul style="list-style-type: none"> • Religion and social control • Gender difference • Drinking acceptability
Environmental	<ul style="list-style-type: none"> • Economic treaties • International organizations • Experiences and pressures from other countries 	<ul style="list-style-type: none"> • Tobacco control experience • International movements 	<ul style="list-style-type: none"> • International industry • Trade treaties 	<ul style="list-style-type: none"> • Modernization and globalization

11.6 Conclusion

Many changes in policy context have been significant to Thai alcohol policy process during the period 1997-2006, and after. Representative democracy has become the main system of government, although it has been interrupted by military coups from time to time. Recently, the direct involvement of the business sector in the political arena has blurred the boundary between them. The alcohol industry is not exempt from this trend, although indirect influence from alcohol operators on political officials is also still evident. Alcohol-generated revenue still makes up a substantial proportion of government income. Tourism and the hospitality industry, which are also alcohol-related, have become national breadwinners.

The economic conditions and impacts of globalisation have been issues of concern for policy decisions. Increasingly the Thai government has been bound by international economic agreements, which will be an important constraint for alcohol policy in the near future. If the scenario of economic growth in the 80s and 90s repeats itself, further economic growth will promote Thai alcohol consumption. The growth of modern retail trade, including convenience stores, has gradually shifted the patterns of alcohol trade and consumption.

Modern trends, such as urbanisation, westernisation, and decreasing social control, have gradually shaped Thai alcohol consumption and problems. The increasing exposure of the population to public media has boosted public awareness and concern around alcohol, but also increased exposure to industry marketing practices.

Chapter 12

LESSONS LEARNED FROM THAI ALCOHOL POLICY PROCESS

“There was the betrayal from the masked people in parliament... Many poor Bills, which the social sector strongly opposed and requested to be reconsidered, were easily enacted. But the NLA denied considering the Alcohol Bill which originated from public demand with 13 million supporters. We have questions about who is more important for the NLA members: the alcohol industry or Thai people. We are investigating this practice and won't let this masked person flee, destroying public hope” [Kamron Choo-decha- SDN key person, in response to the ACC Bill postponement, Krungthep Thurakit Newspaper 20/12/2007]

The previous eleven chapters illustrate the complexity of Thai alcohol policy process. This last chapter consists of three sections. The first describes the major characteristics of Thai alcohol policy, explains how they relate to each other and to the public policy models used in previous chapters. The second part, then, examines the goodness of fit between the public policy models and the Thai alcohol policy process. The last section describes eight major gaps in the Thai alcohol policy process.

12.1 Ten characteristics of the Thai alcohol policy process

The Thai alcohol policy process during the period 1997 to 2006 includes many events, and activities by numerous stakeholders, as well as many policy decisions and changes. Synthesising the common characteristics from this breadth of experience is difficult. Some of the characteristics highlighted here are also found in other countries and other periods, while some are unique to Thailand and to this period. Some characteristics of the Thai alcohol policy process conform to the public policy theories and models utilised in this study, while many do not.

1. Competing values and interests are everywhere

The Thai alcohol policy process is influenced by many values, interests and ideologies. Some work in the same direction but others do not. The confrontation between competing values and interests can be seen in every stage of the policy process. Defining the alcohol policy process as a war-like situation (Mann, 2003), at least in the Thai experience, is not exaggerated symbolism. Values and interests in the process are easily separated into two sides. Stakeholders tend to locate themselves on two opposing sides, forming alliances with like-minded others.

The diversity of fundamental ideologies underlies and explains these conflicts. Personal and institutional factors play a major part in the development of these ideological dissimilarities among stakeholders. The conceptual differences between Thai policy players are not much different from those found in the Western world. However, the values are influenced by the Thai context. Buddhist beliefs, for example, significantly shape social perceptions of alcohol drinking. Such cultural beliefs are difficult for the alcohol industry to argue with, although they have tried to normalise alcohol drinking in Thai society.

Stakeholders have vastly different beliefs about the best way to deal with alcohol-related problems. Differing opinions among policy elites, including Cabinet members, are common. It is unusual for Thai alcohol policy players, especially policy makers, to make explicit the ideology underlying their preferred policies. However, it is not difficult to identify these. The efforts of players in the health camp focus mainly on reducing consumption among the general population and preventing drinking among youth. Public agencies and executives in the economic sector are not much concerned with policy mechanisms and target groups as long as macro-economic conditions and alcohol-related benefits are not affected.

The effort to use alcohol policy as a multi-purpose tool is apparent, particularly for interventions like taxation and physical availability regulations. Alcohol-generated revenue has remained important to executives in both the pre- and post-concession periods. In addition, other economic aspects of alcohol policy, including employment

and tourism, have been mentioned frequently in recent times. Thai policy makers have tried to strike a balance between these practically irreconcilable policy values and objectives. Thai public agencies have found ways to accommodate these incompatibilities, including the use of ambiguity and distorting the policy intentions. The purpose of excise taxation is declared by ED as '*for society, environment and natural resources*' (Excise Department, n.d.-c). The ambiguous wording '*for society*' makes it unclear whether it refers to consumption control or economic aspects, while the actual interest of the Department is revenue targets. In another example, MOI administers the Alcohol Problem Reduction Fund to promote the domestic alcohol industry rather than reduce alcohol-related harms.

The Thai government struggles to reconcile the concepts of social justice and the free market. On the one hand, it deals with the modern public administration under the neo-liberal and free trade ideologies, where consumer sovereignty, privatisation and decentralisation are important. The role of the Thai government as production monopoly owner was repealed with the termination of the concession system. The 1997 constitution clearly stated that the Government must promote a free enterprise economic system, remove unnecessary regulations and not compete with private entrepreneurs (The Constitution of the Kingdom of Thailand B.E. 2540, 1997) . The principles of the production liberalisation campaign include separate roles for the public and private sectors, as well as the promotion of free competition (Ruenklin, 1999). These conditions restrained and reduced the government's role in alcohol policy at the time.

On the other hand, wider concern with alcohol consumption and problems has increased the government's eligibility to control alcohol-related harms, including intervening in the alcohol market. In the period under review, the alcohol business has been subjected to many new regulations, including controls on physical availability and marketing.

An illustration of the ideological difference among stakeholders is shown in differing opinions about the optimum strength for alcohol policy. Policies proposed by health camp players, such as advertising bans and the ACC Bill, as well as the existing policy settings, are commonly tagged as too restrictive. In the same way, many players, including alcohol operators, related business, executives, bureaucrats, and media, have labelled the MOPH and ThaiHealth as *extremists* (a term which is more or less

equivalent to prohibitionist in Western discourse). In contrast, key players in the health camp almost unanimously see the need to strengthen existing policy, and believe that only total prohibition can be called too interventionist.

Alcohol is an ill-defined problem for Thai policy players, who structure alcohol-related situations differently. The Thai experience confirms the concept that the way stakeholders, policy makers in particular, see problems determines the whole policy process (Dunn, 2004). Differing perceptions are found in areas of common concern, such as youth drinking, drink-driving and poor policy implementation. Policy players tend to perceive appropriate solutions to these conditions in ways that protect and promote their interests. Alcohol entrepreneurs involved with youth drinking promote alcohol education and drinking guidelines, while the SDN has tried to expand the abstainers' network among youth.

The situation of competing values, to some extent, reflects the 'garbage can' theory. This is the scenario whereby policy makers see the various policy values floating in for their attention and try to de-prioritise, aggregate and disaggregate them from other values (Kingdon, 1995).

2. The trend towards problem reduction

When looking at the phases of alcohol policy development, Thai alcohol policy illustrates a different picture to that found in Western developed countries, particularly on the order and boundary of policy development. The moral and social order and revenue generation have been the dominant values for Thai alcohol policy, particularly in the past. Although moral issues are still significant, Thai alcohol policy has not been dominated by either a western-style temperance movement or treatment campaigns. Until recently Buddhist beliefs were used as a societal tool to curb drinking at the collective level. This religious belief, although effective, mainly functioned at the individual level. Treatment programmes in Thailand have never gained priority. They are still largely dependent on the personal and institutional interests of health care providers. The boundary between policy phases is rather blurred.

A recent effort by Thai health camp players is somewhat close to the temperance movement in Western countries; the oath vowing to be an abstainer for example. The Thai 'Neo-Temperance movement', however, does not rely only on religion, but also other cultural beliefs and social values, such as the significance of the King and his Self-Sufficiency economic concept.

In recent times, however, greater value has been placed on reducing problems associated with alcohol, including in multi-purpose interventions where health protection used to have less precedence. Between 1997 and 2006, many alcohol policy interventions clearly designed to reduce alcohol-related harm were introduced, including warning messages, alcohol-free periods, and the control of advertising content. In parallel, the social climate for harm-reduction measures has grown more supportive. Political elites have expressed their concern and shown their preferred position on alcohol policy like never before. Both political and bureaucratic officials have not explicitly rejected the demand for strengthening alcohol policy when this has been raised, although the appropriate means remain controversial.

The development of alcohol policy interventions (Table 12-1) shows the significant progress of alcohol policy in both strength and comprehensiveness during the period 1997 to 2006. This clearly reflects the increasing priority given to the harm reduction values. Treatment programmes may be the only area showing no improvement at the national level. In addition, the implementation of many alcohol policy interventions has been strengthened during this period.

Along with the shift in momentum, many policy players had changed their role during this period. Prior to 1997, the MOPH used to have limited responsibilities, and was formally involved in treatment programmes only. At the end of 2006, however, it became a major player, involved with all intervention categories, and forming strong coalitions with other players. New health camp players, including ThaiHealth, SDN and CAS, have become key informal players, as well as being involved with formal mechanisms. In contrast, the MOI and ED have played a decreasingly significant role, particularly because they no longer have the same role as owners of the site of alcohol production. The value of promoting production has generally decreased for these agencies, although the revenue collecting function is still important for ED. Alcohol

operators are no longer concessionaires and licensees, who tend to influence the process implicitly, but are now independent operators with both implicit and explicit roles in the policy process.

Table 12-1: Comparison of Thai alcohol policy interventions 1997 and 2006

Interventions		Prior to 1997	at the end of 2006
General	production concession	To maximise revenue and promote	Removed
	selling zone	To maximise benefit of concessionaires	Removed
Price and taxation	taxation	Related to concession, for revenue generation	Declared as for consumption control
Availability control	MPA	Existed but mainly ignored	Reaffirmed with specific law
	time of sales	Existed but totally ignored	Reaffirmed but poorly enforced
	place of sales	To maximize number of outlets	Expanded prohibited areas
Drinking context alteration	alcohol-free period	No	Many programs at national and local scales
Drink-driving countermeasures	enforcement	Poor, unenforceable	Improved but still inconsistent
	public campaigning	No	Intense, well recognized
Advertising regulation	channel	Regulation limited to only over 15 % beverages and broadcast media	Covering all beverages, and many media
	content	No	Yes
Education and persuasion	warning message	No	Beverage packages and advertising
	public campaigning	No	Yes, well recognized
Treatment	treatment	N/A	N/A

According to the macro-decision component of the mixed scanning model, policy makers tend to be rational in choosing the strategic policy options (Dunn, 2004). In reality, however, Thai alcohol policy momentum towards health protection is rather the result of the incrementalism process, not rational decision. Two major underlying factors support this momentum shift. Firstly, increasing public awareness of the alcohol situation, problems and policy create social pressure on policy makers. The increase in awareness is partly due to the contribution of many players through various measures including public campaigning, as well as the increase in media accessibility and literacy. Secondly, the establishment of ThaiHealth and its support to various players increased the momentum towards health protection.

3. Windows of opportunity

The timing of movements in the alcohol policy process is crucial to their outcomes. In the agenda setting phase, the Thai policy process fits well with the three-stream theory, which focuses on the windows of opportunity (Kingdon, 1995). Many actions in the problem, policy, and politic streams during 1997 to 2006 were unusual and innovative for the Thai public policy setting, such as the publicising of the consumption situation in the problem stream and the protest against ThaiBev's listing in the politic stream. The windows of opportunity or the significance of timing are also crucial for other stages. The policy formulation phase seems to be continuous with the influential actions in the three streams of agenda setting. The bombardment of drink-driving enforcement and public campaigning were largely related to the variation in levels of problems over the time frame. In this regard, problems with seasonal variations and interrupted patterns are more likely to create policy implications than stable problems.

The windows of opportunity in these streams may not open spontaneously; many were intentionally and strategically created. While some players had a proactive role in opening windows of opportunity, many reactively joined the bandwagon and others became blockers of the process. Once the windows were opened or seemed to be opened, many players quickly acted as 'policy surfers', as described by Kingdon (1995).

It is true that the agenda setting process contains many movements, but some are more influential than others. The perception of policy makers of movements and situations is a major differentiating factor. Many lively and persuasive movements did not lead to further consequences, either because policy makers did not perceive them as such, because they were faced with other competing issues. For example, the cabinet did nothing after the FDA total ban announcement was ruled out, although the process could easily have continued under the OCPB authority. The significance of policy makers in agenda setting also reflects the influence of the centralised public administrative system.

Every theory has its exception. Some windows of opportunity were opened without the influence of a social movement, but because of the introduction of related regulations or other changes. For example, the opportunity of the production liberalisation campaign occurred automatically after the expiry of the concession. Furthermore, many opportunities arose unusually and incidentally, such as the contribution of very influential people and events. The speech of the King in late 2004 led to sudden policy movements. The involvement of the IMF during the economic crisis provided the opportunity to adjust the alcohol taxation system. The military coup in 2006 sparked the reincarnation of the total advertising ban process, and catalysed the ACC Bill development.

Furthermore, there were incidents where a good opportunity or promising conditions did not lead to a policy decision, for example the chance to abolish alcohol market domination in the production liberalisation campaign (Crispin, 2001) or the chance to amend the taxation system during the economic crisis. These scenarios perhaps reflect the 'status quo' preference of policy makers. On the other hand, there were arguably episodes where some players tried to open and use windows of opportunity prematurely. The agenda setting of the total advertising ban process, for instance, was criticised as premature because of the lack of preparedness and coordination among public agencies.

4. New decisions: a bridge to somewhere nearby

In the Thai experience, the policy decision-making process is manipulated by personal and institutional characteristics, as well as factors of intervention, regulation, available policy options, and policy context. Strong pressure on policy makers, such as from the King's speech and road safety public awareness, can significantly catalyse and shorten the decision making process.

Incrementalism is arguably the main approach shown in decision making in Thai alcohol policy, for both fundamental and optional decisions. This probably reflects, first, the limited utilisation of technical knowledge in the policy formulation process, particularly, by policy makers and, second, it is also possible that policy makers prefer

to make incremental decisions even when they have considered the information on the available options.

The major policy progress between 1997 and 2006 was the cumulative result of many marginal steps, rather than any major leaps. This is particularly clear when comparing the amended policy content and its predecessor. Some may argue that the termination of the production concession was the major change during this period. However, this decision was arguably influenced by the 1997 Constitution. Furthermore, one of its principles is still to gradually proceed in cascades (Ruenklin, 1999).

Having no national alcohol policy master plan, the fundamental policy direction for Thai alcohol policy is guided by many small situational factors. The 10-year period can be roughly divided into three phases with different priorities in policy formulation. During 1997-2000, the focus was on taxation, and later production liberalisation. This reflects the importance of the economic crisis and the change to the production concession system. The emphasis during 2000-2003 was on drink-driving; the rise of road safety as a national agenda item had a major influence during this time. After 2003, consumption reduction interventions, including the advertising ban and physical availability regulations took precedence. This was partly the consequence of the raised public awareness about the increased consumption in Thailand.

The implications of incrementalism are more common in the micro level decisions. According to this concept, the policy precursor or existing policy is crucial to any decision and amendment made. The progress of alcohol policy largely depends on the availability of adopted regulations. This is despite the fact that these existing regulations are not designed for problem reduction purpose(s), and many of them are not enforced. Without the availability of these precursors, many decision-making processes do not progress. Those decisions that are taken do not bring much change in policy content; many are even just reaffirmations. Although the ACC Bill is mentioned as the turning point for Thai alcohol policy development, it is, in fact, the compilation of existing scattered measures, with only minor additions.

Even after incidents occur in the agenda setting process which have high potential for radical change, the process of engagement which follows in the formulation phase

means that incremental decision-making may be the outcome. For example, the policy momentum of the 2005 tax rate adjustment started with the PM taking a strong position on abolishing the *Ad valorem* rate system. After a lengthy process under the MOF, however, the opportunity for radical change was weakened. The final decision not only kept the *Ad valorem* system, but also raised the tax rate for beverage sectors that had a minimal market foothold. In another example, during the FDA selection process for warning messages, strongly worded phrases were deleted or weakened by the public-private cooperation.

Many factors underlie incremental decision-making, including lack of access to information, the lack of a master policy direction and road maps, political instability and public administration styles. Personal and institutional interests, as well as the influence of interest groups, all are important to the decision.

The capacity for implementation can be another possible factor leading to incremental decision-making. In situations of poor implementation and limited resources, people in the upstream and policy making roles may think that policy decisions that are too strong will place an additional burden on the system rather than bringing benefits. In addition, opportunities for implementers to be involved in policy formulation are very limited in a top-down bureaucracy. This situation reduces the feasibility of the policies that are selected.

The contribution of technocrats to policy decisions seems to be complex. As part of the public sector, these technocrats have institutional interests. Many technocrats faced difficulties in connecting and communicating with their administrators and policy makers. Some, in order to have influence, act as third party scholars and researchers, while others join with like-minded players in both the health and industry camps.

Incrementalism is something that is taken into account by policy players. It is apparent from the interview data in this thesis that health camp players have learned to advocate for strong interventions because they know they will be diluted. For example, the MOPH submitted the ACC Bill with an unusually high MPA of 25 years of age, perhaps to leave room for negotiation. Later it was decreased to 20 years of age.

5. Stakeholder participation: many players-many roles

Taking the significance of a centralised public administration into account, it is perhaps surprising the extent to which Thai alcohol policy is influenced by many players, both formal and informal policy actors from all walks of life, including national top executives and individual citizens. The alcohol policy arena seems to be an open space, where the alcohol industry has engaged to protect their interests alongside health professionals promoting health.

Certainly, influence on alcohol policy is not restricted to a few policy elites. However, the power to manipulate the alcohol policy process is not equally distributed. Some stakeholders are more powerful than others. Furthermore as alcohol policy covers a wide policy area, many players have their own area(s) of priority and influence. Many agencies feel they have exclusive ownership in specific areas, in which they tend to limit themselves and do not feel happy if encroached upon. In contrast, some players, such as ThaiHealth, SDN and the alcohol industry, have strategy to expand their participation in terms of policy areas, phases and stakeholders. The policy process can, however, alter this sense of ownership. The MOJ has become a key player in drink-driving enforcement, which was traditionally the responsibility of the Thai Royal Police. In another example, the ACC Bill gave a significant role for the MOPH in outlet licensing regulation, which used to be ED's exclusive area.

The Thai alcohol policy process, to some extent, reflects 'bounded pluralism', in which the characteristics of both the problem and the policy determine the stakeholder participation. According to this, participation of stakeholders in 'high politic' issues (Hall et al., 1975) or policy that would have significant impact to political and economic fundamentals (Lindblom, 1979) is more limited, and the decision making procedure is confined to a small and closed circle. The policies around production liberalisation and taxation adjustment are examples. As an exception, the policy process for advertising regulation is fairly open although it would have a substantial economic impact. This is perhaps because the process was facilitated by many players in both camps, the widened room for participation and the legislating procedures.

Other predictive factors for stakeholder participation include the legislative procedure, and characteristics of the responsible agencies and of the Thai public administrative system. First, different levels and types of laws allow differing levels of participation. The Act and Executive Decree are at the same level, but extremely different in terms of length of procedure. The Executive Decree can be quickly and quietly adopted in Cabinet, while the Act has to be adopted by the Legislative body, and thus is more open for influence by stakeholders. Second, public agencies have different experiences and patterns of affiliating with other players. The FDA is a unique body in the MOPH that collaboratively works with the private sector, so it continued this practice in working with the alcohol industry on the warning message campaign. The MOPH, in contrast, were criticised for limiting the private sector participation in the advertising regulation and the ACC Bill processes.

The modern public management concepts of multi-sectoral cooperation, transparency, stakeholder participation and mandate outsourcing have been significant to the alcohol policy process. The 1997 Constitution made a substantial contribution to these changes. Many changes and decisions occurred in committees. And many players, including representatives from civil society and the private sector, were involved in such committees. The 1997 Constitution focuses on the roles and rights of civil society and its citizens. Organisations and individuals with an interest have the right to be informed and to express their opinions in the public policy process, and the public sector has become increasingly open to challenges by stakeholders.

The downstream part of alcohol policy also involves many players, from system administrators, implementers, academics, to the sectors facing enforcement. Civil society and NGOs also have a significant role in supporting implementation, as well as evaluating policy outcomes. The role of the DDD Foundation in drink-driving enforcement is an example. Moreover, the Thai experience shows that the sectors facing enforcement can largely determine a policy outcome by absorbing policy impact, diverting the intention of policy, circumventing procedures, and even simply ignoring it.

The official players, without doubt, are the core of all stages in the policy process. Public sector reorganisation in the period has changed the role of public agencies. The establishment of the DDC and TACCU enhanced the participation of the MOPH in

alcohol policy. Coordination among public agencies seems to have been a gap in the process. The relationship with these public officers is very important for formal players in other agencies, and also, even more so for informal players.

To public officers, the relationship with the alcohol industry and related businesses is different from that with health camp players. High-ranking officials particularly tend to keep their distance from the private sectors, at least in public. In many cases, high-ranking officials have denied their connections with and the influence of private operators. In contrast, the affiliation with informal health camp players, including ThaiHealth and SDN, seems to be more acceptable, perhaps because of its positive image with the public. It is arguably a win-win solution for both parties.

By nature, the relationship among informal players in both camps seems to be an open network. The effort to expand their alliances was apparent during this period. This is perhaps because of the perception that the size and coverage of the network are important for the success of their social movements. These informal players applied many mechanisms to build their connections to public officials and agencies. Some approaches are on an explicit basis, some are not. The methods of building connections reflect many characteristics of the public administration system and policy process; transparency, cronyism, cooperation particularly in response to shared concerns, poor infrastructure including the personal income of public officers, flexibility and opportunistic behaviour.

Policy players used direct and indirect influencing mechanisms to shape the policy outcome. Many innovative activities occurred during this period. Generally, six characteristics of policy players determining their influences included resources, management, influencing channels, the presence of opposing players, perception of public officers, and timing and place of the movements.

The Thai experience shows that the financial and technical resources network size, especially for informal players, and the institutional and personal reputation and charismatic power of stakeholders are all significant in the alcohol policy process. These resources require an effective management to mobilise them and transform them

into influence. This management includes administrative skills at the institutional and network level, and also depends on the cohesiveness of the alliance.

Representation of policy players in the process is crucial for their influence. Informal players can directly attend the policy process or influence through their nominees. The presence of an opponent can tone down the influence of a player. The difference in the processes for advertising regulation in 2003 and 2006 is a clear example of the significance of this factor.

Timing is a decisive factor for the influence of stakeholders in the process. The MOF may be prominent in the economic crisis period, while the MOPH may be significant when health problems are gaining attention. In the same way, the site of decision-making is very significant for the influence of policy players. Both formal and informal health camp players are more influential if the decision is made within the health arena, such as in the NACCC, compared to outside areas.

6. Lack of implementation and evaluation

The downstream stage of Thai alcohol policy process, including implementation, and monitoring and evaluation, have gained less attention from policy players. Stakeholders tend to focus on, and allocate most resources and efforts to, the upstream process. However, without an effective downstream process, the policy content cannot be realised and the policy outcome remains uncertain.

Despite wide recognition of its significance, poor policy implementation is still a major stumbling block, hampering policy achievement. Players in the health and industry camps see and exploit the situation of poor implementation differently. The alcohol industry called for strengthening of implementation as an alternative to new and stronger regulations. In contrast, health camp players advocated for strengthening both up- and downstream parts, perhaps aiming for stronger policy content to compensate for poor enforcement.

Many factors underlie the neglect of implementation. First, policy makers tend to separate themselves from implementation, despite some also having an administrative role in the responsible public agencies. Because of the inactivity of civil society on this issue, there is inadequate pressure on these high-ranking officers to strengthen policy implementation. The lack of an effective monitoring system also plays a part. This is in the line with the Riggs' 'formalism phenomenon' commonly found in developing countries (Riggs, 1963). Secondly, the policy decisions made by policy makers may even work against the interests of policy implementers. It is the low-ranking implementers who often have a key role in relation to achieving policy outcomes. However, the lack of opportunity for these implementers to be involved in the upstream phase intensifies this formulator-implementer conflict. Thirdly, limitations on implementation capacity, including financial, workforce and skills, certainly hamper enforcement.

Among interventions, some are more poorly enforced than others. Factors determining this difference include the nature of the interventions, implementation, administration and policy type. By nature, some interventions require massive resources and continuous effort, including surveillance systems. The enforcement of physical availability and drink-driving regulations is an example. Meanwhile, the responsible agency and its administration largely determine the quality of implementation. The enforcement of interventions that have no 'owner', such as time-of-sale regulations and those that have many responsible agencies, such as advertising regulations, seem to be weaker. Lastly, the concept that policy type is a decisive factor for the degree of difficulty of implementation (Van Meter & Van Horn, 1975) can be applied to the Thai alcohol policy process to some extent. *Benefit redistributive* policy, such as taxation, encounters more complications than *regulative* and *benefit distributive* policy, such as outlet licensing and education and persuasion respectively. However, the significance of policy type for implementation has to take the factors and situation of the policy system and context into account. In Thailand, the enforcement of physical availability control, MPA and drink-driving enforcement, considered *regulative policy*, was very poor.

In the same way, monitoring and evaluation processes are generally mishandled. Some interventions have not been monitored and evaluated, such as MPA and treatment programmes. The responsible public agencies have a very limited role in policy

monitoring and appraisal. Meanwhile outsiders, including professionals and interest groups, handle a substantial proportion of these tasks. Monitoring of general alcohol-related situations, such as consumption per capita and drinker prevalence, has been more common than a policy-specific approach. Comprehensive academic-style evaluations are rare; many evaluations largely rely on personal opinions. Furthermore, much monitoring and evaluation is conducted on the basis of personal and institutional interests, not for harm-reduction purposes. The alcohol taxation system and ED, for instance, are appraised on the amount of revenue collected.

In many cases, policy players in both camps have conducted policy evaluation studies by themselves, and supported other like-minded parties to do so. Then they have utilised the results of the monitoring and evaluation process to serve their interests. Many events were intentionally conducted to support their positions and roles rather than for the sake of increasing knowledge. Perhaps because of their limitations, the implications of alcohol policy evaluations for policy maintenance, succession, and termination processes are unclear.

7. Centralised bureaucratic administration never dies

Decentralisation and privatisation have been major public administrative trends in recent times. Locally elected councils, at sub-district, municipal and provincial levels, are set up to work collaboratively with the appointed local bureaucracies. The central government increased the budget for these local administrative organisations to 35% of the national budget in 2006. Taking these scenarios into account, the significance of the conventional centralised public administration system should decrease over time.

The alcohol policy process seems, however, to be an exception. Although local governments have the potential and resources to address alcohol-related harm, not much effort has been put into this area. The national level is still the core area of policy movement for all active stakeholders. National level politicians and central public agencies are still the backbone of the Thai alcohol policy process, particularly in the upstream phase. This resistance to change reflects not only the centralised public administration system, but also the incremental nature of change in the Thai macro public administrative system. However, alcohol policy has occasionally been addressed

at the local level. Some health camp players have created the involvement of local administrative organisations in both the up- and downstream process.

Vertical and organisational isolation are two common administrative approaches for Thai public agencies. Institutional isolation, made worse with poor cooperation among agencies, is not conducive to policy achievement. Major public agencies have their own management systems, central, provincial and/or district authorities. With regard to departmental boundaries, local authorities are hierarchically directed by the central agency, as well as by the provincial governing system. On the positive side, this top-down directing can set up precise policy direction and procedures. The clear government commitment to seriously tackle the road traffic injury problem, for example, was an undeniable signal for all public agencies. This clear central government position then pushed relevant public agencies to collaboratively address drink-driving law enforcement in certain periods. On the other hand, this one-way direction restricts the participation of low-ranking and local officers, as well as collaboration across sectors. Furthermore, the top-down utilisation of authority by public administrators may lead to undesirable effects, such as the practice of underreporting information.

The personal characteristics and interests of key people in government and public agencies also influenced policy direction and progress. The U-turn of the PM on the advertising ban in early 2006 almost terminated the formulation process. The total advertising ban process was resurrected by the influence of the Health Minister during the coup period. Because of their power, players in both health and industry camps desperately want to win the support of these influential elites.

Because of its significance, policy players have to adapt their roles and actions to fit with the centralised authoritative public administration. This scenario supports the 'cronyism' in the public alcohol management system, as indicated by Trirat (2006). Connections with influential political and bureaucratic officials seem to be a requirement for policy players to influence the process.

Apart from direction by executive administrators, bureaucrats in public agencies also have their own preferred positions and interests, which largely determine the decision-

making and implementation process. The 2005 tax adjustment reflects the efforts of ED and the MOF to bend policy directions. In this instance, ED was criticised for trying to hold its place in the process by keeping the 2-for-1 system [Thairath Newspaper 12/07/2007]. Their preferred position also explains ED's resistance to the reorganisation programme, and the change of excise tax base, as recommended by IMF.

8. Compromises determine outcome

Many elements of the Thai alcohol process reflect the high levels of compromise made by public officers within the administration system. This compromise can manifest itself as openness to negotiation and also inconsistency in positions and procedures, including taking advantage of ambiguities to serve interests and preferred positions.

Many compromised decisions, which deviated from the original intention, were criticised as being a result of compromise achieved during negotiations between policy makers and interest groups. For example, an alcohol entrepreneur was reported to have successful advocates for tax rate adjustment to mitigate the negative impacts from production liberalisation and traditional beverage legalisation [Than Setthakit Newspaper 24/02/2000, Dokbeer Thurakit Newspaper 9/12/2002]. The no-go position of the Prime Minister on the total advertising ban in early 2006, although the ban had been agreed to at Cabinet which he had chaired a few weeks earlier, is another example of inconsistency of position.

Many Thai policy implementers have found ways, including bribery, compromise and circumvention, to divert policy enforcement from what it was designed to achieve. The practice developed around a monthly tax quota for traditional beverage producers, as well as the practice of praising retail sellers who had verified a customer's age instead of prosecuting MPA violators, are clear illustrations. Inadequate attention from administrators to monitoring has boosted the incidence of inadequate or inappropriate implementation. In some particular cases, administrators have signalled implementers not to be serious about their implementation, such as the PM's position on the MPA enforcement [Matichon Newspaper 18/12/2004].

Compromises can also be found in the monitoring and evaluation process, including the utilisation of results. Many appraisals, including those of responsible agencies, are carried out on a compromised basis, the so-called Thai non-serious style. Underreporting of data in order to avoid punishment is an example of this.

Many factors underlie the compromises found in the process, including stakeholder relationships and the ineffectiveness of monitoring systems. First, most of these compromise practices depend on the close relationship between public officers and other stakeholders, including the sectors facing enforcement. The 'box closing' tactic or paying tax in advance to help ED achieve its revenue target at the end of fiscal year basically relies on a strong relationship between the taxpayer and collector. This also strengthened such relationships and created dependency on the part of public agencies to some extent. Next, the low transparency of the system and public awareness and acceptance enhance the opportunities for such practices. In addition, the inadequate commitment of policy makers, and their separation from the implementation phase or use of a so-called 'escape hatches' mechanism [(Clay & Schaffer, 1986) cited in (Sutton, 1999)], indirectly support the compromises found in the down-stream process.

9. Many complicated linkages

There are complicated linkages among the elements of the Thai alcohol policy process. Every single part of the alcohol policy process is connected to other parts, directly and indirectly. These linkages can be seen as the connections between elements of policy actions, effects from and to policy stakeholders, and effects from and to policy context.

A single policy event can create many impacts on others in various ways. It can have supporting or blocking effects, as well as be the precursor, consequence or coincidence for other events. Some events create a snowball effect, starting from a small and almost imperceptible change in the process. The information on the consumption situation and findings from road accident surveillance systems are two instances where small facts can create a substantial aftermath. Many effects, furthermore, were not the expected outcome of activities. These spillover effects may be more significant than the direct results. In the very beginning, no one would have believed that the protest against

ThaiBev listing on the stock exchange market could spark a total advertising ban process.

A single event in the process and its several impacts also affect stakeholders and their role in the process. To name a few, ThaiHealth's establishment was the result of the lengthy process of tobacco control as well as the termination of the alcohol production concession. ThaiHealth has largely influenced other stakeholders and been involved with numerous policy movements since then. In terms of consequences, all stakeholders have to adapt themselves to suit the ongoing situations. The partial advertising ban led to an increase in below-the-line alcohol advertising, which, in turn, created the demand for a total advertising ban. Furthermore, the alcohol industry learned from their experience in objecting to a partial ban to fight together, which brought later success in the total advertising ban process. Although it failed, the total ban process strengthened connections among health camp players, who then continued advocating for the ACC Bill, which included a total advertising ban component.

Events in the policy process were the platform from which stakeholders developed, strengthened and broke their relationships. Perhaps as a result of their failure in the partial ban, the alcohol industry network expanded from being merely alcohol operators to advocate for alcohol-related policy that supported their interests by opposing the total advertising ban process. At the other end, the owners of the alcohol issue in the health camps were not merely health professionals as had been the case prior to 1997. Since 2003, the SDN has provided a way into the policy debate for religious, youth and social organisations.

The linkages among policy elements were certainly not confined to the alcohol policy sphere, but also had complex links to its context. The close linkages between policy events inside and outside the alcohol policy boundary are apparent. For example, many elements of the Thai alcohol policy process were affected by successes in tobacco control, road safety, and the establishment of ThaiHealth. Some of these events were more or less unforeseen, including the military coup and economic crisis.

10. Everyone is an expert: knowledge and opinion

During this period, substantial progress in alcohol policy was made in the area of technical knowledge, including broadening, sharing, and utilisation of knowledge. Stakeholders had created a body of knowledge based on domestic studies and international sources, and made it available as policy input. The national survey on alcohol and tobacco consumption was improved in terms of frequency, and upgraded to be a stand-alone survey. CAS and ThaiHealth have become key alcohol-research funding agencies. Knowledge sharing with stakeholders and public has been strengthened, including through the use of the mass media.

Many alcohol operators, particularly foreign entrepreneurs, have paid close attention to technical knowledge activities. These operators are believed to be behind some studies, which were later used as input to the policy process by the alcohol industry and related businesses. The alcohol industry and SAOs organised technical conferences, and used favourable information to support their positions in media debates.

Even taking the situation of knowledge availability and use into account, the Thai alcohol policy process is still far from evidence-based. The information produced and circulated in the process is mainly on consumption and public opinion. This sort of information principally reflects policy demand or requires a response from policy makers, but doesn't support solutions or strategies. Specific knowledge on policy interventions, particularly their effectiveness, is very limited. The use of knowledge on alcohol policy from abroad is perhaps the only choice in this scenario, although its applicability is questionable.

Most Thai alcohol policy evaluations are very questionable by their nature and methodological comprehensiveness. The majority of evaluations focus on general alcohol-related situations, and only a few are policy-specific. Policy players evaluate alcohol policy performance for their own interest. The alcohol industry claimed the partial advertising regulation was a failure and later called for its repeal [Than Setthakit Newspaper 18/01/2004]. Many health camp key people instead blamed the limited comprehensiveness of the policy for the fiasco and called for a total ban. Both camps

discredited information and evaluations from either end, as being biased, methodologically weak and with hidden agendas.

Many technocrats in public agencies encountered problems in carrying out policy analysis and communicating with policy makers. Incomplete and inaccurate information were fundamental difficulties. In many cases, policy makers and administrators felt they had the answer before the analysis had commenced. It was stated their findings and recommendations were sometimes diluted and distorted later in the process.

Alcohol policy seems to be an area in which everyone has their own opinion, perhaps because alcohol consumption and related problems affect most people, directly and indirectly. With strong individual opinions, expertise in this arena may be superfluous to the process, particularly in terms of the way the problem is structured. Personal opinions are very important for policy process, particularly those of policy elites. The opinion of influential executives and legislative members can stimulate, stall, and resume the process. Public opinion polls have been an influential tool for health camp players to create public pressure on policy makers.

Theoretically, public opinions are influenced by exposure to available information and social climate. This public exposure is another battlefield between the alcohol industry and health camp players. The alcohol industry has inserted pro-drinking information through mass media, in entertainment venues, and by advertising. Meanwhile, ThaiHealth and its allies have fought back to influence the social climate through ‘air war’ public campaigning and ‘ground war’ through alcohol-free events. In addition players in both camps have tried to provide additional information to influence the way the problem is structured by policy makers.

12.2 From theory to reality

It is undeniable that any single public policy model does not have adequate power to explain the whole Thai alcohol policy process. This is particularly true when considering the breadth of alcohol policy. Many components of the process, however,

can be explained, to some extent, by public policy theories and observations, which were mainly formulated in the Western developed world.

From the macro level models, the Thai alcohol policy process has all the components of public policy. This thesis shows the interactive actions in agenda setting, formulation, implementation and evaluation phases, the influence of policy context, as well as the role of formal and informal players. The differences found, however, are in the micro level features, as many movements within policy components are conducted Thai style. Many of these are unusual and extraordinary in the Western paradigm, including the significance of the royal family, and theoretically intangible factors like charismatic power and considerateness (politeness). These dissimilarities are largely due to the different policy context. Furthermore, the comparative significance of each macro component in Thai alcohol policy process may differ from the process in developed countries, as some components have less priority and are practically ignored.

From the beginning, the utilisation of information may be less explicit in the problem structuring process. The perception of key public officers seems to be important in igniting the process. This includes how they see the movements according to Kingdon's three streams. The significance of unusual windows of opportunity has also been witnessed.

The incrementalism model can largely explain Thai alcohol policy formulation, particularly when comparing policy decisions with their precursors. The phenomenon of 'muddling through' (Lindblom, 1980) can be easily spotted. At this juncture, however, the process is driven by a centralised bureaucrat system including hierarchical administration, and relationships between policy makers and other players. Representation of interest groups in the decision-making mechanism is crucial for their influence. Political instability may block efforts to develop policy in the longer term. On the other hand, military coups have also provided opportunities for strengthening alcohol policy.

Thai alcohol policy implementation reflects the top-down implementation model, particularly when considering the limited involvement of low ranking officers. For most interventions, however, it is hard to argue that policy makers and system administrators

are serious about squeezing the maximum policy effectiveness from the implementation mechanism. The separation of policy makers from the downstream phase is apparent. Because of poor monitoring, there was 'policy space' for implementers to bend policy outcomes, including the use of many compromised practices. There were, though, occasional short spells when policy was seriously enforced.

In the policy player dimension, Thai alcohol policy process reflects both bounded pluralism and state-centred processes. This applies when taking the limitations on stakeholder participation and the significance of public officers into account. Looking through the social class paradigm, one would see that better-off elites in the political, bureaucratic and business sectors have more influence on the process, although the role of civil society has become increasingly apparent recently. In stakeholder coalitions, both health and industry camp players have 'issue networks', which are more open with fluctuating levels of interaction (Marsh & Rhodes, 1992). The importance of relationships with official players, perhaps somewhat unusual in the Western paradigm, largely reflects the existence and implications of cronyism and a centralised public administration system.

The question at this end is what makes the Thai alcohol policy process different from the public policy models or what these theories cannot explain, and what is found in Western countries. Defining the process as the actions of players in the system, one may notice that most differences between the models and reality comes from cultural factors, which also shape the policy process system and procedures. These include the importance to the process of cronyism, relationships, representation, commitment, negligence, and compromise including bribery, distortion and lack of awareness. These characteristics make the Thai alcohol policy process, which is already an intrinsically complex process, further complicated and difficult to explain in terms of public policy theories. Moreover, these factors affect policy players who then have to adapt their roles to fit with these features. Therefore, as a recommendation, any further research should take into account these cultural factors in the public policy analytical framework, particularly the characteristics of key policy players.

12.3 Room for improvement

This section identifies eight gaps in the Thai alcohol policy arena in need of attention. Four pitfalls in the direct policy process include lack of policy direction, comprehensiveness, prioritising and transparency in the process. The other four weaknesses are in the supportive mechanisms of the policy process: weakness in change and knowledge management, relationship administration, and inadequate social support.

12.3.1 Gaps in the policy process

- Lack of common policy direction

First it is clear that the diverse interests of public agencies have created multi-directional policy momentum, explicitly and implicitly, intentionally and unintentionally. Second, tobacco control and road safety were two neighbouring areas that showed the benefits of clear policy direction. Furthermore, the existing multi-sectoral collaborating platforms, such as the NACCC, still face many limitations including weak commitment from involved parties. Therefore, having a common and clear national direction on alcohol policy could promote policy development. Achieving this situation requires explicit political commitment, as well as groundwork in at least two areas; clarifying many controversies and ambiguous issues, and building effective collaboration.

- Limited comprehensiveness of policy process

Limitations in the process can manifest in terms of stakeholder involvement and policy scale, poor coverage for policy interventions and phases and timing. Generally, the participation of most formal policy players is limited to their own area of priority or engagement only if their interests and values are affected. Hence they practically ignore other stages and areas of the process. The opportunity for policy players to participate together in the problem structuring process may help solve ideological conflicts, and activate participation. The participation of implementers in the up-stream process can promote policy feasibility. In terms of policy scale, the involvement of local

administrative entities, under both bureaucratic and political systems, could create opportunities to tailor alcohol policy interventions for each locality.

Progress in Thai alcohol policy development is not equally distributed among policy interventions. Some areas, such as treatment and screening, are practically neglected. Lack of consistency among policy players, then, is another form of limitation on the process. Many stakeholders attended the process only at times when windows of opportunity were opened, and were very reactive in other periods.

- Policy implementation and monitoring

The weakest link in Thai alcohol policy is the implementation stage. Major underlying factors of this weakness, therefore, require urgent overhaul. These include the lack of commitment, infrastructural limitations and poor management.

Most policy interventions are not well monitored. Some have not been monitored at all. Having no information about policy performance creates a vicious cycle, preventing policy makers and administrators from strengthening policy implementation. The lack of policy monitoring also curtails the opportunity for stakeholders to follow and verify any pledge or commitment made.

- Policy process transparency

Tagged with cronyism and loaded with questionable practices, many elements of the Thai alcohol policy process are not open to public scrutiny. These closed systems include questionable methods and intentions, as well as the influence of the connections between public officers and interest groups. Authority abuse and policy distortion are commonly found in alcohol policy implementation. These practices, both up and downstream, can significantly affect the policy strength and outcome. Close monitoring by administrators, professionals, public media and civil society, as well as making policy decisions more openly for example through multi-agency mechanisms, can promote policy transparency.

12.3.2 Gaps in mechanisms that support the policy process

- Change management

The dynamism of alcohol policy is obvious. The Thai public sector has generally responded to changing situations and threats in a reactive and untimely manner. Thailand still has no strategy to deal with predictable scenarios, such as innovative marketing strategies and international economic agreements, let alone unforeseen events. These scenarios reflect the low state of preparedness of the system in waiting-for-problems, and the lack of a comprehensive policy framework. Some responses are far from being realised. The NACCC recommendation to exclude alcohol from trade agreements, for example, is just an idea without an operative strategy and plan. The Thai experience shows that windows of opportunity for policy changes can be created. Unfortunately, these windows do not come often; some may shut without any beneficial impact. And many stakeholders are unprepared for these windows.

- Policy player relationships

Thai alcohol policy is a war-like arena, where separation and conflict among players are obvious, including between public agencies. Having all public agencies involved with a clear policy strategy and effective facilitation may mitigate such tensions. Many social sectors that have potential involvement in alcohol-related issues have not participated in the alcohol policy process, or have been only involved superficially. Disagreements on changing position and strategy, the perception that alcohol is an individual problem, lack of awareness on alcohol externalities, and the lack of effective facilitators limit and prevent the participation of these potential players.

In many cases, the participation of alcohol industry and related sectors, and their relationship to public officers had a negative impact on the policy process from a public health perspective. Therefore, public exposure of such influences and relationships can create pressure on formal players and limit their impact. Setting the limits and practice for appropriate private sector engagement can promote transparency in the process.

- Social support and awareness

Although social support and awareness of alcohol problems and policy is at an all time high, it has not yet been translated into effective social pressure and public policy demand. Social awareness is still mainly on the magnitude of the problems and individual behaviours. Transforming awareness of the situation into social demand for effective policy requires high calibre facilitators. The public media has the potential to amplify social support and shape social demand.

- Inadequacy of knowledge availability and utilisation

The availability of technical knowledge on alcohol policy in Thailand is limited. Many agencies do not give much priority to knowledge-generating activities. Many policy arguments have repeatedly relied on only a few publications, surveys and studies. Apart from lack of availability, the utilisation of technical knowledge in the policy process is a concern. Policy debates in the public media depend on personal opinions and set positions rather than evidence. Technocrats in many agencies have had only a reactive role, responding to policy instructions given by their superiors. They have lacked opportunities to effectively communicate with policy makers and to become involved in other stages.

12.4 Conclusion

Taking the recent situation of increasing consumption into account, Thailand is inevitably encountering an increased burden from problems associated with alcohol consumption. Therefore effective alcohol policy is urgently needed. Thai experience shows that the process of alcohol policy has been increasingly complex over time. Increased knowledge about the process of alcohol policy development would support alcohol policy stakeholders in a way that they could contribute to a “good policy process” and effective reduction of alcohol-related problems. This is not only relevant for Thai stakeholders, but also those in other countries especially in the developing world. Understanding the past, preparing for the future.

“In this great future, we can’t forget our past”²⁶

²⁶ From the lyrics of No Woman No Cry, by Bob Marley

Appendix A: Interview guideline

This section shows the list of questions used in the stakeholder interviews. The researcher interviewed key informants by selecting questions to suit the position of the interviewee, situation, and available time.

1. Questions for general stakeholders

Part A (Situations, policy actors and context)

1. How do you see situations concerning alcohol consumption?
2. Do Thai people drink too much? Why?
3. What consequences concern you the most in relation to alcohol consumption?
4. How do you see the problem changing (identified in Q. A-3)? Is there a trend?
5. What are the main reasons for the problem (identified in Q. A-3)?
6. Who should be responsible for the problem?
7. How do you evaluate what you and your organisation have done in reaction to the problems?
8. What is the best possible response? Theoretically/practically?
9. How do you see the conflict in the alcohol policy process?
10. Among other actors, who has the most similar discourse to you? How do you see the interaction between like-minded groups? What is the strength of this network?
11. Among other actors, who has the most opposing discourse to you? What is the strength of the opposing network?

Part B (Policy process)

1. How do you evaluate the (X) measure on these dimensions?
 - Effectiveness/ efficiency
 - Appropriateness/ feasibility/ acceptability
 - Eligibility (on the ideological dimension)
2. How do you see the possible role and involvement for the (X) measure?
3. What are the societal impacts of the (X) measure?

Part C (Position checking)

1. What is the most influential resolution (only one choice) to mitigate overall alcohol-related problems?
2. Who should do it?
3. How do you see the possibility of the ideal actor (identified in Q. C-2) to do it?

2. Additional questions for policy makers, technocrats, academics

Part B (Process)

1. Why should Thailand have the (X) measure?
2. How was the (X) measure ratified? (focussing on policy movements)
3. How do you see the pressure on the decision making process? Where and how did the pressure come from?
4. Does the (X) measure achieve their expectation?
5. What are the main reasons for success and failure? (Internal and external factors)
6. What is the best way to improve policy effectiveness? Who should be responsible and how?
7. How do you see the possibility of the ideal improvement (identified in Q.5)?

3. Additional questions for policy implementers

Part B (Process)

1. How do you see the preparedness for policy implementation?
2. How do you see the decision process?
3. Do these measures achieve their expectation?
4. What are the main reasons for success and failure? (Internal and external factors)
5. Are you satisfied with the implementation performance?
6. If you could re-design the measures, what would be changed?

4. Additional questions for sectors facing enforcement

Part B (Process)

1. In your perspective, is the (X) measure acceptable?
2. What were the difficulties you faced in complying with/ adapting to the (X) measure?
3. If you were the policy decision maker, what should be changed?

Appendix B: Chronicle of Thai alcohol policy development 1997-2006

This section describes chronologically the major and official events related to alcohol policy, which occurred from 1997 to 2006. The stated times for these events are mainly the date of their declaration and approval, which may differ from the date they were enforced or from the date they were recorded in the Government Gazette. A proposal approved by the Cabinet may take months for public agencies to be officially announced.

Late 1996

- 25 /07/1996 and 10/09/1996, the Cabinet increased tax rates to solve a financial deficit. These were in beverage categories with high proportions of imported drinks and included a 100% *Ad valorem* rate increase for wine.
- 25 /11/1996, General Chavalit Yongjaiyuth was appointed PM.

1997

- 12/04/1997, MOPH announced the first ever compulsory warning label.
- 2/07/1997, The PM and Cabinet declared a change in the currency stabilising mechanism (in order to float the Thai Baht). This marked the beginning of the 1997 Economic Crisis.
- 11/07/1997, the Society of the New Generation who Don't Drive when Drunk was established. (renamed to the Don't Drive Drunk Society in 1998).
- 11/10/1997, the Constitution BE 2540 (1997) was approved by the King.
- 14 /10/1997, the Cabinet approved a MOF proposal to increase the *Ad valorem* tax rate for beer and wine, and both rates for Special spirits.
- 9/11/1997, Chuan Leekphai was appointed PM.

1998

- 24/02/1998, the Cabinet approved a MOF proposal to increase the *Ad valorem* tax rate for beer and wine.
- 15/09/1998, the Cabinet approved a plan for the liberalisation of alcohol (The 'Post 1999 Alcohol Administration Plan'), proposed by MOF. The new definition of

Producer included *minimum investment, minimum production capacity* and *minimum area of factory site* requirements.

1999

- 10/02/1999, the House of Representatives endorsed the Trade Competition Bill, to prohibit market domination practices including setting unfair prices, limiting customer freedom, and interfering with other companies.
- 26/10/1999, the Cabinet approved an MOI proposal on production licensing qualifications for new production sites in the post-concession period, outlined in the Industrial Factory Act B.E. 2535 (1992). These criteria cover: 1) Minimum production volume, 2) Minimum area of production site, 3) Minimum domestic ingredients, 4) Minimum distance from water sources, and 5) environmental impact management plans and systems.
- 31/12/1999, the concession for all state-owned distilleries expired.

2000

- 8/02/2000, the Cabinet approved a MOF proposal to increase both *Ad valorem* and specific tax rates for both blended and special blended spirits, to compensate for the missing concession fees.
- 6/10/2000, MOF announced a new producers' qualification to be enforced for new applications.
- 7/11/2000, the Cabinet approved the proposal of MOF to lower the requirements for producers of traditional fermented beverages.
- 21/12/2000, The MOF made an announcement allowing fermented beverage production if approved by Excise Department. This announcement aimed to industrialise the traditional fermented beverage industry.

2001

- 9/02/2001, Thaksin Shinawatra was appointed PM.
- 27/03/2001, the Cabinet increased tax rates on all beverage categories except for White spirits and non-grape fermented beverages.
- 4/09/2001, the Cabinet approved an MOF proposal to weaken requirements for cooperative producers of traditional fermented beverages. The new qualification

focused exclusively on *minimum membership*, *maximum production capacity*, and pollution.

- 27/10/2001, the Thai Health Promotion Foundation Act was approved.
- 12/11/2001, the Cabinet approved an MOF proposal to allow traditional fermented beverage production by cooperatives that do not have any distilling instruments on site. This was done in a Cabinet's Special Meeting in Sisaket province, where traditional beverages are popular.

2002

- 6/09/2002, the Don't Drive Drunk Society was renamed the Don't Drive Drunk Foundation.
- 4/12/2002, MOF lowered production and selling licensing fees for traditional fermented beverages and non-grape fermented beverages.

2003

- 1/01/2003, the AFTA was enforced
- 21/01/2003, the Cabinet endorsed an MOF proposal to increase the *Ad valorem* tax rate for all distilled spirits, but decrease both *Ad valorem* and Specific rates for White spirits and non-grape fermented drinks. The proposal also set up a new beverage category, 'Community Fermented Beverages', which was taxed at the lowest rate. The Cabinet also legalised 'traditional distilled beverage' production by approving its specific production qualification and permitting its producers to be income tax-free for three years.
- 27/02/2003, The MOI, together with TBPN, announced the 'Street of Drunken People Project' to promote traditional beverages.
- 17/04/2003, Damrong Puttarn (Senator and Chair of the DDD Foundation) addressed a question in the parliament on the road safety management during the Songkran (Thai New Year) period (12-15/04/2003). He recommended five measures, including 1) The banning of alcohol advertising from 0500-2200, 2) A prohibition on using under-35s as advertising presenters, 3) The banning of alcohol sales at petrol stations, 4) The enforcement of breath testing at every accident, and 5) strengthening drink driving law enforcement. He subsequently submitted these five recommendations to Jaturon Chaisang (Deputy PM and Chair of the RSMC).

Owing to the pressure of road traffic during the Songkran period, the government set up eight sub-committees under the RSMC.

- 4th/06/2003, OCPB announced an additional warning message for beverage labels.
- 19/06/2003, RSMC agreed to submit a recommendation to the Cabinet to extend the alcohol advertising regulations.
- 8/07/2003, The MOPH announced new messages for warning labels.
- 8/07/2003 and 22/07/2003, the advertising regulation proposal from the RSMC was postponed for two consecutive Cabinet meetings.
- 29/07/2003, the Cabinet approved a '*Partial ban*' resolution to extend the prohibition time for alcohol advertising and enhance regulations on advertising content to allow only corporate logos on broadcast media, and prohibit alcohol-advertising billboards within 500 meters of religious and educational institutions. The Cabinet urged the relevant agencies to take further responsibility along similar lines. In addition, the Cabinet agreed with the idea to establish the NACCC.
- 27/08/2003, The MOPH announced the set up of the NACCC as a multi-ministerial national secretariat for alcohol policy, directly reporting to the Cabinet.
- 19/09/2003, FDA announced new regulations on permitted advertising content and warning labels.
- 24/09/2003, the Youth Protection Act was enforced, disallowing youth alcohol buying, drinking, and the entering of specific drinking venues.
- 25/09/2003, The PRD, who oversee television and radio broadcasts, announced a regulation to ban advertising during 0500-2200 as well as on advertising content. This partial ban has been enforced since 1/10/2003.
- 13/11/2003, MOI withdrew its support of the 'Street of Drunken People Project'.
- 26/11/2003, MOPH announced additional warning messages for beverage labels.

2004

- 6/01/2004, The MOF abandoned the excise tax on imported, unprocessed alcohol, colloquially known as 'double charging', in order to promote the alcohol industry.
- 21/01/2004, The MOF reduced production-licensing fees for traditional distilled beverages from 4,000 to 1,000 Baht.
- 12/05/2004, OCPB announced regulations on content and warning messages for advertising in cinema and on billboards.

- 27/07/2004, the Cabinet agreed with the Healthy Family Day proposal of MOPH to promote Sunday as a day for healthy family activities, including refraining from alcohol.
- 1/09/2004, ThaiHealth and the Health System Research Institute established CAS as a national research and knowledge management centre for the reduction of alcohol consumption and harm.
- 19/10/2004, The Cabinet approved in principle the recommendation of the NACCC. This recommendation consisted of two parts. The first urged relevant agencies to strengthen the enforcement of adopted measures, particularly on advertising control. The second recommended exploring options to strengthen existing laws, including increasing outlet licensing fees, increasing taxes, declaring alcohol free areas, beginning educational and persuasive programs, and encouraging the engagement of civil society in public campaigning.
- 23/11/2004, The MOPH announced a ban on the selling of alcohol to minors and a limitation of selling times to within the periods from 11 AM to 2 PM and from 5 PM to 12 AM. This was done by reaffirming two adopted laws, the Youth Protection Bill B.E. 2546 (2003) and the Announcement of the Revolutionary Group No.253 (1972).
- 4/12/2004, the King expressed his concern with youth smoking and ease of access to cigarettes in his birthday statement.
- 14/12/2004, the Cabinet passed the MOF proposal to ban the selling of tobacco and alcohol to minors, and to reaffirm the Revolutionary Group Announcement 253 (1972) restricting selling times, and to ban the selling of alcohol in educational and religious institutions.
- 18/12/2004, the PM signed the declaration of a Healthy Thailand Policy by the year 2017. Alcohol and tobacco consumption reduction is one of its 17 targets.

2005

- 9/03/2005, Thaksin Shinawatra was appointed PM for a second term.
- 16/05/2005, The FDA revised warning messages for advertising.
- 28/05/2005, The PM addressed his intention to revise the alcohol excise tax system in his radio program, indicating his preference for a Specific rate system and suggested that *Ad valorem* taxes were the wrong way to control consumption.

- 6/09/2005, the Cabinet approved the MOF's proposal to increase excise tax rates on all distilled beverages, except for White and Blended spirits. This was the first ever tax adjustment declared solely for consumption control.
- 16/11/2005, The MOF announced additional qualifications and compulsory practices for retail selling licensees. These included the outlet location not to be *within or adjacent to* educational and religious institutions and petrol stations, shortened permitted time of sales to within the periods from 11 AM to 2 PM and from 5 PM to 12 AM, and a requirement to not to sell to minors.

2006

- 24/01/2006, the Cabinet agreed in principle with an NACCC proposal, proposed by the MOPH, to have comprehensive alcohol advertising control, or a so-called '*Total ban*'. The Cabinet urged the MOPH to explore the mechanisms and processes necessary to have a total ban.
- 7/02/2006, The PM stated his disagreement with the total advertising ban.
- 24/02/2006, the King approved the proposal of the PM to dissolve the Parliament.
- 28/02/2006, The MOPH announced a drinking and selling ban within the areas of its subordinate agencies, i.e. hospitals and health centres.
- 19/09/2006, A group of military officials mounted a bloodless coup.
- 19/09/2006, The MOPH cancelled the last round of public hearings on the FDA total advertising ban.
- 1/10/2006, The Interim Constitution B.E. 2549 (2006) was approved by the King, and General Surayuth Chulanont was appointed PM.
- 13/10/2006, Alcohol producers and related business sectors launched FACT.
- 17/10/2006, The MOPH proposed the draft ACC Bill to the Cabinet, who returned the Bill and requested MOPH to work closely with other ministries on the controversial MPA that is 25 years of age. On the 24/10/2006, the inter-ministerial committee, chaired by Deputy PM agreed to reduce the MPA in the Bill to 20 years of age.
- 17-18/10/2006, The FDA issued two announcements. The first was to declare alcohol a label-controlled product, which allowed the FDA to declare the second announcement, which was to comprehensively prohibit alcohol advertising. This total ban was expected to be enforced from the King's birthday, 5/12/2006.

- 20/11/2006, A group of alcohol companies made a submission, through the PM, to the CS, the government's legal consultant agency, questioning the legitimacy of the FDA's total ban regulations.
- 29/12/2006, The CS finally confirmed its preliminary decision, ruling that the FDA regulations were illegitimate because of their contradiction of the Food Act BE 2522 (1979).

Post 2006

- 13/03/2007, The Cabinet agreed to propose the draft ACC Bill to the NLA.
- 18/03/2007, The SDN submitted a statement to support the ACC Bill to the deputy PM. 12 million people nationwide supported this statement.

Appendix C: Case studies for alcohol policy agenda setting process

This section retrospectively analyses the agenda setting process for three selective case studies; tax system adjustment, advertising ban, and the development of the ACC Bill. The processes of these case studies are summarised in Table C-1.

Excise tax rate adjustments (2003-2005)

In early 2003, the Government increased tax rates for many beverage categories, but lowered tax rates for traditional fermented beverages and White spirit, which includes the newly legalised traditional distilled spirit. Thus the 2003 adjustment expanded the tax rate anomalies.

Problem structuring

TBPN immediately expressed their disappointment with the 2003 adjustment. Although their products are levied at the lowest rates, TBPN identified that the integration of industrial and traditional White spirits favours industry entrepreneurs, so they requested separate rates [Matichon Newspaper 24/01/2003].

ThaiBev experienced a mixed impact from the 2003 adjustment, but its biggest and exclusive advantage came from the lowering of the White spirits tax rate. Other operators were disappointed with the tax rate anomaly between White spirits and other beverages. Many identified this situation, whereby the government taxes the cheapest beverage at the lowest rate, as the cause of alcohol-related problems.

“The lowering of White spirits tax rate showed that the Government is sincere to the grass root people, to support them in their earning. But I still wonder why the Government is not serious about suppressing illegal production like this”
[Tanit Thammasukhati-Public Relations Manager, Sangsom Group (ThaiBev), Phoojadgarn Newspaper 22/01/2003]

Crucially, the PM clearly stated his disagreement with the existing tax system in his weekly radio program on 28/05/2005. He identified that the existing practice is wrong for consumption control.

“An expert from ‘Australia’ showed me that we use the Ad valorem rate which was already repealed in Western countries. They now tax alcohol by percent. The objective for alcohol taxation should be consumption reduction, to reduce health problems, while revenue should be only by-product...What he showed me is that our tax raises in the ten year period have failed to reduce consumption; but it promoted cheap beverage drinking instead. That’s why cheap drinks are popular among our youth...The MOF Permanent Secretary also agrees with me, wondering why our tax raises cannot reduce drinking but drive our drinkers toward more harmful cheap beverages.” [Thaksin Shinawatra- PM, 28/05/2005, (Shinawatra, 2005)]

Players in the health camp have continuously called for a raise in the tax rate, but have not specified a method. MOF administrator referred to the speech of the King in late 2004 [Krungthep Thurakit Newspaper 15/12/2004] and AFTA’s effect [Phoojadgarn Newspaper 4/03/2003] as rationales for further tax adjustment.

Problem stream

The perception of the PM on increasing consumption is very significant to the process. This is very different from previous tax rate adjustments, where economic conditions have been the driving concern. The communication channel used prior to this point is interesting. The first approach was not to the PM. The Australian expert/lobbyist had initially tried to influence technocrats and administrators in ED, FPO and MOF. Having limited information about lobbyist’s background, some see saw him as a representative of the Australian government [Post Today Newspaper 14/06/2005], while many define him as a nominee from an alcohol company, who would gain benefit if *Ad valorem* rate was abandoned [Siam Thurakit Newspaper 3/09/2005].

“Last year, a foreign alcohol company lobbied top executives and also many relevant agencies for the Specific rate system. They used an Australian expert. They lobbied ED first but failed, and then moved to others.” [An ED technocrat]

“An Australian lobbyist came here to tell us we are using a poor tax method. I am not sure this engagement relied on the connection of politicians or not. After us he then lobbied the ED, and then MOF.” [An FPO technocrat]

Apart from the Specific rate system, the PM and Finance Minister once proposed using tobacco and alcohol ‘sin tax’ revenue to mitigate the financial crisis of the Universal Coverage health insurance scheme [Krungthep Thurakit Newspaper 26/04/2005]. Other entrepreneurs still use their common practices for problem communication, such as the demonstration for TBPN and public media for health camp players.

Politic stream

The PM had an opportunity to chair the ThaiHealth Executive Board meeting in April 2005. In the meeting he announced his intention to raise alcohol tax rates [Post today Newspaper 22/04/2005], but he did not declare his preferred taxation method. Then in May 2005, the PM seemed to be the whistle blower for the tax adjustment process. Three days after his speech on the radio programme, he officially raised the alcohol taxation problem at a Cabinet meeting. The Cabinet then assigned the MOF to act on this issue.

During this period, the TBPN had shifted the strategy from protesting the arrest of illegal production to policy advocacy. Another approach to improve their negotiating capacity was to connect with domestic grape wine producers, many of who belong to the social elites. These elites at one stage decided to submit their request for tax reduction for wine and traditional fermented beverages to MOF and the PM [Than Sethakit Newspaper 4/09/2003].

Policy stream

The agenda setting adjustment for 2005 was clearly the effect of information sharing about policy. The lobbyist successfully convinced the PM that the Specific rate is the preferred system. The attention-grabbing evidence is that Thai consumption is still increasing after many tax rises. It is questionable whether the lobbyist provided comprehensive information and whether the PM fully understood the 2-for-1 tax system. As in his speech, he did not mention that the Specific rate is already part of the existing system.

Many alcohol companies had called for an exclusive Specific rate system before the PM took this issue up. Some identified *Ad valorem* as the cause of the fifth highest consumption ranking [Thairath Newspaper 12/02/2005]. Policy discourse and data used from some foreign operators and public media, in the agenda setting and later in formulation periods, is questionable for their linkage. ThaiBev opposed this effort, saying that Specific rate system will benefit only importers [Krungthep Thurakit Newspaper 26/04/2005]

“We should prevent the ‘trade down shift’. Those ex-luxury customers can drink more of the cheaper beverages, which are more harmful. Low price beverages do not help anyone, Government get lower tax, the company has a lower margin, and drinkers have more harm... The factor that triggers trading down is taxation... The Ad valorem favours low cost but high percentage products... ‘Australia’ shifted from this paradigm five years ago. Now, it has the best alcohol policy for health in the world. From a technical aspect, it is alcohol volume that creates problems, not the price” [An administrator of an international alcohol company]

Advertising regulation (2004-2006)

The agenda setting for a total advertising ban officially started when the NACCC tabled its report to Cabinet in late 2004. Cabinet then agreed that existing regulation was inadequate.

Problem structuring

Although 2003 advertising regulation was seen as a success, many players in the health camp continually publicised policy dialogue that the partial ban was not adequate and the alcohol industry had continuously breached and circumvented the regulation. Therefore, the necessity to extend the prohibition was identified. Some advocates further identified the advertising ban as ‘power supply cutting’ to the industry and as a way of changing social climate. However many public health officers do not see the benefit of doing so.

“I insist that the ad ban was the most important intervention for tobacco, and should be for alcohol. It is not about the ability to reduce consumption, but it shifts the way society thinks about alcohol. This social climate will be the most important success factor for other interventions.” [A public health expert]

“I prefer a balanced policy, not too strong. Don’t push the industry into corner, otherwise we may face uncertainty over what they will do... The alcohol industry is legal and advertising is their way to earn legal money.” [An FDA officer]

The alcohol industry and related sectors clearly opposed the comprehensive regulation. Many representatives insisted that their practice conforms well to the 2003 regulation, and that a partial ban is more than enough. Some entrepreneurs further called for a repeal of the partial ban [Than Setthakit Newspaper 18/01/2004], and the exemption of sponsorship to sport sectors [Khao-sod Newspaper 14/02/2005].

“Thailand is not a Muslim country, a total ban is too much. The overall advertising budget already dropped by 20% in the first half of 2004.” [An advertising agency administrator, Krungthep Thurakit Newspaper 5/08/2004]

The perception on advertising control in other sectors, including among executive officers, seems to be very different.

Problem stream

In that period, much information has been publicised confirming the inadequacy of the 2003 partial ban including the high exposure to alcohol advertising, advertising of surrogate products, ‘hidden promotion’, the shifting toward below-the-line promotion and direct violations. An advocate revealed that alcohol promotion was still broadcasted on free television up to 167 times daily [Khao-sod Newspaper 30/01/2006]. A survey found that Bangkok residents reported 5.9 times daily exposure to alcohol advertising [Bangkok Today Newspaper 1/10/2005]. On the other hand, media also reported on negative consequences of the 2003 regulation such as budget reductions for the advertising-related sectors and sport sector [Khao-sod Newspaper 14/02/2005]. Apart from public media, these situations had been communicated in public sectors, including the NACCC.

Politic stream

The Anti-listing movement is one of the most important, but implicit, events in this agenda setting process. It offered the opportunity for protesting groups to discuss with policy makers the possibility of strengthening alcohol advertising regulation, and was also the entry point for the demonstration leader to become involved with policy formulation later [Matichon Newspaper 28/01/20006].

“We also expected the by-product of the movement as well, we can move on the advertising ban easier. We thought about throwing the total ad ban into negotiation with the government as well.” [A key person in anti-listing movement]

NACCC provided the main platform for strengthening the 2003 regulation [Krungthep Thurakit Newspaper 8/09/2005]. Following the NACCC report, Cabinet warned the alcohol industry to improve its practice and defined the violations of the ban as irresponsible practise [Post Today Newspaper 10/10/2004]. The total advertising ban was officially discussed in a 2005 NACCC meeting (The National Alcohol Consumption Control Committee, 2005). In a 2006 meeting, the NACCC agreed to explore the feasibility of the total ban process (The National Alcohol Consumption

Control Committee, 2006a). Later on, the Health Minister tabled the NACCC alcohol advertising regulation strategy to the Cabinet on 24/01/2006.

Policy stream

The total advertising ban is an additional step for the 2003 regulation. The key focus of policy makers, however, is deciding on the appropriateness of regulation strengthening or whether the partial ban is enough.

Opinions both for and against the total ban are heavily publicised. The opposing discourse includes arguments to increase enforcement of the existing regulation, such as punishment of violators, rather than extending the regulation [Loke Wannee Newspaper 4/10/2005]. There was also self-warning messages to strictly conform to the rule in order to avoid the total ban among the alcohol industry and related businesses [Than Sethakit Newspaper 21/03/2005].

“We hope that government will not extend the regulation. We have witnessed that the partial ad ban does not reduce the death toll.” [Witawat Chaipranee- Vice Chair of Advertising Association, Than Sethakit Newspaper 18/01/2004]

On the other hand, health camp players used supporting evidence from research findings and public surveys. CAS published a paper ‘Why we must have the total ban’ to explain the effects of alcohol promotion and the effectiveness and international experiences of advertising bans (Sornphaisarn, 2006b). A survey in 2005 found that 63.8% of people agreed with the advertising ban, and 61.2% believed that alcohol promotion affects youth drinking [Bangkok Today Newspaper 1/10/2005]. The total ban effort then was supported by many relevant sectors, including politicians, NGOs and health professionals.

“The situation on youth consumption is worrying . The Government should seriously think about this...Limiting advertising time is not sufficient as our youth are still exposed to hidden promotions...I would like to request a total ban on alcohol promotion as we did with tobacco” [Wallop Tangkananurak-Senator, Loke Wannee Newspaper 4/10/2005]

“I agree with the total ban idea, and we should have strong punishment for those who violate the regulation” [Pini Jarusombat-Health Minister, 16/01/2006, (The National Alcohol Consumption Control Committee, 2006a)]

The Development of Alcohol Consumption Control Bill (2004-2006)

The agenda setting process to have a new comprehensive legislative tool aimed at reduce alcohol-related problems began quietly in 2004 in the NACCC.

Problem structuring

The weakness of alcohol-related laws has been broadly accepted and frequently referred to by many stakeholders. The undesirable policy settings, such as fragmentation, outdated and overlapping laws, have been discussed since the 2004 meeting of NACCC’s Legal Sub-Committee (The National Alcohol Consumption Control Committee, 2004c). The lack of a comprehensive legal tool to primarily control alcohol-related problems has been addressed.

“Why do we need a new law? We have many alcohol-related laws already. But the existing laws are not strong and are scattered. For example, the announcement of the Revolution Group prohibiting alcohol sales in certain periods was practically neglected. This is not well recognised, police did not charge the violators. Or the Youth Protection Act that bans selling alcohol to minors has not been enforced. That’s why we need a timely update and re-organization of the laws.” [A Medical Law expert]

“At the moment, MOPH has a lack of ‘tools’ to control alcohol; this means that we don’t have a specific law for problem prevention.” [Dr. Mongkol Na Songkhla-Health Minister in the second National Alcohol Conference, 14/12/2006]

Problem stream

Players in the health camp, including the NACCC, MOPH, ThaiHealth and CAS, were key players in the communication about the necessity of the new law development. However, this was a particularly quiet process. After discussion in its meeting, NACCC agreed to contract a group of legal experts to review existing alcohol-related laws (The National Alcohol Consumption Control Committee, 2004b). Later, CAS publicised the policy brief leaflet ‘The Rationales, Principles and Strategy for Alcohol Consumption Control and Problem Reduction’ calling for the new alcohol bill in 2006.

Implementers also voiced opinions on the weakness of existing laws, and called for revisions. Dr. Narong Sahamethaphat, the Deputy DDC Director, explained that the reason MOPH readopted the 1972 Announcement of the Revolutionary Group was because there was no modern law with the intention of reducing alcohol accessibility [Phoojadgarn Newspaper 23/11/2004]. A police officer explained the legal limitations suppressing the selling of alcohol in educational institutions after the King voiced his concern in December 2004 [Khao-sod Newspaper 15/12/2004].

At this stage, the alcohol industry had not expressed their position on the new law development, perhaps because not much of the content had been revealed. However, some did not see the benefit of having the new law, claiming that existing laws are adequate if enforcement was strengthened [Phoojadgarn Newspaper 21/09/2004].

Politic stream

The agenda setting for the ACC Bill was fairly done in a closed circle of the NACCC, and MOPH and like-minded players were likely to dominate the process. The NACCC may prefer to work in a closed circle rather than openly. The NACCC assigned a group of legal experts to draft the new Bill in 2005 (The National Alcohol Consumption Control Committee, 2005).

“We together with the MOPH worked quietly for over a year, but Pinij (Health Minister-appointed in late 2005) did not understand, he wants his credit declaring

that he welcomes the alcohol industry to join the process, this is to show his democratic thinking.” [An anti-alcohol NGO leader]

Policy stream

The Tobacco Control Act is the role model and rationale for having a comprehensive law for alcohol-related harm prevention (Sornphaisarn & Kaewmongkul, 2007). The principle of the ACC Bill development is to have a comprehensive law for problem reduction purposes, balancing reduction among various strategies; prevention of new drinkers, overall consumption control and harm minimisation interventions. To achieve its goal, the draft Bill consists of interventions aimed to control supply, demand and impacts (Sornphaisarn, n.d.). However, some legal experts still preferred the integration and amendment of existing laws rather than to enact a whole new Bill.

“Following the tobacco strategy provides more benefit than harm so far. Although they are different, I cannot see any major negative effect.” [An alcohol policy expert]

“From the Cabinet Resolution in 1991, those public agencies who want to enact a new law have to declare a sound reason, or convince the CS, that the existing laws are incapable and inappropriate for the law intention.” [A MOPH lawyer]

The process and failure of the FDA total ban Announcement had a significant spillover effect on the ACC Bill development process.

Table C-1: Summary of the agenda setting process of three case studies

		Tax adjustment	Advertising control	ACC Bill
Time period		2003-2005	2004-2006	2004-2006
Main policy entrepreneurs		PM, lobbyist, traditional producers	NACCC, Cabinet	NACCC, MOPH
Problem structuring	Pro-health	Prefer higher tax rate by any tax method	Inadequacy of partial ban	The weakness of existing laws
	Industry	Split positions, importers prefer Specific rate method	prefer existing situation and/or to weaken the partial ban	Do not see necessity of new law
	Executives	See existing system as wrong setting	identify the weakness in enforcement and the room for regulation extension, different stances on total advertising ban	
3 Streams	Problem	Address through direct lobbying	High exposure to advertising and violation through media	Communication in relatively closed circle
	Politic	The strong leadership of the PM	Cabinet position and anti-listing protest	Using NACCC mechanism
	Policy	Experience from other countries	Worthiness of regulation extension	Experience from Tobacco Control Act

Appendix D: Case studies for alcohol policy formulation

Taxation rate adjustments, with particular focus on 2005 adjustment

In Thailand, alcohol taxation has been a multi-objective intervention for over two centuries. The rationale of alcohol taxation in the Liquor Act B.E. 2311 (1768) and the Internal Tax Act B.E. 2467 (1924) was to generate revenue, decrease financial deficit from importation, for cultural and religious reasons, and to prohibit unauthorised distillation which is seen as harmful to health [(Thintharachai, 1998) cited in (Tonvigid, 2002)], but not to reduce overall consumption. In the modern era, the Liquor Act B.E. 2493 (1950) is viewed as having both revenue generation and social equity values. From an equity aspect, alcohol taxation is designed as ‘Sumptuary Excise’, seeking to discourage excess consumption, as it would demolish health and ethical values. (Tonvigid, 2002)

1997-2003 Adjustments

Economic conditions and related legal situations, such as economic crisis, national budget deficit, production liberalisation and traditional beverage legalisation, were significant to the agenda setting process for the 1997-2003 tax rate adjustments. Consequently, these conditions continued to be the main rationales in the formulation process. Policy direction given by Executive officers and their personal preferences seem to be key factors in the formulation process. Furthermore alcohol entrepreneurs seem to be influential for tax rate adjustments in the concession period.

“Rate adjustment is normally a responsive reaction when we cannot achieve revenue target. The budget is already planned so the tax rate adjustment is not a long-term plan...The executives commonly order technocrats to study the options, scenarios and likely impact. And each scenario is just strictly about money, not social impact.” [An ED technocrat]

“Alcohol tax rate adjustment is not the ‘bottom up’ approach. Firstly, there must be strong policy direction from executives ...It is the executives who sparked the process, and it is them, the ministers, who finally enact the adjustment... (They) may be close to those influential industry people...Some seemed to have their expected answer already, before the study process has started.” [An ED officer]

During 1997-2005, many attempts had failed to materialise. These were efforts to remove tax rate anomalies between categories, to set differentiated rates by degree band for distilled spirits, to specifically reduce tax rates for traditional fermented beverages, to change from 2-for-1 to the combination ‘add-up’ system, and to change *Ad valorem* tax base from ex-factory to retail price. This is although some concepts were agreed by influential persons, such as the ED Director’s support for the decrease in fermented beverage tax rate [Phoojadkarn Newspaper 11/08/2003]. Many of these situations can be considered as failure of policy strengthening from a public health perspective. The proposal of MOF to level tax rates for all distilled beverages in the post-concession period was strongly opposed by MOI, who claimed that the five-fold increase in the White spirits tax rate would trigger illegal beverages consumption. [Wattachak Newspaper 30/03/1998]

“This idea (of an add-up system) is contrary to many existing laws. It would take a long time to amend these laws. We better stick with the existing method.” [Thanong Pithaya- Finance Minister, Khao-sod Newspaper 2/09/2005]

2005 Adjustment

The agenda setting process of the 2005 tax rate adjustment has many unusual characteristics. Firstly the PM expressed his intention to change the taxation method, not only the rate. Secondly, his declared rationale is clearly to control consumption. After the PM declared his intention on 28/05/2005, the Deputy Minister of Finance quickly organised a discussion with ED administrators. [Khao-sod Newspaper 30/05/2005] He proposed that alcohol entrepreneurs be invited to give their opinion on taxation structure. [Thairath Newspaper 3/06/2005]

The Minister further assigned the ED and Office of Fiscal Policy (OFP) to conduct the study. At that time, delays to the process seen as policy proposals were submitted and kicked back repeatedly. Conceptual conflict among MOF agencies and key people were blamed for the delay [Prachachat Thurakit Newspaper 22/08/2005]. The Deputy Minister also ordered technocrats to explore the possibility of using the Standard Ex-factory price as the tax base, and tax rates in neighbouring countries [Than Setthakit Newspaper 28/08/2005].

“The ED and OFP both conducted their own studies. But these were done separately. We hardly ever talked deeply to each other, and finally we came up with two competing proposals.” [An OFP technocrat]

It took three months before the Minister of Finance decided to submit the three-option proposal to the Cabinet. One option was to change the Specific rate system; the other two stayed with the 2-for-1 system [Siam Thurakit Newspaper 3/09/2005]. On 6/09/2005, Cabinet decided to keep the 2-for-1 system with tax rate rises for only two beverage categories; Special western-style spirits and Special blended spirits, as shown in Table D-1. The tax rates for cheap White and Blended spirits were left untouched.

Table D-1: Tax rates before and after 2005 adjustment

Category		Method	Ceiling rate	Actual rate		% change
				Before	After	
Fermented	Beer	<i>Ad Valorem</i>	60	55	55	0
		Specific	100	100	100	0
	Wine	<i>Ad Valorem</i>	60	60	60	0
		Specific	100	100	100	0
	Traditional	<i>Ad Valorem</i>	60	25	25	0
		Specific	100	70	70	0
	Other	<i>Ad Valorem</i>	60	25	25	0
		Specific	100	70	70	0
Distilled	White	<i>Ad Valorem</i>	50	25	25	0
		Specific	400	70	70	0
	Blended	<i>Ad Valorem</i>	50	50	50	0
		Specific	400	240	240	0
	Special Blended	<i>Ad Valorem</i>	50	50	50	0
		Specific	400	240	400	+67
	Special-Brandy	<i>Ad Valorem</i>	50	35	40	+14
		Specific	400	240	400	+67
	Special-Whisky & other	<i>Ad Valorem</i>	50	50	50	0
		Specific	400	240	400	+67

In terms of beverage volume, these two affected categories shared only 11.44 % of total volume in 2005. [Note: calculated on data from (Sornphaisarn et al., 2006)]. From the point of view of the entrepreneurs, the most affected sectors are the importers and foreign companies, who initiated the process. Many stakeholders in both camps immediately expressed their disappointment with the decision. Furthermore, the 2005 adjustment process has been possibly the longest tax rate formulation, allowing beverage importers to stockpile and evade higher rates [Prachachat Thurakit Newspaper 8/09/2005].

“I don’t think much of this adjustment benefit, it is just a smoke screen played to lure people that Government is serious about alcohol problems. The biggest sectors, beer and White spirits are not affected at all. If the government is sincere as they claim, they should raise all categories.” [Bundit Sornphaisarn-CAS Director, Prachachat Thurakit Newspaper 8/09/2005]

Although the Specific rate system advocacy failed, the 2005 adjustment process created public awareness about taxation methods, rather than just the taxation rate as usual.

“The process last year (2005 adjustment process) made people start talking about how to.” [An ED technocrat]

“Many tax payers currently try to under report the price. At first, I disagreed with foreign lobbyists about using only Specific rate, but now I am starting to agree with this system, to avoid arguing on declared price”. [Sanit Rangnoi-ED Director, (Samitsarn Journal, 2006)]

I. Personal factors of Policy makers

The 2005 adjustment shows that the final decision is not in line with the declared intention of the PM. The PM clearly stated that revenue is not the main objective for alcohol taxation, but consumption control to reduce health problems (Shinawatra, 2005). Later an unnamed source from Boonrawd Brewery claimed the PM has given the policy directive that *‘Tax system should...consider domestic industry protection as well’*

[Matichon Newspaper 8/07/2005]. This second position, if true, shows the position changeability of the PM.

During the 2005 formulation period, the attempt to use the Specific rate system, which would benefit foreign entrepreneurs, was forecast to face strong resistance. A columnist explained that support from domestic industry is important for attaining political power [Kom-chad-luek Newspaper 11/06/2005]. The first Minister of Finance in that period, Somkid Jatusripithak, was criticised for avoiding problems by quickly transferring responsibility to the MOF PS to please the PM [Post Today Newspaper 14/06/2005] but did not make any decision later [Post Today Newspaper 26/07/2005]. He was replaced by Thanong Pithaya who clearly prioritised the revenue maximisation value [Khao-sod Newspaper 2/09/2005].

Another key person was Warathep Ratanakorn, the Deputy Finance Minister under both Ministers. In that period, he oversaw the ED and seemed to prefer keeping the 2-for-1 system [Post Today Newspaper 14/06/2005]. This is probably because the ED is familiar with the 2-for-1 system and sees it as an appropriate approach for multi-purpose intervention. Utid Thammawatin, the ED Director, once declared that he would not propose the solely Specific rate system [Phoojadkarn Newspaper 5/08/2005].

“Although both agencies agreed on keeping the existing system, ED preferred to the raise tax rate only on luxury beverages, but we wanted to increase White spirits and beer rates as well. One implicit reason is that ED used to focus on luxury commodities, not only alcohol. So they defined their mandate as to prevent luxury spending. And that is why they are reluctant to attack White spirits and other cheap beverages, including traditional ones.” [An OFP technocrat]

II. Issues and Optional factors

1997-2003 adjustments

Prior to 2005, tax rate adjustments relied on many principles, rationales and conducted through many mechanisms. In 1996, the whisky tax rate increase proposal was

integrated into the National Economic Recovery and Support Plan during the economic crisis. The Deputy PM stated that the primary intention of the rate increase is to cut down luxurious expenditure [Khao-sod Newspaper 10/09/1996].

The 1997 adjustment was included in the People Saving Accelerating Plan, endorsed by economic-sector Ministers. One of four strategies in this Plan is to increase tax for 'goods that can be produced by domestic entrepreneurs' [Than Setthakit Newspaper 22/08/1997]. The declared rationale to increase tax rates for western-style beverages is to decrease financial deficit and cut non-essential spending [Prachachat Thurakit Newspaper 11/08/1997].

The production liberalisation was a most important condition for the 2000 rate adjustment. The declared rationale of tax increases is to level domestic ex-concession spirits tax rates (Blended and Special blended categories) for European-style Special spirits [Prachachat Thurakit Newspaper 10/02/2000]. However, this tax rate standardisation did not include White spirits. Prior to the adjustment, the Minister of Finance declared that White spirits consumers and the capacity to suppress illegal spirits should be taken into account in tax rate adjustments (Ruenklin, 1999).

The 2001 rate rise affected most beverage categories, excluding White spirits. The Finance Minister declared three rationales for this decision; increased revenue, and reduction of consumption and importation. A revenue increase of seven billion Baht is expected to result from this decision [Prachachat Thurakit Newspaper 19/04/2001].

The 2003 adjustment differs from other changes in the period, as it set up new beverage categories, and most importantly it significantly reduced tax rates for White spirits. The Deputy Finance Minister declared that the decision is based on the fair treatment principle, setting standard 'fair' rates for both grass roots and industrial producers [Phoojadkarn Newspaper 22/01/2003]. However, the Deputy ED Director also expected to gain 30% additional revenue from this adjustment [Krungthep Thurakit Newspaper 24/01/2003].

2005 Adjustment

The three principles for the 2005 adjustments, as declared by the ED administrator, are health protection, fairness, and not to undermine domestic industry [Siamrath Newspaper 25/07/2005]. Although claimed as the primary purpose from the very beginning, the final decision is arguably inconsistent with the consumption control value, creating minimal impact to the overall alcohol market. Protecting domestic industry was frequently referred to by policy makers and perhaps more relevant to the final decision, explaining the unchanged rates for popular beverages. However, revenue generation was still a priority area, particularly to Thanong Pithaya, Finance Minister who said, *“The government will select the option that can maximise revenue”* [Khao-sod Newspaper 2/09/2005].

“The ED will not propose only the Specific tax system option...The claim that foreign beverages are better quality is untrue. From laboratory tests, domestic products pass the international standard. In the last ten years, the growth of imported beverages at the expense of the domestic market share has cost us a trillion baht.” [Utidi Thamawathin-ED Director, Phoojadkarn Newspaper 5/08/2005]

“The reason why ED did not propose to raise tax rates for White and Blended spirit is because both of them are local beverages. Increase in their tax rate would affect poor people and over 6,000 traditional beverage producers. We did not calculate how much our revenue would change because the major purpose for the decision is for consumption control” [Utidi Thamawathin-ED Director, Prachachat Thurakit Newspaper 8/09/2005]

With regard to taxation method, the position to keep 2-for-1 system became clearer in later stages, although it was the PM's original intention. An unnamed source in the ED stated that the Deputy Finance Minister gave his preference to keep existing the method in order to block the invasion of foreign beverages and curb domestic entrepreneurs [Than Setthakit Newspaper 28/08/2005].

Although taking a long period, incrementalism decision-making can be easily seen in the 2005 adjustment. Changing from the 2-for-1 to the solely Specific rate system seems to have been too big a leap, as well as the effort to change the tax base from ex-factory to retail price in order to mitigate the implementation loophole.

“I think that the Minister was forced to use the ED proposal. He agreed with our idea to raise the White spirits rate and use retail prices, instead of ex-factory. But his concern is that it is a big change and needs more thorough study.” [An OFP technocrat]

III. Stakeholders and their interrelations

Stakeholder preferences on taxation policy are vastly different, including among alcohol operators who would naturally prefer low tax rates. Some companies had called for tax rate increases, perhaps driven by the effect of existing tax rate anomalies. According to Specific rate advocacy, there were two explicit confrontations among alcohol giants, between domestic producers; ThaiBev and Boonrawd, and between importer giants; Riche Monde and Pernod Ricard [Matichon Newspaper 22/07/2005]. Boonrawd and Riche Monde would gain relative benefit if the Specific rate system were enforced, while ThaiBev would be the big loser. This conceptual difference was perhaps due to current conditions of competition rather than their long-term preferences.

“Taxation is an untouchable issue. We tried to avoid discussing tax with our supporters.” [A former SAO staff member]

This intra-sectoral conflict was well recognised by other stakeholders. The ED was often criticised by alcohol companies for favouring some entrepreneurs. Both the ED and accused entrepreneurs denied this dodgy relationship and support.

“It is not surprising that some companies accused us of serving another group. We have to understand the interest and effect of our decision to each company.” [An ED administrator]

“It is unlikely that the alcohol industry wants to condemn ED directly, it is just a fight among them with reference to the Department.”[A MOF administrator]

Opinions on an appropriate tax system are divided among academics. The CAS obviously defended the existing 2-for-1 system, but called for tax rate increases instead. In contrast Niphon Poapongsakorn, a well-known economic researcher from a well-respected institute, Thailand Development Research Institute, declared his support for the Specific rate system. He conducted a study in 2004, before the PM made his speech. ThaiHealth indirectly funded this study. In its report, however, this study does not recommend using the Specific rate. It just states *“Before deciding on the taxation method, whether it should be Specific or Ad valorem, further study is needed to clarify which method is better to reduce social burden.”* (Poapongsakorn, Leelahanon, Suksiriserekul et al., 2005, page xvii) Interestingly, his statements in the public media took a different position, and were frequently referred to both pre- and post- 2005 adjustment. (In April 2005, CAS funded Poapongsakorn for another study that finished in 2006 and roughly prefers Specific rate system)

“We should simultaneously raise tax rates for all beverages with out exceptions, and use the progressive Specific rate. But the new tax rate should not be so high as to trigger illegal beverage trade” [Niphon Poapongsakorn-researcher, Siam Thurakit Newspaper 6/04/2005]

“We can see countries that employ Specific tax rate system have successfully controlled alcohol consumption and reduced its consequences.” [Niphon Poapongsakorn-researcher, Matichon Newspaper 22/06/2005]

IV. Mechanisms of influence

1997-2003 Adjustments

Players in the health camp mainly used more simple approaches to advocate for general tax raises, such as through mass media and technical forums. In contrast, the alcohol industry applied various mechanisms to manipulate the formulation process. Prior to the

2005 adjustment, their approaches can be categorised into four types; direct lobby and negotiation, pay-offs, creating pressure, and through public-private committee.

1. Direct lobby and negotiation

Direct lobby has been the most common approach from the alcohol industry. The relationship of alcohol entrepreneurs to the MOF agencies, particular as tax collectors and concessionaires in the pre-liberalised period, is essential. In many cases, lobbies were not conducted by entrepreneurs themselves, but by their nominees or brokers.

In 1997, there was a report of a lobby by the UK Commercial Ambassador to the ED to discourage the whisky tax rate rise [Than Setthakit Newspaper 10/03/1997] and to delay the decision if it is unavoidable so that the importers can have enough preparation time to report back to Head office in the UK and to stockpile [Than Setthakit Newspaper 27/04/1997]. As a result, the 1997 adjustment was another time-consuming process, taking almost a year before Cabinet raised beer and whisky tax rates.

Apart from liberalisation, the negotiation between a domestic giant and public sectors is believed to have had an important influence on the 2000 adjustment. An unnamed MOI public officer revealed that ThaiBev successfully negotiated with the ad hoc Alcohol Administration in the Post Concession Period Committee to tax white spirits at a much lower rate than other distilled beverages. The source said that ThaiBev negotiated the idea of having this low tax rate plus the delay of the production licensing criteria announcement (to block new operators) in return for their pledge to continue brewing to maintain state revenue [Than Setthakit Newspaper 24/02/2000]. The significant context for this negotiation was ThaiBev's stockpiling of huge amounts of beverage already charged at the lower tax rate [Prachachat Thurakit Newspaper 3/09/1998], so that they needed no new production for a while. A freeze on production was not healthy for the government budget. The Committee was chaired by Supachai Pisitwanich, the MOF PS, who was reported to have been recruited as a consultant to ThaiBev after his retirement that year [Phoojadkarn Newspaper 10/10/2000].

The 2001 tax rate rise, which again exempted White spirits, was analysed as benefiting ThaiBev. Two weeks before the announcement, Chareon himself came to meet the

Finance Minister and sent his nominee to meet with MOF key persons almost everyday stressing his support for the MOF's Nationalism Project [Prachachat Newspaper 19/04/2001].

Lowering the White spirits tax rate in the 2003 adjustment was claimed to be a result of ThaiBev's successful lobby to merge traditional distilled beverages into the White spirits category [Dokbeer Thurakit Newspaper 9/12/2002], instead of setting it as a new separate category as traditional fermented beverage.

2. Paying off

Many believe that taxation policy formulation has been influenced by industry pay-offs to public officers, politicians and bureaucrats, which can take many forms; both in dedicated and uncommitted support. But they all share the common characteristic of being difficult to verify.

The financial support from Chareon and ThaiBev was believed to have been involved with the tax rate adjustments, price adjustment for concession beverages, the renewal of production concession, and the replacement of key public officers in 1980s (Jaiyen, 2003; Limthongkun, 2005) [Nation Newspaper 23/07/2001].

During the 1996-2005, there was no such evidence of dedicated payment for taxation adjustments. However, uncommitted support from the industry to the public sectors and politicians seems to be well recognised. Other influencing mechanisms include recruiting retired officers to work with alcohol entrepreneurs, both directly and indirectly.

"If the media ask each ED officer whether they receive support from the alcohol industry or not, they will deny it. But if you ask me if there is anyone who gets alcohol industry money, the answer is yes." [A former ED administrator]

3. Creating pressure

Both traditional and industrial entrepreneurs create pressure for tax rate adjustments, in the form of advocating for favourable taxation settings as well as for pressure on particular officers.

The TBPN often organised events, such as exhibitions, technical forums, and most commonly street protests, calling for tax rate reductions and separate tax rates for their products. Limited access to policy makers and financial support are push factors for these movements. However, the TBPN also organised a direct attack on the ED Director. They labelled the 2003 adjustment as ‘Corruption by policy’, for charging White spirits and traditional distilled beverages at the same rate [Krungthep Thurakit Newspaper 24/01/2003].

In contrast with the TBPN, the efforts of the industry to remove some undesirable officers are usually conducted behind-the-scenes. Apart from an effort to remove Industry PS in 1982, there was a report in 1997 that the alcohol industry was trying to force Jatumongkol Sonakul out of his Finance PS post [Than Wikrau Newspaper 29/06/1997]. He was replaced one month later. Jatumonkol, well known for his headstrong character, once announced his willingness to liberalise and apply standardised tax rates to all distilled beverages [Prachachat Thurakit Newspaper 23/07/1996] and to diminish alcohol market domination [Than Wikrau Newspaper (faded publishing date)/03/1997].

“I heard that when the PS Jatumongkol Sonakul had the idea of raising alcohol taxes, the alcohol industry used their money to force him out. But this push was from internal people as well, because Jatumongkol was young and he would have held that post for a long time.” [An ED technocrat]

4. Working through committees

The ad hoc joint committee on traditional beverage legalisation was another channel for TBPN to use to call for a preferred tax rate [Phoojadkarn Newspaper 17/07/2002]. Later

the 2003 tax adjustment set up a new category for traditional fermented beverage, taxing it at the lowest rate.

2005 Adjustment

Stakeholders influenced the 2005 taxation rate adjustment by combining conventional approaches used in previous adjustments with innovative strategies including using technical studies in policy advocacy, proposing policy recommendations, and advocating through the media.

Conventional approaches

The actions of alcohol entrepreneurs over the 2005 adjustment show their competitiveness in the policy sphere. An unnamed source from Boonrawd revealed that Boonrawd CEO, Santi Phiomphakdee, asked about the progress of the proposal development, and appealed directly for the Specific rate system to the ED Director himself [Matichon Newspaper 8/07/2005]. This is after the Finance Minister signalled the intention to keep the 2-for-1 system; an unfavourable option for Boonrawd.

Siam Thurakit Newspaper clearly supported the Specific rate system and claimed that efforts to delay the process served a domestic company. It reported that Chareon has moved behind-the-scenes, making a huge donation to the 72nd anniversary of the PM's former school, which allowed Chareon to sit beside the PM in that event, and agreeing to buy non-profitable assets in the troublesome southern provinces to please the government [Siam Thurakit Newspaper 3/09/2005]. Thairath Newspaper, the best-selling national daily newspaper, published a series of first page scoops to support the Specific tax system. One of the articles warned the ED that the claim on the effect to traditional brewers to keep the White spirits rate low were unjustified as over 92% of White spirits came from only one company [Thairath Newspaper 5/08/2005].

Meanwhile, Chareon's son, Thapana Siriwanaphakdee stated that any tax rate adjustment should carefully consider the negative impacts for domestic producers [Matichon Newspaper 22/07/2005]. The classic dialogue on the effect of a tax rate rise on poor consumers and illegal beverages was frequently used. An unnamed importer

said that the abolition of the 2-for-1 system would mean that the government would be supporting foreign companies at the expense of domestic entrepreneurs [Matichon Newspaper 30/05/2005]

“If White spirits tax rate is raised, its consumers who are poor rural people will shift to illegal beverages. And that would be a bigger problem for government.” [A consultant to a domestic alcohol company]

The CAS organised a press conference to advocate for a tax rise, White spirits in particular, and to reserve the 2-for-1 system. Dr. Bundit Sornphaisarn, the CAS Director, claimed *“the speech of the PM reflects the promising policy direction to raise health concerns as the primary purpose for alcohol taxation”* [Thaipost Newspaper 5/07/2005].

Innovative approaches

A. Use of technical knowledge

Technical knowledge had been the unusual tool used for the 2005 adjustment like never before. The process started from the lobby on technical issue. Particular studies were repeatedly used to support the Specific rate system in the media. The repetition of content and terminology from these studies suggests that the alcohol industry was feeding evidence to the media. Studies by Niphon Poapongsakorn and the IWSR were simultaneously and continuously used by many newspapers [e.g. Siam Thurakit 6/04/2005 and 4/06/2005, Krungthep Thurakit 6/06/2005, Matichon 22/06/2005, Thairath 27/06/2005 and 11/07/2005], and many articles included opinions of key people from Boonrawd, Riche Monde, and REACT. All led to one solution; the Specific rate system.

Some repeatedly quoted messages from Poaphonsakorn and IWSR studies, such as *“previous tax rate increases are unable to control consumption”* fitting well with the Australian lobbyist’s message to the PM on May 2005. After the MOF signalled the policy likelihood to keep the 2-for-1 system many headlines and main messages in the public media took the same line, for example *“Taxation: benefit to society or*

capitalist” [Siam Thurakit Newspaper 10/08/2005], “*Alcohol taxation to serve whom?*” [Thairath Newspaper 5/08/2005], “*Government helps capitalists*” [Thaipost Newspaper 16/09/2005 and Siam Thurakit Newspaper 3/09/2005].

B. Proposing policy recommendation

Alcohol entrepreneurs, who would gain benefit from the solely Specific rate system, used an unusual advocacy tactic by recommending policy alternatives that would harm their own business, but that were even more harmful to their opponents. The Riche Monde administration claimed that the government would enjoy a 37% increase in revenue from a 4% lower drinker prevalence if the Specific rate system was enforced [Than Setthakit Newspaper 21/07/2005]. Later, Boonrawd CEO suggested the government would use the Specific rate system to increase the rate seven-fold [Siam Thurakit Newspaper 3/09/2005].

C. Using public media

Boonrawd bought exclusive Newspaper space to call for a solely Specific system; the title read, “*Increase by-percentage tax rate for better society and better health*” [Than Setthakit Newspaper 21/08/2005]. This tactic was used again in 2006.

“This is just a marketing technique, to blame the other side. This has impact on society, of course. Those buyers do not target readers, but the government, identifying the unfairness or pitfalls of the system.” [A newspaper editor]

It is likely that the alcohol industry had strong influence with some media, and could manipulate media content. Siam Thurakit and Thairath newspapers seemed to be siding with people calling for the Specific rate. The Siam Thurakit Newspaper also organised the Conference “Gainer and loser from the alcohol tax system” after the government decided to keep the 2-for-1 system, and not to raise the White spirits tax rate. This conference consisted of speakers from Boonrawd and Riche Monde, who strongly criticised the Government decision [Post today Newspaper 16/09/2005]. Thairath Newspaper used the front page to call for the Specific rate system with strong headlines, as discussed in chapter 10. Later in the ACC Bill formulation process, Thairath

Newspaper also publicised messages against the advertising ban [14/07/2007) and called for the Specific rate (12/07/2007) by using Boonrawd and Riche Monde as their news source.

“One case study is when Thairath published industry-linked content. It is clear that alcohol companies influence this. We have to contact the editor and columnist and state the truth; try to convince them by feeding them our content, and linking them to our source. Finally we won a first page scoop.” [A ThaiHealth staff member]

“There are two opposing sectors on every issue. There are media that are close to us, and some who are on their side. If you want the real data about the weakness of WHO data, read it from Thairath.” [A consultant to a domestic alcohol company]

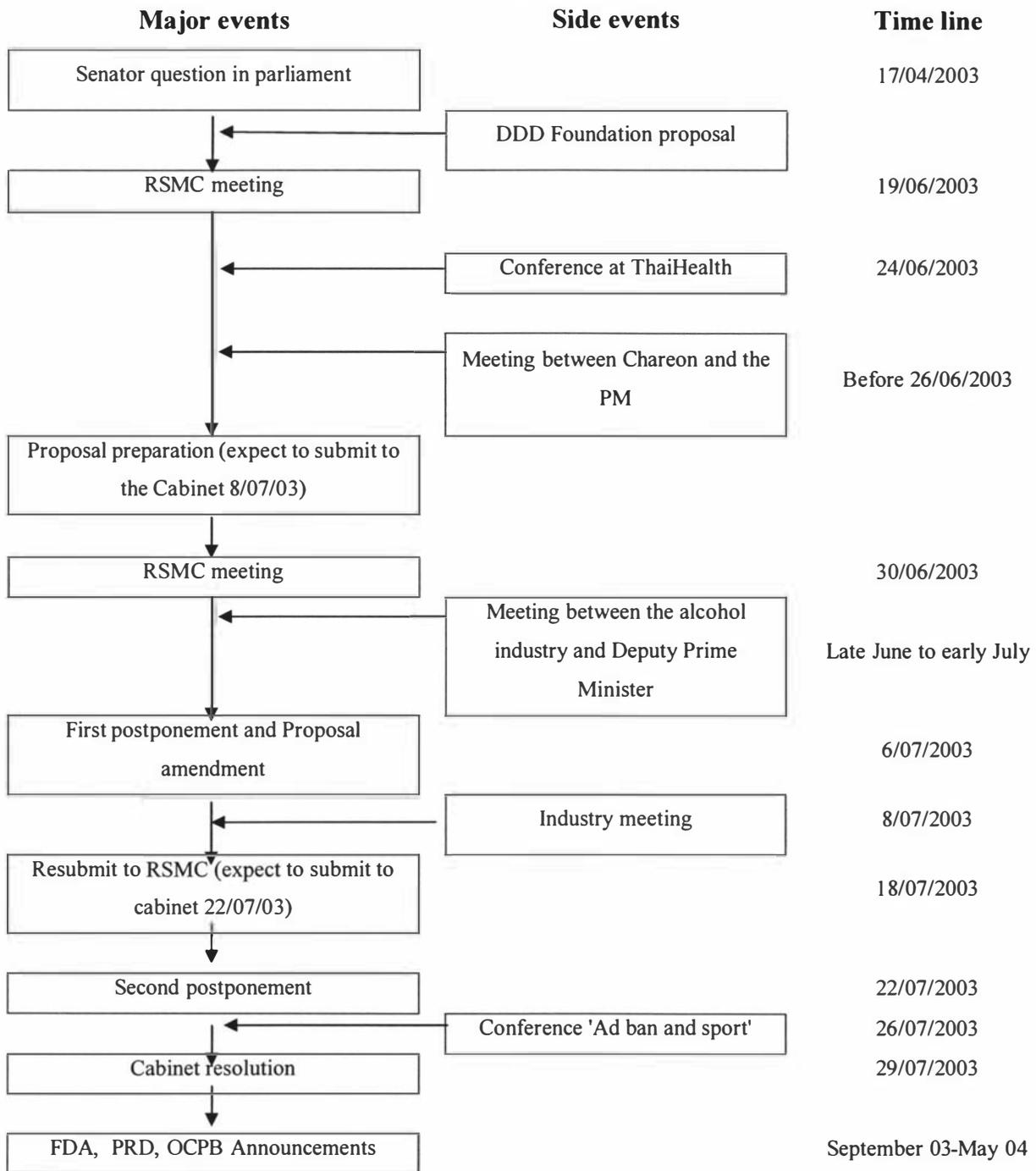
Alcohol advertising regulations (2003 and 2006)

In 1996, the PRD announced the Television and Radio Advertising Regulations. This announcement prohibited advertising of distilled or over-fifteen percent alcoholic beverage between 0500 to 2200 hours. One interesting issue, later controversial, is that this announcement defines exposure of product, brand, logo and name of producer without referring to product property and marketing as non-advertising content (The Announcement of the Government Public Relations Department on Television and Radio Advertising Regulation, 1996). In 2001 the PRD made another Announcement with the same content for alcohol advertising (The Announcement of the Government Public Relations Department on Television and Radio Advertising Regulation, 2001).

2003 process

After Damrong Puttarn, Senator and Chair of the DDD Foundation, addressed questions in parliament, his Foundation submitted the policy recommendations to the RSMC. This proposal included extending the prohibition criteria to cover all alcoholic beverages and prohibition of using under-35s as presenters [Phoojadkarn Newspaper 25/06/2003].

Figure D-1: Formulation process of 2003 advertising regulation



In early May 2003, the PRD Deputy Director discussed with Damrong Puttam the possible policy options; whether to ban all beverages or lower the cut-off point to five percent [Thansetthakit Newspaper 8/05/2005]. However, it was RSMC who moved on this, particularly through the Education Strategy Sub-Committee, chaired by Jaruaiporn Thoranin- the Deputy PS of Ministry of Education. The RSMC meeting on 19/06/2003 agreed to table to Cabinet the Road Safety Policy Proposal, consisting of three sets of interventions. The short-term strategy was to ban advertising of all beverages between

0500 and 2200 hours. The medium term strategy includes the prohibition of using people as advertising presenters and the sale of alcohol in petrol stations and convenience stores [Thaipost Newspaper 25/06/2003].

The Conference ‘What Thai society will gain from the advertising ban’ was conducted at ThaiHealth to publicise the content and benefits of the regulation [Phoojadkarn Newspaper 25/06/2003]. The RSMC meeting on 30/06/2003 invited members of the private sector and other stakeholders to give their opinions [Phoojadkarn Newspaper 25/06/2003].

The proposal was opposed by many stakeholders, including the Minister of Tourism and Sport, the Deputy Minister of Education- the direct administrator of Jaruyaporn [Komchad-luek Newspaper 23/06/2006], the sports sector and alcohol-related sectors. The alcohol industry collectively lobbied the Deputy PM, who then decided to halt the process, claiming that the proposal still need to be clarified and would be ready in two weeks [Than Setthakit Newspaper 6/07/2003].

The submission was re-scheduled on the Cabinet meeting agenda with procedural issues being blamed as the cause [Dailynews Newspaper 23/07/2003]. However, industry lobbying was found to be the real cause of deletion of the proposals banning human presenters and sales in petrol stations [Post Today Newspaper 11/07/2003]. Then the Deputy PM stated at the conference ‘Advertising ban and sport’ The support from the alcohol industry to sport is not as much as everyone thought, ThaiHealth will replace industry support for national amateur sports events [Dailynews Newspaper 26/07/2003].

The Cabinet passed the RSMC proposal on the 29/07/2003. The regulation includes

- Ban of alcoholic beverages and/or producers advertising, including logos and names between 0500-2200 hours, except for professional live sports broadcasts
- Between 2200-0500 hours, only corporate image advertising is permitted but it must not have any ‘drinking persuasive content’

Then a meeting among relevant agencies was conducted to ratify the Cabinet Resolution. The FDA was the first agency to make the Announcement on 19/09/2003 clarifying the definition of drinking persuasive content and requiring the attachment of

warning messages. Then PRD declared a temporary announcement to regulate advertising in the broadcast media on 25/09/2003. This 3-month temporary announcement was renewed again in December, and finally became a permanent regulation on 31/03/2004. The formulation process for the PRD regulations differs from the usual. Having a provisional regulation was criticised as a compromise [Matichon Newspaper 22/09/2003]. Furthermore, stakeholders engaged extensively in the development of the PRD permanent announcement. OCPB was the last agency to make its regulation on content and warning messages for advertising in cinemas and on billboards 12/05/2004.

“The first quick announcement in September 03 was in response to the Cabinet Resolution and FDA Announcement. There we used both regulations as a template and conducted a meeting chaired by the Deputy PM to discuss with representatives from radio and television stations, advertising agencies and other stakeholders.” [A PRD administrator]

2006 Process

The process for the 2006 advertising control, the so-called FDA total ban, originated with the RSMC but later operated under the NACCC mechanism. In late 2004, Jaturon Chaisang-the Deputy PM, as the RSMC Chair submitted to the Prime Minister the policy recommendation to use a total advertising ban to prevent violation of regulations and to close legal loopholes (Sornphaisarn et al., 2006).

The idea of a total ban was also integrated with the ACC Bill development process. However an option for separate advertising control sections to be executed under the OCPB and FDA was circulated among, and later approved by, the NACCC subcommittee. This strategy was the fast-track option, in contrast to the lengthy process of the ACC Bill. Another important coincidence for the total ban formulation was the movement against ThaiBev listing.

On 16/01/2006, the NACCC agreed to strengthen advertising regulation. At this meeting, the Secretary-General proposed two options; to reduce the permitted broadcast time for advertising from seven to three hours, or to have a total ban, which was agreed

by the Committee [Than Setthakit Newspaper 26/01/2006]. Further, the Sub-Committee was set up to explore the eligibility and clarify the legal conflicts, particularly in relation to the Food Act B.E. 2515 (1972) (The National Alcohol Consumption Control Committee, 2006a)

Eight days later, Cabinet agreed ‘in principle’ to the NACCC total ban proposal. The MOPH was urged to explore and continue the process (The Secretariat of the Cabinet, 2006). However, an unnamed source from the Cabinet meeting revealed that the PM warned the MOPH to be compromising [Post Today Newspaper 2501/2006].

The Sub-Committee, chaired by the Director of DDC, consisted of representatives from the FDA, OCPB, PRD, CS, Attorney General’s Office, the Royal Police Office, and the Lawyers Council of Thailand (LCT). This Sub-Committee worked out many controversial issues including definition of advertising, and regulation of below-the-line promotion [Post Today Newspaper 23/01/2006]. It came up with three conclusions: to ban advertising in all media except live sports broadcasts from abroad, to ban the appearance of product, logos and name, and lastly to ban promotional events [Phoojadkarn Newspaper 28/01/2006]. Moreover, the Chair stated that stakeholders were invited to give their opinion, including General Jamlong Srimuang, the leader of the anti-ThaiBev listing movement [Matichon Newspaper 28/01/2006].

On 3/02/2006, the proposal from the Sub-Committee was approved in an NACCC meeting chaired by the Health Minister. The meeting agreed to use the OCPB law (Consumer Protection Act B.E.2522) as the mechanism rather than FDA. The CS representative confirmed the legitimacy of this approach (The National Alcohol Consumption Control Committee, 2006b).

Health Minister: *“According to this, the CS has checked what we can do; we have authority to do right?”*

Director of Health Laws Division- CS: *“Yes it is legitimate, although the FDA can also do the job but OCPB law is better”*

[From the NACCC meeting minutes-3/02/2006]

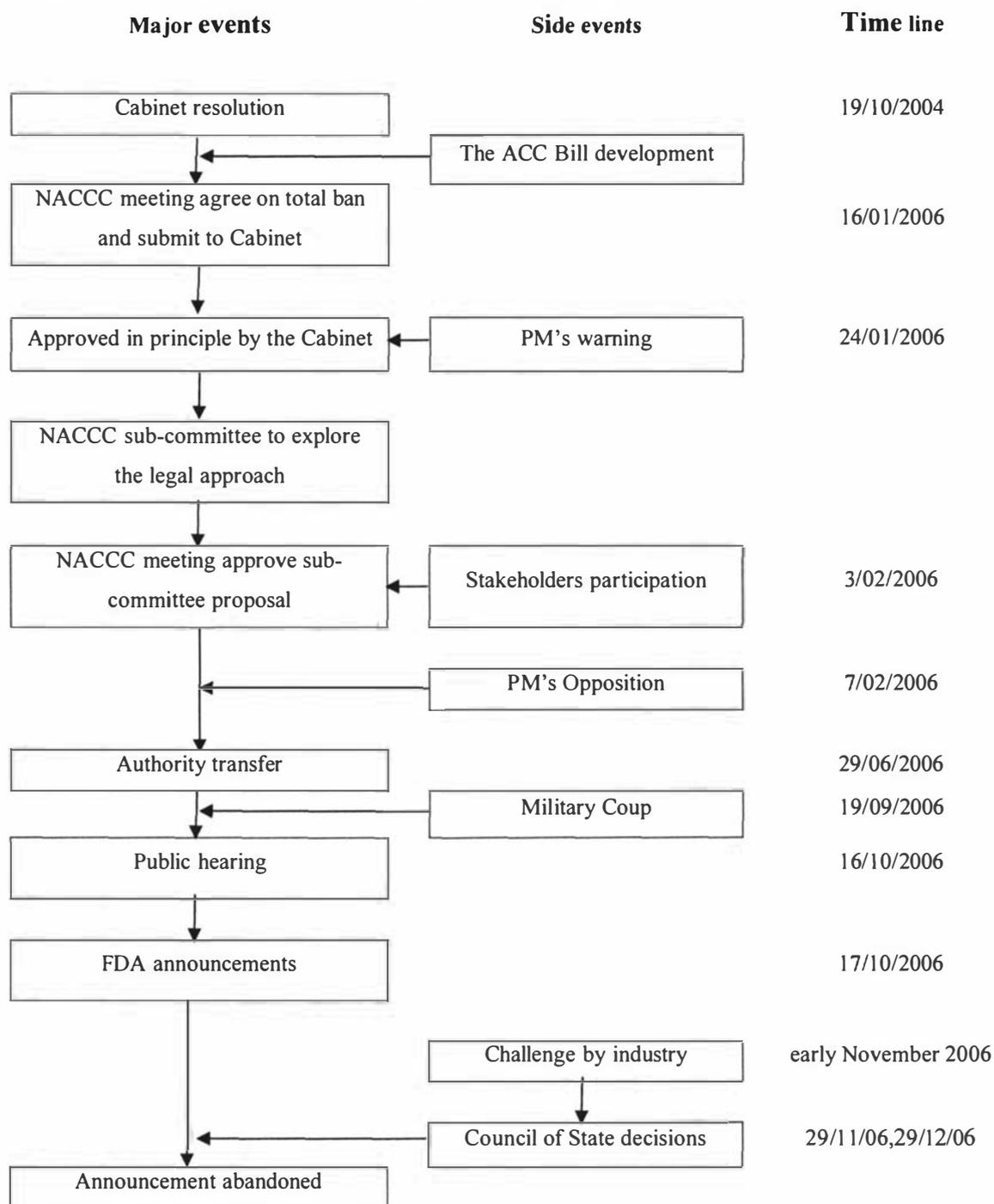
The turning point at this juncture was the PM's opening address at a sporting event, in which he stated that a total ban was unrealistic and would be harmful [Post Today Newspaper 7/02/2006]. This position was generally supported by other Cabinet members [Krungthep Thurakit Newspaper 7/02/2006]. Comments in interviews show that many believe that the alcohol industry had influenced this policy U-turn, as it did follow just two weeks after Cabinet approval of the NACCC proposal.

The Health Minister then stated that the process would be put on hold and it needed more time for deliberation [Phoojadkarn Newspaper 10/02/2006]. Subsequently progress slowed significantly. However, the Chairperson of the Consumer Protection Board approved the transfer of authority for alcohol advertising from the OCPB to FDA on 29/06/2006. Public hearings on advertising regulation and the ACC Bill were organised. The last round was scheduled on 19/09/2006, but cancelled due to the Coup.

The new Health Minister, Dr. Mongkol Na Songkhla quickly resurrected the plan for a total advertising ban. A public hearing was conducted on the 16/10/2006. The representatives from the alcohol industry showed their consent with a request for consistent and fair enforcement from regulators. The comprehensive ban was adopted on 17/10/2006, through two interrelated FDA Announcements. The regulation was to come into force on 5/12/2006, the King's birthday.

Before its launch, a group of alcohol companies made a submission to the CS, the government's legal consultant, questioning the legitimacy of the Announcements on two potential faults. Firstly, alcohol is defined as a food according to the Food Act B.E.2515 (1979) and the FDA does not have authority to ban food advertising if its content does not exaggerate its scientific properties. The second issue is the legitimacy of the transfer of authority from the OCPB to FDA under the Consumer Protection Act. This request was sent through the PM [Phoojadkarn Online Newspaper 20/11/2006], as only members of the public sector are allowed to contact CS.

Figure D-2: Formulation process of 2006 advertising regulation



In late November, CS made the decision that the Announcements were illegitimate on both issues. This decision was supported by the LCT (Grailit, 2006). Consequently the MOPH postponed the enforcement, and submitted an appeal for CS reconsideration in early December. On 29/12/2006, CS made a final decision that although the authority transfer is legitimate the Announcement contradicts the Food Act, and thus is unenforceable (The Council of the State). After stumbling at this hurdle, the MOPH had to change tack and work towards the ACC Bill to strengthen the advertising regulation.

I. Personal factors

Many policy makers showed their personal preferences with regard to advertising regulation. The personal preferences of health sector administrators were very significant for the process, particularly in 2006 process.

Pini Jarusombat had gained a reputation for being serious on health issues [Post Today Newspaper 19/01/2006] by withdrawing support for the Street of Drunken People Project when he was Industry Minister. When appointed as Health Minister, he decided to move on the ban on placement of cigarette packaging in outlets, which was strongly opposed by business sectors. He was also involved in negotiations with anti-listing protesters. In the NACCC meetings, he supported stronger alternatives choosing a total ban over reductions in air time (The National Alcohol Consumption Control Committee, 2006a), and limited exemptions from the ban (The National Alcohol Consumption Control Committee, 2006b).

“If we want to ban, we must ban them all. Otherwise Chang and Singha beers will pay those foreigners (to broadcast their advertising back from abroad). Money will flow out of our country, and we (Thai people) will be their servants.”
[Pini Jarusombat- Health Minister, in the second NACCC meeting, 3/02/2006]

Dr. Mongkol Na Songkhla, Health Minister during the coup period, quickly picked up the almost stalled advertising regulation and ACC Bill as his first priority. He had lengthy experience with the alcohol policy process. He was the former DMS Director, MOPH PS and a former member of the Committee of Knowledge Management and Social Capital Section of ThaiHealth.

Jaturon Chaisang-the Deputy PM, was another key player in the process, chairing the RSMC, proposing the 2003 partial advertising ban and the RSMC policy recommendation in 2004, as well as overseeing ThaiHealth. Many believed that the meeting between the Deputy PM and industry representatives was the cause for delayed decisions and the weakening of content. The influence of the alcohol lobby was denied

by the Deputy Prime Minister and the Health Minister [Krungthep Thurakit Newspaper 8/07/2003].

“We are lucky to have Jaturon as our Chair in that period. Because he trusts us, that’s why we can find the right opportunity to insert two alcohol-related interventions into 15 road safety recommendations.” [A ThaiHealth administrator]

“The decision of the Deputy PM to postpone the submission of the proposal is because alcohol companies, not all operators but most of them... asked him to reconsider” [An unnamed source from the Education Strategy RSMC Sub-Committee, Than Setthakit Newspaper 6/07/2003]

“I have to deny the rumour (that industry lobby led to the postponement), because the PM has urged us to go in this direction...I don’t think anyone could resist his position.” [Sudarat Kaeyuraphan- Health Minister, Krungthep Thurakit Newspaper 8/07/2003]

The OCPB administrators played a supportive role, particularly with the transfer of authority during the difficult time in 2006. The OCPB administrators gave clear stance that the existing 2003 regulation was inadequate [Post today Newspaper 23/01/2006]; for example an alcohol company could agree to pay the fine for breaching regulations rather than removing their advertising. [Phoojadkarn Online Newspaper 22/10/2006]

The formulation of advertising regulation was also manipulated by players who are not usually involved in the alcohol policy sphere, such as the Ministry of Education and Ministry of Interior during the 2003 process. It is possible that their involvement with the RSMC was a key factor in facilitating their support.

Advertising control faced strong opposition from many Executives. The 2003 process faced dissent from the Deputy Education Minister [Kom-chad-luek Newspaper 23/06/2003] and Tourism and Sport Minister [Than Setthakit Newspaper 26/06/2003]. The most significant opposition came from the PM himself, for a key factor in the process in 2006. He gave a warning message once in a Cabinet meeting, and later expressed clear opposition on 7/02/2006.

“The PM raised his concern that this issue must be kept at an appropriate level, as it affects the alcohol industry. An immediate advertising ban is inappropriate, doing it gradually is better.” [Source from the Cabinet Meeting on 16/01/2006, Post Today Newspaper 25/01/2006]

“I have urged them to reconsider again...I would not follow those who are over-the-top in totally banning all alcohol promotion” [Thaksin Shinawatra- PM, Post Today Newspaper 7/02/2006]

II. Issues and Optional factors

The development of Thai alcohol advertising regulation reflects incrementalism and compromised decision making in terms of policy coverage as shown in Table 7-5. The very first action of PRD after the Senator’s question in parliament was the tabling of a policy option to lower the percent cut-off point from over 15 percent to 5 percent [Than Setthakit Newspaper 8/05/2003]. Another clear instance was the decision to delete proposal content, which was criticised as resulting from the industry lobby. During the 2006 process, the decision to use authority under the Consumer Protection Act 1979 was based on the perception that withdrawing alcohol from the food category in the Food Act would consume more time, although it is now recognised as the better choice for avoiding legal conflict (The National Alcohol Consumption Control Committee, 2006b).

“Jaturon Chaisang, the Deputy PM, agreed to delete some recommendations. He said that too many regulations are unlikely to be effective.” [Jarouyporn Thoranin- Chair of Education Strategy Sub-Committee RSMC, Post Today Newspaper 11/07/2003]

Table D-2: Development of advertising regulation

Policy content	1996	2003	2006(failed)
Regulated products	Over 15 percent	All	All
Regulated channels			
- TV, Radio	Yes	Yes	Yes
- Billboard	No	Yes	Yes
- Cinema	No	Yes	Yes
- Printed media	No	Yes	Yes
- Internet	No	No	Yes
- Below-the-line*	No	No	Yes
Prohibited period (broadcast media)	0500-2200	0500-2200	Around the clock
Content regulation	No (almost)	Yes	n.a.
Warning messages	No	Yes	n.a.

Note: * promotion events, exposure of beverages from easily-seen outside, name and logos on sale, people's clothing, plates, glasses

Policy makers did not bring only the conceptual arguments from tobacco to the alcohol policy arena, but also the process strategy, particularly for the 2006 process. However, tobacco and alcohol are different by nature and associated legal issues. Alcohol being defined as a food posed difficulties for, and later stalled, the alcohol advertising process in 2006.

“The Cabinet prohibited tobacco advertising in 1988, and the OCPB is the one who disallowed all tobacco promotion in 1989. Alcohol also used this strategy of transferring authority” [A public health expert]

One particular strategy used, perhaps unusual from other interventions, was to minimise resistance during the formulation process. To reduce the resistance from the sports sector that strongly opposed the regulation, policy makers together with ThaiHealth, made a commitment to compensate them for loss of industry funding, particularly in youth and amateur sports [Krungthep Thurakit Newspaper 8/07/2003]. Later, a dedicated tax fund for the sport sectors, like that of ThaiHealth for health promotion, was proposed to Cabinet. This was after the alcohol industry threatened to withdraw their sponsorship if the total ban was enforced [Nation Newspaper 26/10/2006]

The failure of the 2006 FDA total ban reflects the significance of legal issues in alcohol policy formulation. The authority for alcohol advertising regulation and related laws is in a complicated multilevel dead lock. The legal conflict issue was acknowledged during the formulation process (The National Alcohol Consumption Control

Committee, 2006b). However, the overlapping responsibilities of relevant agencies and their limited capacity to oversee the comprehensive ban forced policy makers to agree with the authority transfer option [Dailynews Newspaper 23/01/2006]. Many key people had confidence in the legitimacy of the 2006 FDA Announcement, on many issues including the legal conflict with the Food Act, authority abusing, unfair treatment, and international trade regulations.

“Any producers can bring the advertising ban law to court if it feels the measure violates its rights” [Samarn Futrakul-head of TACCU, in response to industry complaint on unequal treatment, Bangkok Post Newspaper 8/11/2006]

“In my opinion there is not a question on the illegitimacy of this FDA total ban. Otherwise, we would have to repeal many regulations that have been in use for a long time” [Banjerd Singkhaneti-Law academic and NACCC member, Phoojadkarn Online Newspaper 20/11/2006]

“FDA advertising ban was not against free trade principles because it would affect both local and imported brands.... Under Article 20 of the General Agreement of Tariffs and Trade (GATT) 1994, every WTO member is allowed to enforce laws to protect basic rights of its population” [Jade Thonavanik-Dean of Faculty of Law-Siam University, in response to the industry complaint, Bangkok Post Newspaper 8/11/2006]

The strategy and practise of advertising regulation formulation were negatively criticised by the alcohol industry. Many labelled Dr. Mongkol’s quick decision to resurrect the total ban as premature and lacking consideration. Some defined the formulation platforms, such as the RSMC, NACCC and public hearings as closed forum with a lack of stakeholder participation.

“The MOPH intentionally set up public debate on an unfair basis. You should separate business from religious forums. Nobody dares to blame the monks.” [An SAO staff member]

III. Stakeholders and their interrelation

Despite the regulations originating from the health sector, many key people in the health camp did not agree with advertising control, particularly the total ban, and strategy used by the NACCC and MOPH. .

“An advertising ban will push industry communication underground, which will pose the same problems we faced with sex education a long time ago.” [A drink-driving NGO administrator]

“The Advertising ban move is not an evidence-based one. Evidence shows that availability is more significant than advertising bans...This decision showed that we did not set policy priorities and we did not use evidence. ThaiHealth published Dr.Yongyuth paper (Effectiveness of Alcohol Consumption Control Measure), but did not use it.” [A road safety expert]

To alcohol entrepreneurs, advertising regulation causes great concern and is seen as a real threat. However, the industry’s stance is not homogeneous. Differences in their conceptual positions are determined by their differing roles.

“The advertising prohibition of broadcasting before 2200 hours and using under-35 year-old presenters would severely affect us. Teenagers are our target; to reach them our advertising has to be broadcast before ten o’clock and use young presenters.” [An unnamed source from a Ready-To-Drink and beer importer, Than Setthakit Newspaper 8/05/2003]

“Advertising is a key component of Thaibev marketing and development for brand awareness, especially for the introduction and launch of new products. The restriction could affect our ability to market its products, which would have an adverse effect on our business.” (Thai Beverage Public Company Limited, 2006)

“Alcohol operators can be classified into three groups (From their roles in the 2003 process); white, grey and black. The white company is Boonrawd who

alone agreed without any argument. The Black group consists of importers, using 'American paradigms' to pressure, lobby and play with laws. This group has poor tactics and does not understand Thai business culture. In between these two is the grey group that includes most domestic companies. This group just wanted to express their opinion, and do not want to cause offence.” [Jumpot Saiyoot-Columnist, Krungthep Thurakit Newspaper 17/07/2003]

In addition, the alcohol industry stance in the process has not been consistent and role switching is common. Although all industry representatives expressed their consent in the public hearing on 16/10/2006, many aggressive opposing arguments and actions were made later on including threatening to petition the MOPH. Boonrawd showed its full consent to the 2003 partial ban, but strongly opposed the 2006 regulation. Another example, the speech launching FACT includes “*FACT intends to support government's effort to decrease alcohol-related problems...FACT agrees with government's clear policy to control as it is beneficial for the country.*” (Thai PR.net, 2006b) Six day later, Wimonwan Udomporn, a Riche Monde administrator, said on behalf of FACT that FACT had many reasons to reject the regulation [Post Today Newspaper 19/10/2006].

The alcohol industry created the policy dialogue that alcohol advertising is not as important as claimed. Messages like “White spirits are popular without any advertising”, “Advertising ban is good for us so that we can save our budget”, and “Advertising ban would not affect alcohol industry much” have been frequently publicised. Some even see that public should support alcohol advertising, not controlling.

“What we can learn from White spirits is that its producers have never promoted it, but the sales still grow every year” [Santi Phromphakdee-Boonrawd CEO, Prachachat Thurakit Newspaper 21/12/2006]

“Instead of banning, we should promote advertising. Because advertising and reputation force alcohol operators to have social responsibility.” [An SAO staff member]

In the public media, the alcohol industry commonly describes advertising regulation as an ineffective intervention, with poor coverage of many forms of alcohol marketing. International data is commonly used to support the industry argument.

“The MOPH always refers to Norway as its advertising ban model. However in Norway average consumption had increased by around 20% within 14 years of the total ban. Now they are thinking about repealing the total ban.” [Chatchai Wiratyosin- Marketing Director of Boonrawd Trading, Kon-Kom-Kid program, broadcasted on Channel 9 television 22/03/2007]

“Total advertising bans were used in many countries, such as New Zealand, USA, Sweden and Denmark. And it was proven to be ineffective...WHO data confirms that advertising bans do not reduce consumption.” [Wimonwan Udomporn-Vice CEO Riche Monde (Bangkok), Phoojadkarn Newspaper 13/10/2005]

Claiming negative consequences for advertising regulation appears in regular dialogue of the alcohol industry. After careful consideration, the industry also called for government compensation for the undesirable results of the total ban if it happened [Matichon Newspaper 18/01/2006]. These include impact on alcohol business and related areas, such as employment in the hospitality sector. The negative impacts predicted include the effect of potential responses by the alcohol industry themselves, such as harmful marketing practices and price reductions, a so-called ‘price war’.

“An advertising ban will force entrepreneurs to use other strategies, that will pose more harm than advertising, person-to-person marketing, for example...Imagine, what entrepreneurs will do with the advertising budget... if it is not allowed to be used for advertising. They will dump the price down...This price war will make beverages cheaper, and inevitably lead to more consumption, particularly among the low income population.” [Chatchai Wiratyosin-Marketing Director of Boonrawd Trading, Thairath Newspaper 14/07/2007]

The SAOs and industry-supported sectors, such as sport, advertising agencies and the media, have explicit roles in the advertising regulation process, as they protect the

alcohol industry as well as their own interests. These players have acted both individually and collectively, for example through the Advertising Association. Their dialogue is almost identical to that of the alcohol industry.

“The biggest loser from the advertising ban is not the alcohol producers, but media and advertising agencies. They are going to lose at least 10% of their budget, and it is not just from existing customers. Many international alcohol companies are knocking at the door, ready to be introduced to the Thai market.”

[A Communication Art academic]

As the information gateway the personal position of the public media on advertising regulation influenced the perception of their role by other stakeholders. For example, some see that the media was slow in responding to the actions of those advocating advertising bans.

“Social support creates some pressure, but media may hesitate to respond and that’s why they are silent. Their alcohol promotion budget is on average equivalent to 20% of their income. And it is legally a technical issue; it’s not about intentions or morals.” [An MOPH administrator, in response to the CS decision]

“Alcohol advertising budget is also distributed through public agencies, including government media. The missing 3 billion Baht budget is, by itself, an incentive to many organisations to oppose or at least remain quiet. This is without any direct support from the alcohol industry.” [A MOPH Legal officer]

IV. Mechanisms of influence

Advertising regulation opposing alliance

The practice and role of the alcohol industry and related sectors in advertising regulation differs from other interventions and is perhaps the predictive factor for the

success of the process. They employed seven strategies in the advertising regulation formulation process.

1. Lobbying policy makers

Lobby was still the most basic and common, yet effective, mechanism for the alcohol industry. There were many approaches; individual, group, direct, and by using nominees. The meetings with the Deputy PM are believed to have led to the weakening of content and decision postponement. It was reported that meetings between policy makers and foreign Ambassadors, including the US and France, were likely to have influenced the CS decision, a few days later [Matichon Newspaper 3/12/2006].

“Chareon met with the PM recently, asking that the government reconsider its advertising ban proposal. An advertising ban will pose many adverse effects. The proposal came directly from Ministry of Education and NGOs, with out any industry involvement at all.” [An unnamed source from ThaiBev, Than Setthakit Newspaper 26/06/2003]

“I know that Chareon directly raised his concerns with the PM. That’s why the PM froze the advertising ban process (2006), although the proposal had passed through Cabinet already. Furthermore, the media also rely on the alcohol industry. They lobbied the PM as well” [A former ED administrator]

2. Claiming on and trading with negative impacts

Apart from identifying the negative impacts, some entrepreneurs threatened to withdraw support if an advertising ban was enforced. Key people in the sports sector often acted as policy brokers, particularly in media debates.

“Personally, I believe that the government will not endorse the advertising ban proposal. If the government do so, they have to pay for all sports sponsorship.” [Thanit Thammasukati-Public Relations Manager of Sangsom group (ThaiBev), Than Setthakit Newspaper 26/06/2003]

“An advertising ban will vastly undermine the sports sector. It is also the restriction of basic rights. I don't think we can get support from ThaiHealth as claimed. ThaiHealth budgetary system is a bureaucratic one much more complicated than getting money from alcohol operators.” [Tawatchai Sajakul-Member of Parliament and manager of the national football team, Dailynews Newspaper 30/07/2003]

“If the total ban is enforced, there will be no new investment in the long term and it is very likely that our social support will be terminated, we are thinking to reallocate our investment and sponsorship to other countries...We have invested 2 billion Baht for the Johnnie Walker Classic golf event, which will return seven to eight billion Baht back to the Thai economy.” [Warathep Warangchaikul-CEO of Riche Monde (Bangkok), Phoojadkarn Online Newspaper 18/10/2006].

3. Collaborative advocacy

Working together as joint agencies was a unique strategy of entrepreneurs, for example through collective lobby and SAOs; REACT and FACT. As alcohol is a highly competitive business, collaboration among operators, particularly big companies, was an extra-ordinary phenomenon. The meeting of 30 companies in mid 2003 set up the ‘Federation of Alcoholic Beverage Producers’ as a platform to lobby the Deputy PM. Boonrawd was the only big entrepreneur that did not join this action. This is the only activity that ThaiBev advocated together with importers.

In the aftermath of the partial ban, five foreign companies established REACT in 2004, to promote self-regulation on marketing practice and to promote their corporate image in order to avoid stronger regulations [Phoojadkarn Newspaper 13/10/2005]. The domestic giants still did not participate.

“REACT originated from the anti-partial ban movement. We believe that advertising is for brand competition, not for drinking persuasion. We have controlled marketing strategies used by our members as well.” [A former SAO staff member]

During the 2006 process, the alcohol industry extended their links to related sectors, such as retail sellers and hospitality organisations, and also to other sectors such as sport associations, Thammasat University Association, and interestingly AMF, to set up FACT (Thai PR.net, 2006b). FACT has been a strong player, particularly as ‘Industry spokesperson’, in the 2006 advertising regulation and later the ACC Bill process. FACT requested that the LCT co-verify the eligibility of the FDA Announcement (Grailit, 2006) and later conducted the pilot self regulation campaign.

“I heard that the alcohol industry set up a war room to fight the advertising ban, together with the advertising association. And finally they found a loop hole.” [A MOPH administrator]

4. Using technical knowledge

The industry strategy of using local research findings as an advocacy tool is particularly clear in the advertising regulation process. Although many studies did not state their funding source, many believe they could be linked to the alcohol industry, based on personal connections, timing, content and further utilisation.

“The alcohol industry can select researchers whom they know well.” [A former SAO staff member]

In mid 2006, Dr. Jakrit Phoomisawad, Secretary-General of AMF, revealed findings of the study ‘Behaviour and attitude toward alcoholic beverages’ that advertising bans are an ineffective strategy as 92% of general drinkers and 94% of youth drinkers will continue their drinking if advertising is banned. This finding was revealed in the “Ad ban: is the government getting lost?” seminar, the main theme of which was anti-regulation [ThanSetthakit Newspaper 16/04/2006]. The speakers at this seminar including Riche Monde, Advertising Association, Thai Hotel Association, Thai Restaurant Association and AMF later become FACT’s founding members (Thai PR.net, 2006b).

One day before the Coup and the scheduled last public hearing, Manee Chaitheeranuwatsiri, a Mahidol University lecturer, revealed her finding that “Alcohol

advertising has no influence on youth drinking” at a seminar. However, this conclusion is arguably contrary to other findings of the research. These include “*youth respondents think that advertising and promotion persuade them to drink and want to have the lifestyle like advertising presenters*” or “*most adult respondents think that advertising boosts up consumption.*” [Matichon Newspaper 19/09/2006]. In this seminar she recommended a responsible drinking campaign and encouraged industry engagement in the process [Phoojadkarn Online Newspaper 18/09/2006]. Later this study was referred to in the FACT statement (Thai PR.net, 2006b).

5. Using legal issues

Playing with legal issues, including appeals and successful concrete actions, was an innovative but effective strategy for the industry, particularly for the 2006 process. They threatened to appeal against the MOPH in the Administrative Court for unfair treatment and abuse of authority [Bangkok Post Newspaper 19/10/2006] including the Thai government for violating the WTO regulation [Phoojadkarn Online Newspaper 7/11/2006].

The most successful strategy was the challenge to the CS and consultation with the LCT on the legitimacy of regulation. Although there has been no evidence so far, the links between industry and the CS were questioned by many health camp players. Apart from ruling the regulation illegitimate, the LCT claimed the formulation process lacked stakeholder participation and thorough comparisons to other countries, and even recommended that government support beneficial consumption (Grailit, 2006).

“All Thai people are familiar with the patronage system, including perhaps the CS. We can spot the suspicious arguments at their meeting. But it is hard to prove industry support.” [An anti-alcohol NGOs leader]

6. Accusation and policy deviation

During the process some entrepreneurs tried to shift the focus from advertising regulation to taxation, by claiming that tax methods and tax rate anomalies are the actual cause of alcohol-related problems, and thus should be managed rather than imposing an

advertising ban. The formulation process both in 2003 and 2006 was said to lack stakeholder participation. Furthermore, the alcohol industry also criticised accuracy and appropriateness of data used by policy makers. For example, Vice CEO of Riche Monde stated that information and recommendation from WHO are inappropriate for Thai policy because of differences in culture and education [Post Today Newspaper 19/10/2006].

“An advertising ban is an over-reaction. ThaiHealth selectively use data that support its intentions” [A consultant to a domestic alcohol company]

7. Proposing policy alternatives

Instead of regulation, the alcohol industry proposed their preferred alternatives to the advertising ban, including advertising-related measures such as content control, counter advertising, self-regulation, and interventions in other areas, such as education.

“The meeting among 30 alcohol entrepreneurs concluded that the advertising ban has very minimal effect on road traffic injuries. Instead government should focus on four principles, which are: raising awareness on the effect of alcohol, promoting responsible drinking, enhancing law enforcement, and allowing entrepreneurs to have a self regulation system.” [Kasemsan Weerakul- Managing Director of United Winery and Distillery, Post Today Newspaper 9/07/2003]

“The Code of Conduct (literally Code of Alcohol Marketing Ethics) we proposed is superior to any advertising regulation law. You cannot design any regulation better than these 11 rules as they are accepted in 180 countries.” [An SAO staff member]

“If the government thinks that advertising leads people to drink, then an anti-alcohol campaign would clearly have the same effectiveness” [Parames Ratjaiboon-President of Advertising Association, Nation Newspaper 26/10/2006]

In 2006 during the legal wrangles, five FACT member alcohol companies agreed to suspend their advertising for one month to show their willingness to self regulate [Bangkok Post Newspaper 2/12/2006]. Then, FACT, the University of the Thai Chamber of Commerce and surrounding alcohol outlets jointly announced the 'Self Regulation Pilot Project'. This urged outlets to check for customer age, not to sell to students in uniform, to be strict with time of sales regulation, provide customer warnings, and to recommend drinking guidelines [Khao-sod Newspaper 5/12/2006].

"The hidden objective of alcohol companies in stopping advertising during the advertising ban debate period is to show public that they are good citizens, and to warn the media that the missing money is for real." [A Communication Art academic]

Advertising regulation supporters

The role of health camp stakeholders including the religious sector in advertising regulation formulation was not consistent over time. It was situation dependent. Their role in the 2006 process almost disappeared after the PM expressed his disagreement, but was reactivated after the Coup. Health camp players generally support the advertising ban as a whole, and did not go piece-by-piece into its content. These players frequently used the youth consumption situation and effects of advertising on youth as their main rationales for advertising ban advocacy.

"The former PM (Thaksin) sent out a bad signal, saying that the advertising ban is too extreme. Government direction at that time was totally dependent on his position. This was even though the NACCC had a strong position to ban advertising. So we knew that the only thing we can do is to wait." [An anti-alcohol NGO leader]

"It was proved that social mobilisation is not enough to push the total ban, even though this government values morals and seems not to be at the mercy of the alcohol industry." [A road safety expert]

1. Advocating through official mechanisms

From the beginning representatives from ThaiHealth and SDN have attended and voiced their concern through publicly set-up committees, such as the RSMC and NACCC, as well as in ad hoc committees and public hearings. Although they have no authority, many see Thaihealth as mastermind for the process [Than Setthakit Newspaper 26/01/2006].

2. Organising events to support the advertising ban

Mass demonstrations and other attention-grabbing events were common practice, particularly during the 2006 process. The SDN is the main coordinating arm for these movements, organising both support and protest events. Supporting events are designed to encourage decision-making. They include the demonstration in front of Cabinet House to support the 2003 advertising ban, during the period of postponement and the show of gratitude from 84 organisations to the Health Minister at a public hearing of the 2006 FDA Announcement. Later, over 300 youth activists, NGOs and academics submitted an unsealed letter to government calling for a total ban and the ACC Bill on 23/10/2006.

The demonstrations were conducted, against the marketing practices of the alcohol industry and in particular the CS decision. One day before the Coup and cancelled public hearing, a group of youth conducted a demonstration to protest against advertising appearing on the tallest building within 500 metres distance from their school. The lively protests were conducted to oppose the CS decision in December 2006 and January 2007. Health Workers Association (HWA) and the Rural Doctor Society (RDS) expressed their disappointment to the CS, and claimed they were seeking 10 million supporters for the total ban [Phoojadkarn Online Newspaper 30/11/2006]. Later this effort led to the 'Running Against Alcohol' project to support the ACC Bill instead.

Figure D-3: Demonstrations to support alcohol advertising regulation



From Top left, clockwise: 1) street demonstration calling for total ban (3/12/2006), 2) protest in nearby school to the building-wrap advertising on the skyscraper seen in background (18/08/2006), 3) the play in front of the CS, symbolised the CS as the person who freed the alcohol demon to harm youth (3/01/2007), and 4) youth show gratitude to Health Minister (16/10/2006)

3. Claiming public support

Public support for advertising regulation was publicised through the revelation of survey poll results. The running of the survey, questionnaire design and publication of results were strategically planned. For example the finding that 46.4% of Bangkok inhabitants believed in a secret settlement between the alcohol industry and the government was revealed at the time the FDA Announcement faced legal uncertainty [Phoojadkarn Online Newspaper 22/11/2006]. Public polls showed increasing social support for an advertising ban. In 2003, only 41.1% believed in the benefits of a partial ban [Khao-sod Newspaper 22/07/2003]. Support had grown to 65.7 % in 2006 [Thairath Newspaper 15/10/2006]. Many surveys include public opinion on policy rationales such as the effect of alcohol advertising on drinking behaviour especially among youth.

Apart from domestic research, there was international evidence including WHO and World Bank information and recommendations. The Director of SDN stated that GAPA, the international anti-alcohol NGO, had communicated their appreciation of the government decision [Phoojadkarn Online Newspaper 22/10/2006].

4. Reducing policy resistance

Compensation from ThaiHealth to the sports sector simplified the process by minimising resistance. Many key people talked down the claims of negative impacts by the alcohol industry.

“Alcohol industries gain more benefit than other business. They can use their support to urge many sectors, such as sport, to oppose (Advertising regulation) the ban for them. I want us to be clear that Thai sport development did not depend on alcohol money. Not many gold medals came from their support.”
[Wallop Tangkananurak –NLA member and NGO for children, Phoojadkarn Online Newspaper 13/10/2006].

5. Using technical knowledge

The CAS was the main player trying to link knowledge to support the advertising ban. Dr. Bundit Sornphaisarn was a key expert for the public media. The CAS published ‘Total Ban’ in January 2006, at another crucial time in the process. Its sub-title reads ‘Technical paper for consideration of alcohol advertising regulation’ (Sornphaisarn, 2006a). This publication draws on international information to support the advertising ban. Later during consideration of the CS, CAS published another policy brief pamphlet ‘Executive Summary: The Rationales, Principles and Strategy for Alcohol Consumption Control and Problem Reduction’ to support both the FDA advertising regulation and ACC Bill (Sornphaisarn, n.d.). Furthermore, one of the policy recommendations from the Second National Alcohol Conference, proposed to the Health Minister, was to urge the government to push for the total advertising ban and request the CS to consider the law’s intention rather than its wording (Center for Alcohol Studies, 2007).

6. Accusation

Health camp players frequently criticised the alcohol industry's practice, as well as policy makers, for blocking the process. Damrong Puttarn, Senator and Chair of the DDD Foundation, condemned the industry for using sports sector as a hostage in advertising ban negotiations [Dailynews Newspaper 26/07/2003]. The postponement and content deletion of the RSMC proposal in 2003 was widely attacked by many key players. Dr. Prakit Vateesatokit (ThaiHealth Vice Chair) urged the alcohol industry to stop blocking the process [Phoojadkarn Newspaper 10/07/2003].

"The postponement of this proposal was hugely disappointing. We are shocked at Jaturon's (the Deputy PM) current reluctance to table the proposal to Cabinet. If the proposal is postponed again, the social sectors can no longer stay quiet. He may think that postponement may make people forget, but it is not possible" [Wallop Tangkananurak –Senator and NGO for children, Dailynews Newspaper 23/07/2003].

The role of the alcohol industry and CS were criticised during the 2006 formulation process. Legal experts and people in the health sectors expressed their disagreement and disappointment with the CS decision. Many questioned benefits given by industry to the CS [Phoojadkarn Online Newspaper 30/11/2006].

"I know that there is organised effort through very influential people to overthrow the total advertising ban. The alcohol industry intends to use legal means to achieve this, as they can avoid social resistance and not worsen their image. CS also quickly responded to this issue, with unusual speed." [General Jamlong Srimuang- NLA member and anti-alcohol leader, Phoojadkarn Online Newspaper 20/11/2006]

Table D-3: Comparison between 2003 and 2006 advertising regulation formulations

	2003	2006
General		
Main concern(s) in agenda setting	road safety	high consumption and inadequacy of regulation
Triggering factor	Senator question in parliament	Cabinet resolution, development of ACC Bill, anti-listing movement
Potential negative impact	lower	higher
Formulation strategy		
Responsible agency	RSMC	NACCC, FDA
Legislating agency	FDA, PRD, OCPB	FDA
Approved by the Cabinet	yes	no*
Opportunity for industry participation in official process	no	Yes (public hearing)
Resistance reduction	yes	No**
Opposing actions		
Industry stance	split	consensus
Aggregation among alcohol companies	yes	minimal
Aggregation to related sectors	minimal (advertising agencies)	significant
SAO	no	yes
Explicit players	industry, sport sector	various
Use of technical knowledge	no	yes
Use of third parties	no	yes (CS, LCT)
Aggressiveness	lower	higher
Supportive actions		
Civil society	religion	higher diversity
Coordination mechanism	lower capacity	well organised
Technical knowledge	yes	yes, improved
Aggressive	yes	yes
Public support	lower	higher

Note: * adopted by the Cabinet in principle, but frozen later

**there has been an immaterialised idea of dedicated funds for sport

Appendix E: Case studies for alcohol policy implementation

Tax collection

Introduction

The principle for alcohol tax collection is to charge producers and importers before the beverages can be relocated from production sites and ports. Excise stamps and beer metres are tax-collecting mechanisms. ED sent the Factory Excise Officers to oversee tax collection at major production sites. The producers buy stamps and attach them under the supervision of these officers. For small entrepreneurs including traditional beverage producers, tax payers theoretically have to buy stamps from local excise officers and attach them themselves, while local excise officers verify the tax paid by checking the producers' accounts, which are submitted monthly.

Under the 2-for-1 system, producers and importers declare *Ad valorem* tax bases, production costs for domestic beverages and the CIF price for imported beverages. ED has the authority to question these self-reported prices. In addition, for many beverage categories, ED declares the Standard Ex-factory price, which is the sum of production costs and excise tax levied. The categorisation and Standard price for three groups of beer (shown in Table E-1), used since 2003, were questioned by many players, particularly on the difference between the Economy and Standard groups. By this practice, the tax amount by *Ad valorem* rate of a beer does not depend on either its percentage or real production cost, but the type and Standard Ex-factory price for each type declared by ED. The Standard Ex-factory prices are almost constant over time, which reduces the efficacy of alcohol taxation against inflation.

A significant event affecting tax collection during 1997- 2006 included production liberalisation and traditional beverage legalisation. The legalisation of traditional beverages led to a huge expansion in the number of beverages and taxpayers. The number of production sites leapt from 21 in 1998 to over 8,000 in 2005, as shown in

Table E-2. Another difficulty emerged because many newly legalised producers were formerly illegal brewers and so were not familiar with taxation and accounting systems [Krungthep Thurakit Newspaper 8/06/2003].

Table E-1: Standard Ex-factory beer prices

Category	Leading brands (degree)	Ex-factory price*
Economy	Chang (6.4), Leo (4.9), Tai (6.5), Archa (5.4)	27.20
Standard	Singha (4.9), Tiger (5)	36.95
Premium	Heineken (5), Carlsberg (4.5), Closter (4.5)	37.95

Note: from (The Announcement of the Excise Department on Ex-factory Prices of Alcoholic Beverages, 2003), * for 630-640 ml bottle

Table E-2: Number of licensed producers, by type (1998-2005)

	Industrial	Traditional distilled	Traditional fermented	Total
1998	21	-	-	21
2002	21	-	861	882
2003	21	4,091	1,788	5,900
2004	21	5,722	1,939	7,682
2005	21	6,109	1,964	8,094

Source: Modified from (Poapongsakorn, Leelahanon, Laowakul et al., 2005)

Implementers

The tax collection capacity of ED, including number of workforces, did not expand to match the massive increase in workload. Primitive tax collection practices, such as bottle counting, are still employed. The hi-technology mechanisms, such as beer metres, appear not to be cost-effective [Prachachat Thurakit Newspaper 1/02/2001], and the idea of using taxation microchips has not been realised [Thai Post Newspaper 18/02/2006].

“We do not have the capacity to cope with tax rate increases and legalisation. Excise officers have many other duties to perform apart from those with alcohol... Small factories are difficult to police. Some local producers will claim that our officers are bullying the poor. More significantly, our workforce is not big enough.” [A former ED administrator]

ED was criticised on its competency for monitoring the over-production practice during the concession period [Khookhang Raiwan Newspaper 5/01/1998], stockpiling and reprocessing practices as channels for tax evasion [Phoojadkarn Newspaper 15/19/2000], and the lack of verification of declared prices, particularly for imported beverages [Than Wikrau Newspaper 15/12/1996].

The relationship between tax collectors and payers was defined as a limiting factor for effective tax collection. The Factory Excise Officer system can lead to tax collection pitfalls, although ED circulates officers regularly. In addition, the CD was also reported to be allegedly helping importers, by accepting very low declared CIF prices. In the case in question, an importer declared a CIF price almost 50% lower than usual for 70,000 cases of whisky, which were claimed to be for promotion only, and not for sale on the normal market. The reporter concluded that the CD had no capacity to verify such a claim [Thairath Newspaper 19/04/2003].

“We have to send our officers to the factory, to prevent tax evasion; because we did not have better way during the concession period, this is because of poor technology. If the officers are ethical, this practice is better than other instruments. Some are bad, but it an individual issue. However, ED circulates officers every two years to prevent them becoming too close to the producers.” [A former ED administrator]

The monthly quota for traditional beverage producers is a clear example of policy distortion. On the positive side, this practice guarantees alcohol revenue in the most practical way in a limited resource setting. On the other hand, the monthly quota practice significantly changes the illegal beverage scenario, from illegal production by illegal producers to brewing illegal beverages by licensed producers. The producers have an incentive to produce as much as they can, as they have already paid their fixed cost- taxation.

“Excise officers asked us to sell more stamped beverage. They set the quota for us at 200 bottles per month, which means that we have to pay around three thousand Baht per month. With this figure, they will be satisfied, and let us produce more illegally. However, we cannot let them see. They will still make an

Setting Standard Ex-factory prices is another questionable practice. In 2003, an ED administrator stated that the Department intentionally set the ex-factory price for traditional fermented beverages so they were taxed at the *Ad valorem* rate, to prevent price under-reporting practice. The TBPB immediately disagreed with this decision, claiming that this just helps the big entrepreneurs [Krungthep Thurakit Newspaper 23/01/2003]. When revenue from beer missed its target in 2001, ED declared an increased Standard Ex-factory price to boost revenue [Prachachat Newspaper 1/02/2001]. This is arguably contrary to the primary purpose of the Standard price which is for beverages that have no, or many declared price(s) (The Liquor Act B.E. 2493, 1950), not to make up revenue deficits.

“For fermented beverages we set the ex-factory price at 16 Baht. This is the Department’s intention to charge one rate, Ad valorem, which will bring in more revenue. We have faced difficulty in implementing the Specific tax rate. The strength of beverages sent for testing differs from what they sell. Sending low percentages for testing allows them to pay less tax.” [Wijit Wongwat-Deputy ED Director, Krungthep Thurakit Newspaper 24/01/2003]

Policy content

Many elements of taxation policy do not support implementation in the revenue-generating purpose. The self-assessment basis of tax paying and the competency to prevent tax base underreporting are two examples. With the issue of transparency, the tax system is generally incapable of preventing officers from abusing their authority, taking bribes and helping entrepreneurs to evade taxation (Tonvigid, 2002). The setting of Standard Ex-factory prices is often labelled as an attempt to favour some entrepreneurs. In 2003, Bonrawd introduced ‘Singha 70’ beer (their main brand is just ‘Singha’), and declared its production cost at the Economy beer rate. However, ED decided to classify and tax it as Standard beer, in the same group as Singha. This conflict then led to further petitions.

“We still insist that taxing Singha 70 as Standard beer is the right decision...It is Standard beer, the producer has just changed the label and

colour.” [Chaiyant Posayanont- Deputy ED Director, Dailynews Newspaper 20/11/2003]

“The ED’s decision is illegitimate. It is a subjective decision ...The Act says that alcohol is levied by ex-factory price. Not any single word in the Act allows ED to charge by logo, label or name.” [Santi Phiomphakdee-Manager Director Boonrawd Trading, Prachachat Thurakit Newspaper 24/11/2003]

The CD also has authority to declare the CIF price, if the price reported by the importer looks unreliable. In 2004, the CD declared 4 Baht per bottle as CIF for an imported Chinese beer, instead of 2.5 Baht as declared by the importer and approved by the Chinese public agency [Phoojadkarn Newspaper 13/09/2004].

Administration

Workforce shortages and poor tax collecting technology limit the capacity for alcohol tax collection. Many attempts have been made at the implementation level to enhance tax collecting effectiveness and increase revenue, including amending Standard Ex-factory prices [Krungthep Thurakit Newspaper 24/01/2003] and the investment to reinstall beer metres, which was forecast to bring an additional 5% in beer revenue [Dailynews Newspaper 18/01/2003]. Another strategy infrequently used is to declare the tax base to make up for possible price under-reporting.

“Industry tends to underreport the Ex-factory and CIF price. For imported beverages, we cannot verify much; we have to trust the declared CIF. However, if we still think that the reported price is so low, we have to take them to court.” [A former ED administrator]

“Excise tax is charged to alcohol producers; there are not many of them. With this concept, increased tax collection effectiveness would not bring much additional revenue, as we can not tell them to pay more...Suppressing alcohol smuggling, at best, can only bring minimal increases.” [An ED administrator]

Sectors subject to enforcement

For alcohol entrepreneurs, taxation is naturally not in their interests. Theoretically, domestic producers are likely to conform to the tax collection system, as they are closely controlled by Factory Excise Officers. Particularly under the monthly quota practice, traditional beverage producers have an incentive to produce as much additional untaxed alcohol as possible. The use of false excise stamps and fake stamps among traditional beverage producers has been reported.

Alcohol importers are widely criticised for their tax base underreporting practice. Although system administrators accept that many CIF prices are unbelievably low, it is difficult for ED to verify, and they cannot do anything if the entrepreneur can declare the cost structure [Than Wikrau Newspaper 15/12/1996].

“The wine importers have reported a very low tax base for their product which is unlikely to be true. It is much cheaper than the price it is sold for in its country of origin. Some declare wine CIF price at 10-20 Baht per bottle.”
[Suraphong Songprakorn-Deputy Manager Director Siam Winery Company, Than Setthakit Newspaper 9/08/2001]

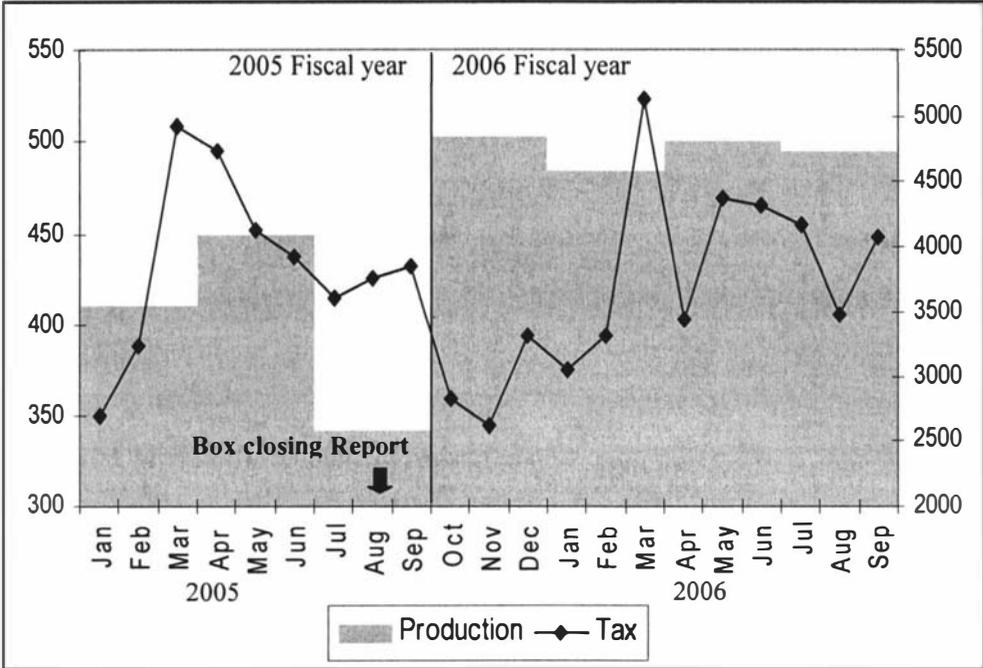
“The CIF price of some whisky brands was declared at 29 Baht, some wine is only 6 Baht, while the ex-factory price for domestic spirits is over 100 Baht.”
[Somjainuek Engtrakul-ED Director, Than Wikrau Newspaper 15/12/1996]

Alcohol importers also use the AFTA mechanism to enhance their profits, particularly by ‘repackaging’ which transforms out-zone to in-zone products. When the CD temporary ruled that repackaged beverages were an out-zone commodity, many international players put pressure on the Thai government. The Philippines Government insisted that the beverage in question was an in-zone product, produced by Diageo Philippines Company, and contained only concentrate from Scotland [Prachachat Thurakit Newspaper 15/04/2004].

One interesting strategy to help ED and MOF achieve revenue targets is requesting alcohol entrepreneurs to buy excise stamps in advance, the so-called ‘box closing’ technique. When beer revenue was 10% lower than target in August 2005, an unnamed source from the MOF stated that the Finance Minister successfully requested two beer giants to buy excise stamps in advance to bring beer revenue nearer to its target before the end of the 2005 Fiscal year (September 2005) [Matchon Newspaper 22/08/2005]. Figure E-1 shows the non-reciprocal movement between beer taxation and production volume in the juncture between the 2005 and 2006 fiscal years. The high taxation in relation to low production volume in late 2005 and the low taxation collected from the high production volume in the early 2006 fiscal year may be the result of the box closing tactic used late in the 2005 fiscal year. This form of industry support is arguably a big help to the troubled ED and MOF. This practice is based on and could strengthen their relationship. It should be also noted that at that time the 2005 adjustment was being formulated.

“ED may ask the producer to pay more, but in the short term... We call this ‘Box closing technique’ that means to advance tax payment. This is difficult for the current situation.” [An ED officer]

Figure E-1: Beer production (trimester) and tax (monthly) January 2005-September 2006

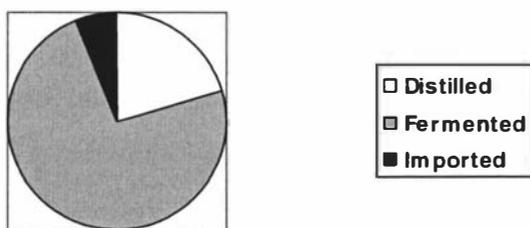


Illegal beverage suppression

Introduction

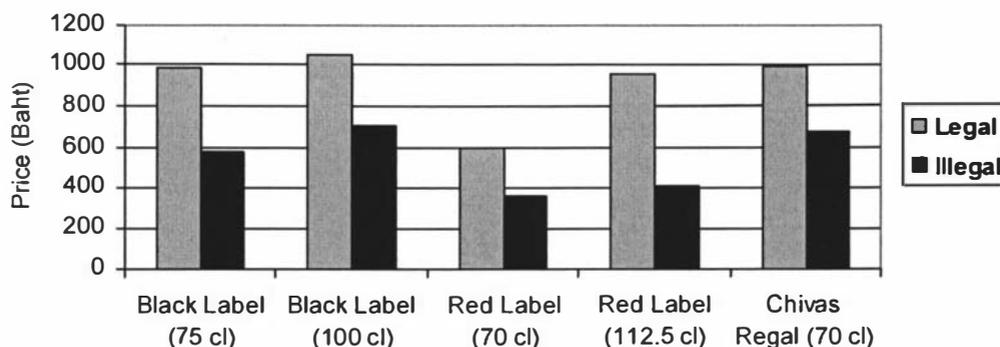
Recently, most untaxed beverages can be classified into two groups; expensive and cheap beverages. The first group comprises smuggled and brand-counterfeit premium grade imported beverages, particularly whisky and wine, and occasionally fake beverages. Its main entry point is via land and sea cross-border smuggling. Both the CD and ED are key players in curbing the trading of this group of beverages. In terms of volume, imported beverages are only a minimal share of the total smuggled beverages seized (Excise Department, 2004a), as in Figure E-2. It was estimated smuggled beverages made up 10-11% of whisky and 40-55% of wine in 2005, and the retail prices for taxed and smuggled whiskies differed by up to 2.38 times (Poapongsakorn et al., 2006), shown in Figure E-3.

Figure E-2: Beverage volume of arrested case, by type of beverages, October 2003-July 2004



Source: (Excise Department, 2004a)

Figure E-3: Average purchased price of selected whisky brands, 2005



Source: (Poapongsakorn et al., 2006)

The second group are the cheap mainly traditional beverages aimed at rural and poor consumers. Prior to the legalisation, the suppression of homebrew beverages was achieved by inspection and arrest, as well as road checkpoints to prevent beverage relocation. Police officers supported excise officers in many arrests. The major difficulty for enforcement in that period was resistance from grass-root brewers and their supporters, including politicians.

“Before legalisation, prevention of illegal brewing faced various difficulties. If the enforcement was too strong, we faced protest and political pressure. And excise officers cannot do much; sometimes we had to call Administrative officers to help. This kind of problem decreased significantly.” [An ED officer]

“Before our product was legalised, many illegal brewers had to stop because of fines from excise officers. They destroyed brewing equipment and fined heavily. So the producers had to hide equipment” [A traditional beverage producer]

After legalisation which should theoretically have wiped out illegal production, evidence confirmed an increase in the number of arrest cases (Sanyotewit, 2004). The main culprits included both licensed producers and moonshine brewers. The difficulty for law enforcement is in the surveillance system, such as monitoring the production volume of licensed producers. The explicit resistance of illegal brewers has decreased significantly.

“Excise officers now face more difficult problems in dealing with brewers. They have to verify the legitimacy of beverages. Legal producers can produce an illegal product.” [A retired local public administrator]

Figure E-4: Arrest of illegal beverages relocation in Phrae Province



Note: 1,300 Litres of untaxed White spirits in fertiliser bags [Photo from Phoojadlarn Online Newspaper 16/10/2006]

Implementer

The skills required to suppress illegal beverage production and trade differ pre- and post-legalisation. However, the limited capacity of excise officers as the main implementers can be seen in both periods. In many cases, excise officers are unlikely to operate effectively alone. Excise officers have to face primitive resistance such as assault, along with pressure from influential players, including politicians and other public officers. There was a report that politicians were protecting illegal brewers and warning officers not to make arrests in their areas [Siam Post Newspaper 9/10/1994].

“It is not only villagers who carry these spirits, soldiers, police and other public officers are also involved. Some even used public vehicles to carry alcohol.” [Prasan Rongphuech-a retired teacher, Siam Post Newspaper 9/10/1994]

“The reason why we cannot control illegal spirits is because of public officers... There are not many brewers in the District. If we are serious enough it should not be difficult... We also lack integration; currently police officers do not help much...Some influential producers may have connections with politicians. Of course public officers have to consider these links before doing anything.” [A retired local administrator]

Many practices used in suppressing illegal beverages reflect dodgy practices. Prior to legalisation, compromising practices and secret settlements between illegal producers

and implementers were reported (Laichuthai et al., 2002). Charging weak penalties was used in both periods [Phoojadkarn Newspaper 18/09/1998] (Sanyotewit, 2004). The monthly quota system is another recent example.

“District excise officers come to charge us once or twice a month, but fined us only 300-500 Baht. They understand well that this is just our supplementary income.” [An unnamed traditional beverage producer, Phoojadkarn Newspaper 18/09/1998]

On the issue of abuses of authority, there were media reports of regular bribes, such as 2,000-3,000 Baht per household monthly, paid to enable illegal production [Phoojadkarn Newspaper 15/12/2000], as well as bribes for distribution [Bangkok Post Newspaper 21/04/2002]. Furthermore, aggressive practices were reported, including officers invading properties without Court permission, and damaging possessions [Phoojadkarn Newspaper 27/03/2001]. It is generally believed that Factory Excise Officers also permit the relocation of untaxed beverages in some cases.

“Police officers also have authority to make arrests for illegal production. But many police officers and some excise officers take bribes to look the other way... Normally we control tax collection from domestic industry very well. But there are some tax-free requests from influential people, which is very normal in Thai society” [A former ED administrator]

“(An influential politician) told me that the producer in his area gave him hundreds of spirits cases to distribute to people in the festive period, although he did not ask for them, and of course it is untaxed” [A ThaiHealth administrator]

Alcohol operators have supported the illegal beverage suppression by excise officers in many interesting ways, including the provision of daily allowances, vehicles, assistants, and bonuses. The bonus system, set at a minimum threshold of 500,000 Baht of accumulated fine, is an incentive for public officials to increase enforcement, and perhaps abuse authority by overcharging to gain more in fines [Phoojadkarn Newspaper 27/03/2001]. This type of support makes illegal producers and villagers see industrial operators as their opponents.

“Yes, we support ED in many ways including in the suppression of illegal beverages. This benefits both partners. We have fewer competitors, and they have more revenue.” [A consultant to a domestic alcohol company]

“A big operator used to support us in illegal beverage suppression, by providing overtime allowances, vehicles and also bonuses of around 40% of fines collected... Now these supports decrease, but there are still allowances in the form of lunch payments and vehicle support. It is thought that we are with the alcohol industry, as operators want us to suppress untaxed beverages heavily, the number of arrested cases and amount of fine reflects our performance. This is a win-win situation.” [A former ED administrator]

Policy content

The weakness of penalties is often identified as a drawback in policy content. Fines are too low to prevent violation and illegal beverage trade [Phoojadharn Rai Sabda Newspaper 26/06/2000]. Furthermore, most violators were penalised by fine, not imprisonment. However, grassroots producers see the confiscation and destruction of equipment, as a strong penalty.

To the sectors facing enforcement, many practices can easily be seen as abuse of authority, such as the penalties used. Non-standardised practice allows officers to select the type and seriousness of violations. The majority of excise officers charge producers with illegal production, rather than the misuse of production and/or excise stamp abuse, which carries a stronger penalty (Sanyotewit, 2004).

“Paying the fine, in the villager’s context, is perceived as corruption... the law just sets the maximum fine, and gives the authority for excise officers to set the actual fine. This is an opportunity for corruption. Also, allowing them to destroy brewing equipment is too cruel from a villager’s perspective.” [A retired local administrator]

Administration

The restructuring that moved excise officers from the district-based to regional-based level may affect their coordination with other co-implementers, who are still located mainly in the district-based system, such as police officers and District administrators. The traditional beverage legalisation can be seen as a double burden for local excise officers. Controlling illegal production through accounting systems is an additional burden, while conventional methods of suppression are still needed partly because not all illegal producers have entered the taxation system.

In the late 2003 fiscal year, ED launched the 'No-Illegal Alcohol Nationwide' campaign to boost the prevention and suppression activity (Excise Department, 2003). Then the project was extended and renamed as 'Illegal alcohol and cigarette-free Thailand 2004' during the following fiscal year, continuing to 2005. These projects used local implementers and set up ad hoc teams to promote, inspect, sample and arrest people involved in violations nationwide, including those in the land and sea distribution channels (Excise Department, 2004b). The priorities of the projects included fake beverages, fake excise stamps, improper excise stamp use, and tax evasion (Excise Department, 2004c).

Sectors subject to enforcement

Illegal beverage suppression and its implementers, both pre-and post-legalisation have not been well accepted by villagers and illegal producers. Their fundamental perception is that they have the basic right to produce these beverages, and that enforcement is to bully the poor to please industrial entrepreneurs. Many of them refused to enter the tax system after the legalisation [Than Setthakit Newspaper 4/05/2003]. The implementation in the post-legalisation period, such as inspections of production sites and accounting systems, are still unfavourable. Some producers called for a change in tax collectors from excise officers to officers from the Local Administration Organisation [Phoojadkarn Newspaper 15/12/2000], which is friendlier and directly elected by villagers.

“One reason why many of us have to close down is because excise officers charged too often, on over-production and illegal selling, as well as accounting. There are many excise officer groups, some come from other areas to overlook accounts, and some come to investigate illegal selling...What I want most from the government is to decrease the disturbance by excise officers.” [A traditional beverage producer]

“We cannot accept what ED offers, the taxation rate is too high...Our group agrees to produce 50 percent spirits (prohibited concentration) and promote it on the ‘cheaper but stronger’ campaign, to counter the White spirits price dumping.” [A traditional distilled beverage producer, Than Setthakit Newspaper 4/05/2003]

The response of illegal grassroots producers to the regulation enforcement in the pre-legalisation period was ad-hoc and disorganised. Responses were confined to the individual and community level, and included actions such as hiding, destroying vehicles and assaulting officers to avoid inspections [Siam Post Newspaper 9/10/1994]. There were also threats made against an alcohol entrepreneur, who was a supporter of enforcement [Krungthep Thurakit Newspaper 9/04/1995].

“On the Children Day earlier this year, there was a demonstration by children to protest against the arrest of producers. The children threatened that they would resign from school if officers still make arrests.” [Sukha Jarassi- Phrae Provincial Excise Officer, Siam Post Newspaper 25/09/1994]

Then the response was upgraded to protests against policy enforcement, aimed at freeing those producers arrested. The producers set up a broader network, which was well structured and later become the TBPN. The network caused many more difficulties for excise officers in suppressing illegal beverages. Action by the network was effective, forcing officers to free its member and/or charge them minimal fines. The strength of the network reinforced the growth of illegal beverage production. Later the TBPN stepped up from freeing arrested brewers, to calling for arrest-free periods and further advocating for traditional beverage legalisation.

“The traditional producer network now becomes popular because they can free arrested brewers by protesting, surrounding and negotiating with officers.”
[Wisit Techatheerawat- Senator, official record of Senators Parliament meeting/ 16/05/2002]

Drink-driving countermeasures

Introduction

The enforcement of drink-driving countermeasures was strengthened recently, particularly after the announcement of road safety issue as a national agenda. The PM showed high commitment to comprehensive multi-sectoral action in his statement (World Health Organization, 2004d). Prior to this, the number of accidents and road traffic injury rate had increased sharply during the period of economic progress, while the mortality rate had remained at the same level, perhaps due to the improvement of post accident care (Sornphaisarn et al., 2006). Without a doubt, alcohol consumption is a main factor for road safety issues. It was a factor in 49.7% of all serious road traffic injuries in 2004 (Bureau of Epidemiology, 2005).

Inconsistent enforcement is the weakest link in drink-driving countermeasures, although it has been strengthened recently. A survey in 2004 showed that only 7.7% of drink drivers had been tested for alcohol (Poapongsakorn, 2005). In another survey in 2004, 100% of 235 alcohol positive drivers accepted and agreed with the Don't Drive Drunk programme, but the most common reason to drive after drinking was because they did not think that would face a checkpoint (Methasurarak & Reungjan, 2005).

“Drink-driving law enforcement can make people not drink before driving. But with out enforcement, nothing happens. The chance of being tested among Thai drivers is only 0.025%.” [Dr.Tairjing Siripanich- Secretary of DDD Foundation, Khao-sod Newspaper 16/12/2002]

Police officers are the main policy regulators. Since 2003, the RSMC has been the main coordinating agency. By law, setting up a road checkpoint requires at least one Police

Lieutenant or higher-ranking officer. Breathalysers have been used only recently. Prior to this, drink-driving prosecutions required complicated medical procedures, that were unable to be conducted in most health care institutions.

Apart from surveillance, public education programmes and campaigns also target high-risk periods. Evidence shows that public campaigns without strong enforcement merely change drink-driving awareness, not behaviours (Suriyawongpaisal, 2000). Many sectors are involved with these interventions, including ThaiHealth, the DDD Foundation, public media and the alcohol industry.

Implementers

Drink-driving was reported to be only low priority for police officers in setting up road checkpoints (Methasurarak & Reungjan, 2005), except for festive periods. For a long time, implementers were not well-equipped and trained for drink-driving enforcement. Although breathalysers have been more available recently, lack of skill in their use and maintenance are still sticking points (Pitayarangsan, 2006).

The conflict of interest and bribes taken by police officers in drink-driving enforcement have been frequently criticised. Apart from personal benefits, this is perhaps due to the administrative practices such as setting a minimum figure for number of arrest cases and amount of fines collected for each police administrative area [Thairath Newspaper 11/02/2007], and an inequitable allowance system (Sa-ngiumpak, 2007).

Since 2003, the Department of Probation- MOJ has had an increasing role in drink-driving enforcement, particularly in expanding penalties from conventional fine paying to include community service [Khao-sod Newspaper 25/06/2007]. Community service by famous people has boosted social awareness. Nearly 22% of the population referred to a drunk driver movie star when they thought about a drink-driving campaign (Sathapitanont, 2006a).

According to interviews, the APPA was perhaps the first NGO concerned with drink-driving issues at a time when there was less concern about issues. Many more stakeholders have participated in drink-driving issues in recent times. The DDD

Foundation has explicitly supported enforcement in many ways; educator, coordinator, advocate and enforcement supporter (Sathapitanont, 2006a).

“In 1991, we (APPA) also trained police officers how to use breathalysers, and successfully urged the PM to buy more. He approved our request and spent 42 million Baht.” [An APPA administrator]

Many in the private sector, including operators in the alcohol, automobile, insurance and petrol businesses, have been involved in drink-driving policy implementation, especially in public campaigning and financial support for law enforcement. Many of these entrepreneurs have adapted the drink-driving issue to suit them. Apart from setting up the ‘Thai people don’t drive drunk’ billboards, a domestic alcohol company also launched ‘Don’t Drive Drowsy’ (literally to rhyme with Don’t Drive Drunk phrase). The alcohol industry SAO, REACT, provided breathalysers to entertainment venues and promoted responsible drinking in the ‘Road Safety: Who is responsible?’ campaign [Matichon Newspaper 18/06/2005]. This is clearly in line with the industry-friendly self-regulation concept. A foreign alcohol company introduced a compromised campaign ‘Drink smart-Drive safe’, instead of using the official Don’t Drive Drunk campaign [Nation Newspaper 10/12/2004].

“Every year, number of accidents from drunkenness and drowsiness share the same figures... Sleepy driving has the highest risk, as drivers are not conscious and so are unable to react... while drunk drivers have more opportunity... At anytime on the road, sleepy drivers outnumber 20 times drunk drivers.” [Dr. Manoon Leechawengwong, Chair of Don’t Drive Drowsy Fund (supported by a domestic alcohol company), Dailynews Newspaper 20/07/2007]

Figure E-5: A compromised drink-driving campaign from an alcohol company



Policy content

The drink-driving regulation was strengthened recently, including practical measures such as a clearer definition of drunkenness and the means to test it, the swiftness of the justice system, and expanding penalties to include community service. Furthermore, giving police the authority to force suspects to have a breath and/or to have a blood test was in the process, as of December 2007. In mid 2007, Cabinet agreed with the proposal to define drivers who refuse the test as drunken, and to apply alcohol testing at every accident [Thairath Newspaper 27/06/2007].

Other recommendations to address weak content include increasing the level and swiftness of punishments and enforcement flexibility, such as allowing the use of retired police officers and local administrative officers as regulators.

“Decentralisation of police structure is a way to solve this. In drink-driving issues, police always have conflicts of interest. It is thought that we should use other officers to enforce this law, but it we are unable to do so as we do not have any law to support this.” [A road safety expert]

“Although we can have more police, instruments, and money, we cannot inspect every drink driver...having strong punishment will deter them from drinking.” [A police commander, Thairath Newspaper 6/06/2007]

Administration

A lack of workforce and equipment, capacity, commitment, and inadequate utilisation of knowledge have been referred to as the main limitations for drink-driving enforcement. The Royal Police Office has only 1,793 breathalysers, while the estimated demand is for 3,036 (Methasurarak & Reungjan, 2005). Furthermore, untimely budget and allowance systems were reported as unfair on implementers (Pitayarangsan, 2006, Sa-ngiumpak, 2007).

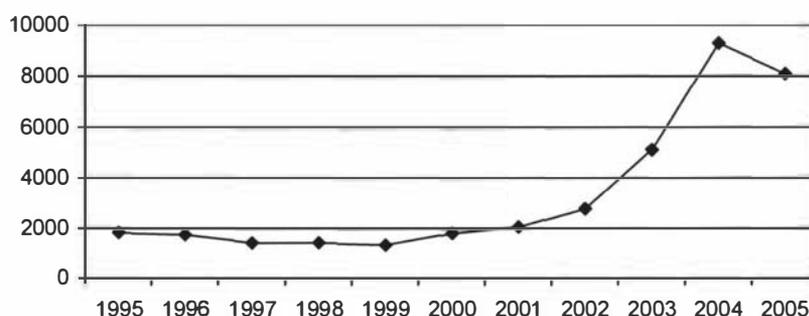
Most of all, enforcement inconsistency perhaps reflect an inadequate commitment to implementation. The blitz enforcement strategy does not bring lasting results (Suriyawongpaisal, 2000). For the festive periods, administrators always combine enforcement activities with public campaigns in the media. However, although blitzes can reduce mortality for that particular period, it does not have spillover benefits for non-festive periods (Pitayarangsan, 2006).

One particular change in recent times is in data collection particularly in the identification of the causes of accidents. Together with the increase in alcohol testing, it seems like alcohol-related accidents increased sharply in the 2002-2004 period, as shown in Figure E-6. However, it is more a case of uncovering the real situation than an actual increase in the drink-driving burden. The fact that the drink-driving burden has not decreased as expected has put pressure back on administrators and implementers.

“We have been heavily criticised that our campaign is ineffective, as the figures show that the proportion of alcohol-involved traffic accidents is still increasing. But it is actually from the change in the data reporting system. The former data was underreported as nobody verified drunkenness. Furthermore, police had to select only one main cause for each road traffic accident.” [A drink-driving NGOs administrator]

“I question whether or not the policy is ineffective or inappropriate or is it poorly enforced. Because what we have seen is that the rate of problems has not decreased at all.” [A Newspaper editor]

Figure E-6: Number of road accident cases caused by alcohol intoxication



Source: The Royal Police Office, cited in (Sornphaisarn et al., 2006)

Administration of drink-driving enforcement has been criticised for not using the knowledge and evidence available, for example in setting up sobriety checkpoints (SatabunPhrapokklao, 2005). Many officers still locate checkpoint on the major roads, although evidence suggests that minor roads between villages are the main accident points. The selection of indicators to monitor enforcement performance is another contentious issue, such as using a number of surveillance points per district (SatabunPhrapokklao, 2005).

The most controversial strategy, although not specific to drink-driving, is to set a ceiling target for accidents for each festive period, and use it to judge the performance of local administrators, including a reward and punishment system. Many criticise this strategy as an incentive to underreport information. Recently, Ministers agreed to remove the capping target to solve data distortion.

“This year we set a target that death tolls should not exceed 456 and 8,203 for injuries, a reduction of 15% from last year’s figures... For provincial governors who are unable to meet these achievements, the Public Sector Development Committee will make a decision about them.” [Serm Sak Pongpanich-Deputy Minister of Interior, Dailynews Newspaper 28/12/2005]

“I have discussed with Minister of Interior that road accident data should not be hidden and distorted as it used to be, otherwise we can not know the facts.”

[Dr. Mongkol Na Songkhla- Health Minister, Phoojadkarn Newspaper 19/12/2006]

“The road traffic accident data from the MOPH and police often differs. Thus in recent years, the government has centralised the data and assigned the Ministry of Interior to publicise data...Many now question the validity of the data. As the Ministry of Interior is the main responsible agency for road safety, having low figures is more favourable. Now some symbolise this practice as marking its own test.” [Dr. Supakorn Buasai- ThaiHealth Manager, Khao-sod Newspaper 24/04/2006]

Appendix F: Thai alcohol policy evaluation

This first part describes the common ground of Thai alcohol policy performance. It covers the direct and indirect impacts of policy including effectiveness and efficiency, appropriateness and context. The latter part describes the performance of three interventions; alcohol taxation, the Alcohol-free Buddhist lent period programme and prevention of youth consumption, which were appraised by different mechanisms. Taxation is mainly evaluated through bureaucratic reports. More comprehensive processes, including population-based measures, evaluate the alcohol-free period programme in comparison. Meanwhile youth consumption has had no specific evaluation system. The evaluation is from the author's perspective, and includes the opinions of stakeholders collected from literature, public media and through interviews.

One particular difficulty for Thai alcohol policy evaluation is that many interventions do not have declared objective(s), particularly interventions that were enacted a long time ago and by minor laws. Furthermore in many cases, policy makers used ambiguous wording as policy rationales, such as *'to be appropriate to the current economic situation'* for tax rate adjustments.

Commonly, stakeholders have evaluated Thai alcohol policy outcomes and performance, although this approach is open to bias and frequently not a scientific basis for assessment. The common belief among players in the health camp is that an intervention will be effective if it faces strong resistance from industry camp players. This resistance can be identified through their responses in the media, and policy actions including aggressiveness. For example, many believe that advertising regulation is a crucial intervention, because the process in 2006 faced strong and well-organised resistance from the alcohol industry and advertising agencies.

"The impacts of the first few years of the Alcohol-free Buddhist lent programme shocked the alcohol industry. They had underrated this campaign, they looked down on it...What we can see now is that the alcohol industry exerts their resources to fight back, not only to fight with us but also among themselves."

[A Communication Art academic]

“We almost need no research on the effect of alcohol advertising regulation. The alcohol industry will oppose only effective measures.” [A public health expert]

The effect of alcohol policy spreads unevenly among the affected entities, such as sub-population groups, beverage categories, and regions. The differentiating factors and mechanisms of effect are complex and also include many uncontrollable factors beyond alcohol policy arena. The strict control on operating times of entertainment venues, for example, severely affected some beverage categories, but did not touch or perhaps even benefit other categories. The anti-alcohol public campaign is reported to have had different effects among age groups. Its effect on youth group was diluted and was compromised by pro-drinking messages from advertising (Sathapitanont, 2006c).

“The Social Order Programme affects whisky and spirits most of these are time-consuming beverages. Consumers instead will shift to beer, wine, Ready-to-drinks and cocktails...In rural areas it does not have much effect, as consumers mainly drink in restaurants, not in entertainment venues.” [An alcohol company administrator, Than Setthakit Newspaper 2/09/2001]

Policy effectiveness & efficiency

Comprehensive evaluation of alcohol policy effectiveness requires appraisal of the immediate, medium-term and long-term impacts. Immediate outcomes of alcohol policy include the coverage, exposure and response of the population to that particular policy. The intermediate effect is mainly about behaviour. These behaviour-related indicators include consumption volume and prevalence of health risks. Long-term impact can be directly detected from the incidence and prevalence of alcohol-related harm.

The following section is a snapshot of selected alcohol policy indicators in three time ranges. This includes the outcome of alcohol policy as a problem-reduction tool, and for other objectives.

Immediate outcomes

The social awareness of alcohol problems and support for alcohol policy has increased significantly in recent times. The Thai population has become more familiar with the implementation of many interventions, such as drink-driving enforcement and public campaigns. 91.3 % of the population could recall the Alcohol-free Buddhist lent media campaign in 2005, an increase from 84.1% in 2004 (Sathapitanont, 2006c). Drink-driving countermeasures are well and widely accepted. The level of drink driving enforcement has increased. A survey in 2004 found that 7.7% of drink drivers had been tested (Poapongsakorn, 2005).

“Now more than 90% of the population know about ThaiHealth, up from 70%, and this shows our effectiveness. I do not see that it is a failure if our messages don’t change their drinking behaviour. We need to integrate all mechanisms to change behaviour; media campaign and other activities.” [A ThaiHealth staff member]

Table F-1: Percentage of alcohol regulation awareness among adult population, 2004

Regulations	Percentage
Prohibition of alcohol selling to under-18s	91.1
Drunk driver is subject for up to 3 month confined and/or 10,000 Baht fine	63.9
Drunk driver is subject for community service practice	54.8
Alcohol advertising is allowed only between 2200 - 0500	59.4

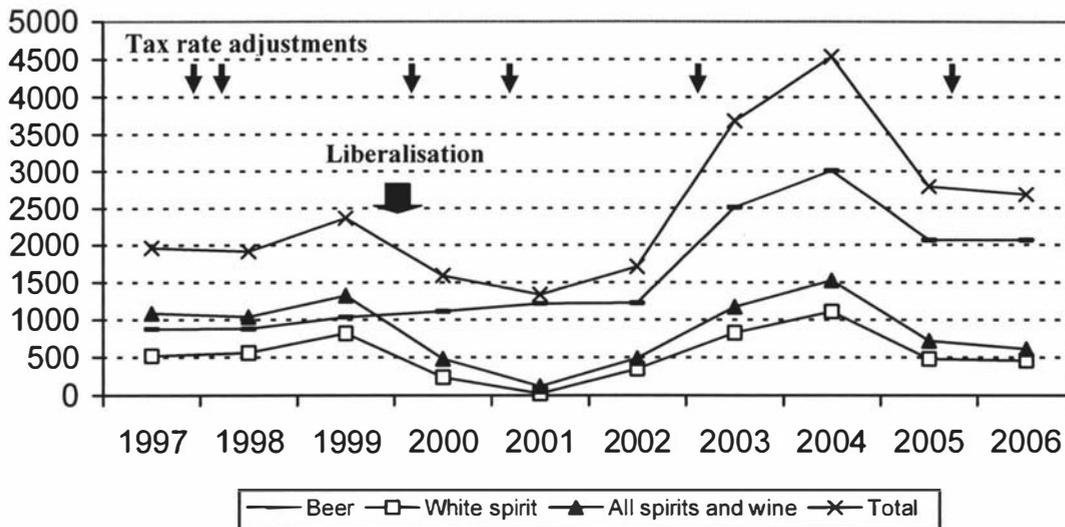
Source: Smoking and Alcohol Consumption Survey 2004 (National Statistic Office, 2005)

Intermediate outcomes

Evaluating the performance of Thai alcohol policy on consumption control is a complicated process, partly due to the incompleteness and incomparability of available data. However, based on the accessible databases, the evidence shows that Thai alcohol policy is still far from achieving its purpose. This is although some data indicates mixed results in consumption control.

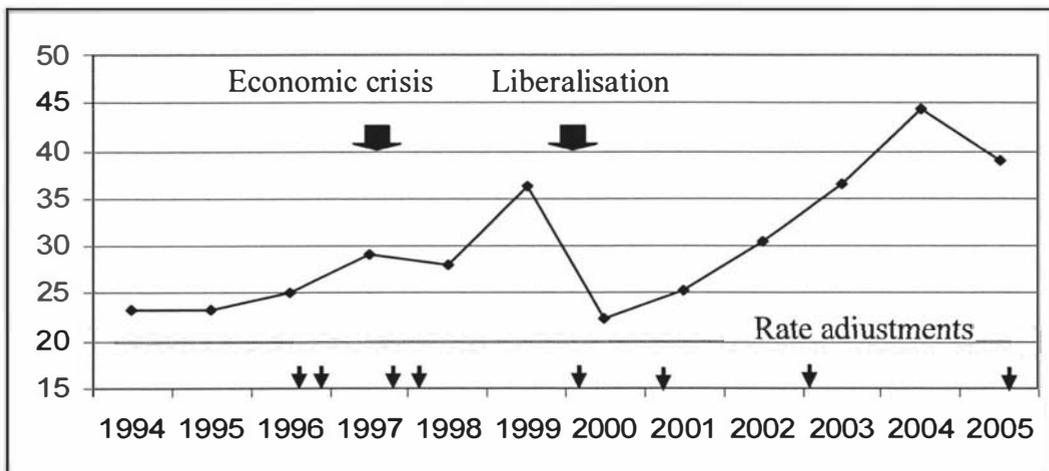
Overall the consumption level, based on production volume, increased from 1.96 in 1997 to 2.68 billion litres of beverage in 2006, or a 40% growth as shown in Figure F-1. Per capita consumption increased from 23.4 litres of beverage per capita in 1995 to 39 litres in 2005, as in Figure F-2.

Figure F-1: Domestic production volume (million litres) of beer, White spirits, all spirits and wine (including White spirits), and total production, 1997-2006 (Fiscal years)



Source: Modified from Excise Department statistics, from www.excise.go.th

Figure F-2: Consumption per capita (liter of beverage), 1995-2005



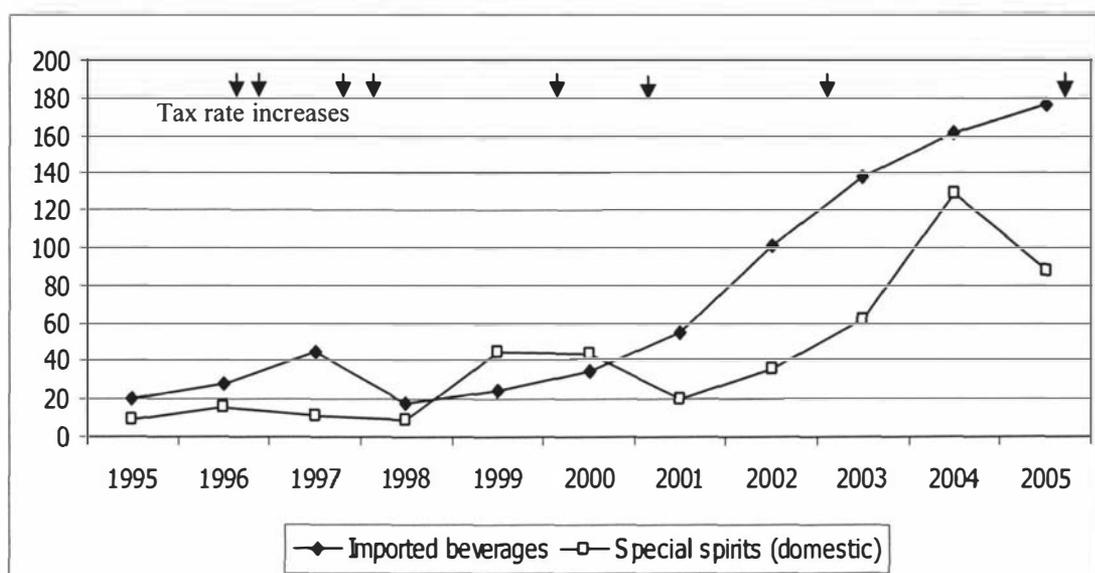
Source: Excise Department cited in (Sornphaisarn et al., 2006)

With variations across beverage categories, Figure F-1 shows an 11.5% drop in White spirits production during 1997- 2006, with fluctuations in between. The volume of Blended and Special blended spirits production dropped around 30% in the same period

that was contrary to the overall trend. These domestic beverages, which used to come under the production concession, lost their popularity significantly. The dramatic dip for domestic spirits in 2000, as a result of the production liberalisation campaign, pulled down total production volume during 2000 to 2002.

On the other hand, domestic beer, imported beverages and Special spirits or domestically produced western-style distilled beverages enjoyed huge growth in this period. In particular, the growth in beer production compensated for the drop in domestic style beverages, and contributed significantly to the overall expansion in production (Figure F-1). Both Special spirits and imported beverage volume increased almost ten –fold between 1995 and 2005, as shown in Figure F-3. The volume of imports reduced massively by 60% following the 1997 economic crisis, but had recovered within four years and then continued its steep growth rate.

Figure F-3: Volume of Special spirits production and imported beverages (million liters), 1995-2005

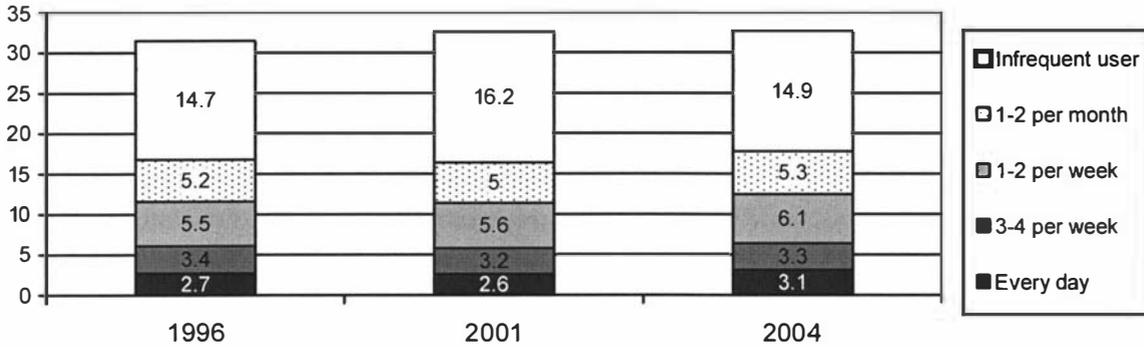


Source: Excise Department cited in (Sornphaisarn et al., 2006)

The national serial surveys confirm a minimal increase in adult drinker prevalence, from 31.6% in 1996 to 32.7% in 2004, or 3.5 % growth. The inverse trend of increasing drinker prevalence among young adult and decreasing among the elderly is noted. As depicted in Figure F-4, the percentage of regular drinkers who drink more than once a

week increased from 11.6 to 12.5% between 1996 and 2004. The proportion of daily drinkers expanded almost 15% in the same period.

Figure F-4: Percentage of drinkers in population, by drinking frequency, 1996, 2001, and 2004



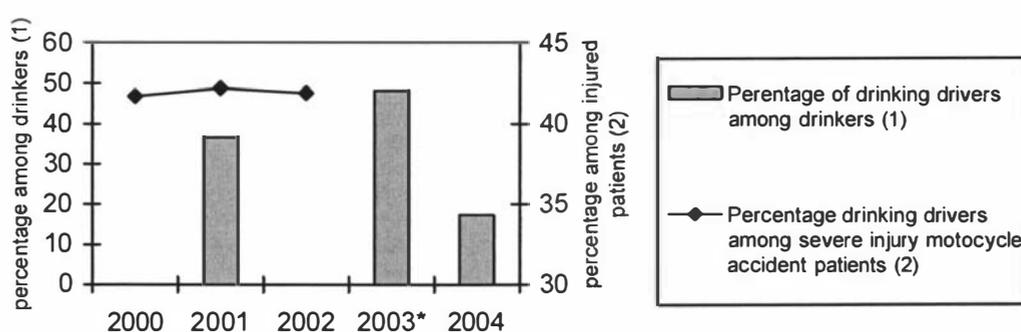
Sources:

1. 1996 and 2001 Health and Welfare survey by National Statistic Office referred in (Wibulprasert, 2005)

2. 2004: Smoking and Alcohol Consumption Survey (National Statistic Office, 2005)

Available data on drink-driving behaviour show mixed trends. The National Statistics Office surveys a puzzling fluctuation in figures for drink driver incidence among drinkers between 2001 and 2004. However, the difference in survey methodologies may partly explain these findings. Data from health care institutions shows the stable levels of drink-driving behaviour among severe motorcycle accident patients during 2000 to 2002.

Figure F-5: Percentages of drink drivers among drinkers and severe injury motorcycle accident patients (unit: %)



Sources:

(1) Health and Welfare Surveys and Smoking and Alcohol Consumption Survey, National Statistic Office

(2) Injury Surveillance, Department of Disease Control, referred in (Wibulpolprasert, 2005)

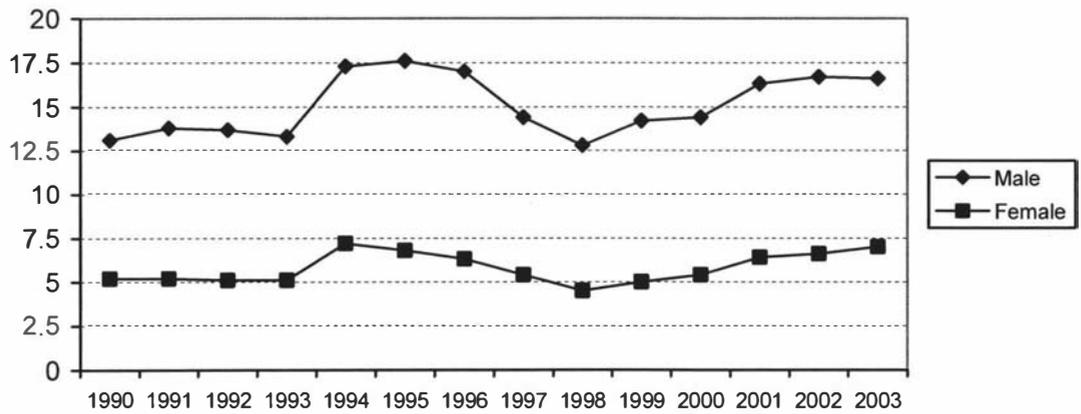
Note: * 2003 survey does not permit proxy responses, as allowed in 2001 and 2004 surveys

Policy outcomes on problem reduction purposes

The available data on alcohol-related negative impacts that can be compared over time are confined to only a few problems. Figure F-6 shows that liver disease and cirrhosis mortality rates increased around 30% between 1990 and 2003. After dropping in 1998, mortality rates steadily increased for both genders. In particular the female mortality rate grew from 4.5 in 1998 to 7.0 per 100,000 populations in 2003, or over 55% growth. The figure also shows that the mortality rates between male and females showed similar movement in this period.

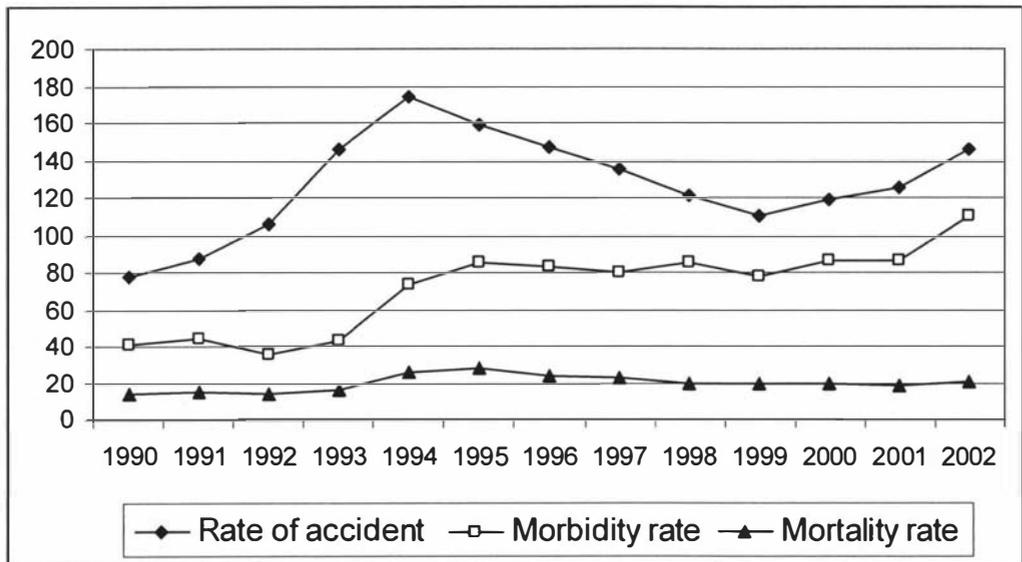
Figure F-7 illustrates the almost constant rate for road traffic mortality from 1990 to 2002, while the morbidity rate expanded almost three-fold. From the chart, road traffic morbidity rate had been stable during 1995 to 2001. This was at a time when rates of accidents decreased significantly. Economic regression may have played a part in this decrease. The case studies section in Chapter Eight also confirms that the number of drink-driving accidents had not decreased yet, despite the fact that enforcement had been strengthened.

Figure F-6: Liver disease and cirrhosis mortality rate (Per 100,000 Population), 1990-2006



Source: (Wibulpolprasert, 2005)

Figure F-7: Rate of accident, road traffic morbidity and mortality rates (Per 100,000 Population), 1990-2002



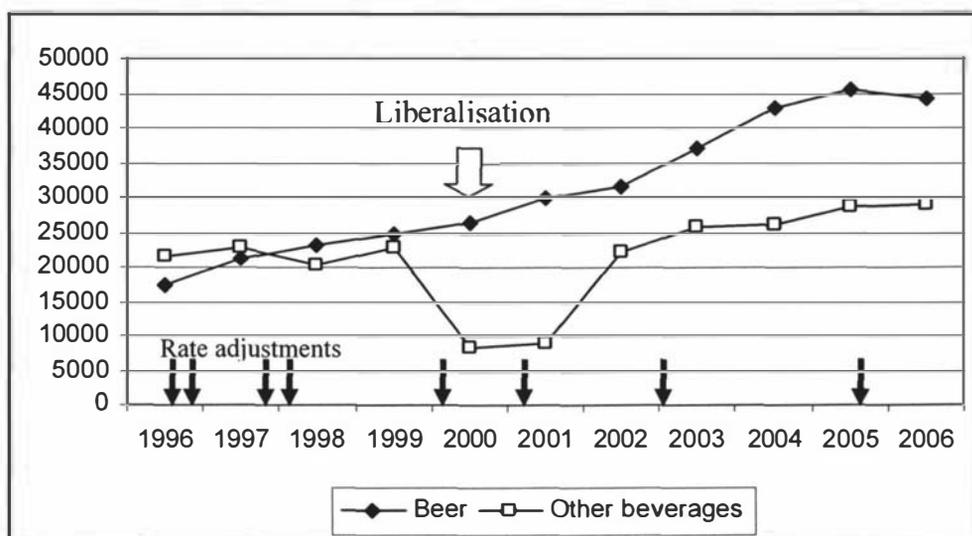
Source: (Wibulpolprasert, 2005)

Policy outcomes on other objectives

In terms of revenue generation, alcohol taxation and outlet licensing are arguably success stories. Revenue from alcohol excise taxes increased from 38.9 billion Baht in 1996 to 73.4 Billion Baht in 2006, or 88.7% growth. Figure F-8 illustrates the sharp growth in beer revenue. Revenue from other beverages, including domestic spirits, grew at a lower rate. Furthermore, there was a significant dip in 2000 and 2001 due to the

effects of production liberalisation, particularly from stockpiling at the end of the concession period.

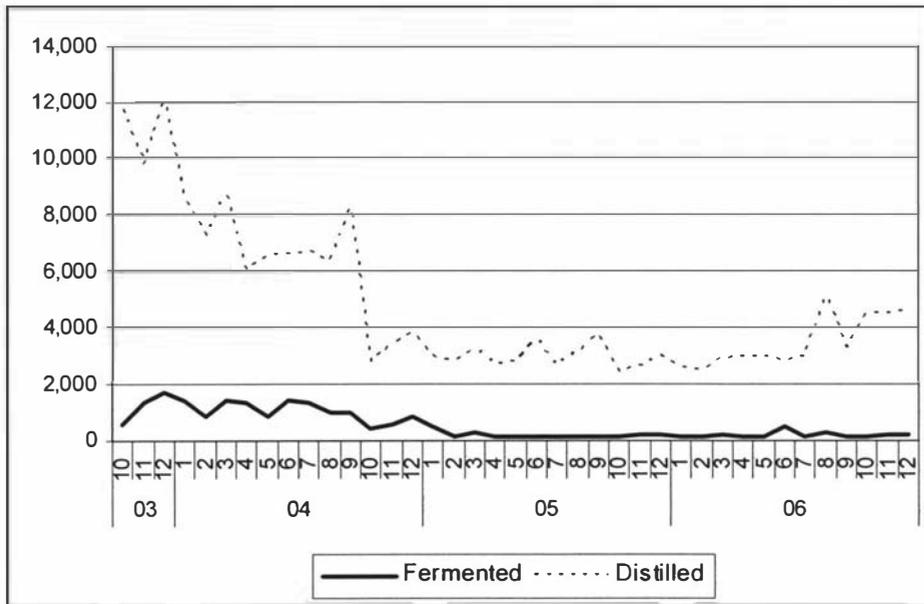
Figure F-8: Excise tax from beer and other alcoholic beverages (unit: million Baht), 1996-2006



Source: Modified from information from the Excise Department

Considering the substantial proportion of illegal beverages however, alcohol taxation and the legalisation campaign for traditional beverages seem not to have been very effective in illegal beverage suppression. A senior ED official once stated that the PM has been disappointed at the mushrooming number of illegal producers, despite the opportunity to become legal and enter the tax system [Than Setthakit Newspaper 24/04/2003]. Furthermore, the determination to enhance grass roots economy through traditional beverage legalisation seems not to have had the expected result. The majority of the licensed traditional beverage producers are not grass roots people, but capitalists [Naewna Newspaper 16/09/2005]. The number of active licensed traditional beverage producers has decreased significantly; particularly for fermented beverages [Krungthep Thurakit Newspaper 9/05/2003] Figure F-9 shows the decrease in production volume of taxed traditional beverages.

Figure F-9: Production volume of taxed traditional beverages (unit: thousand litres), 2003-2006



Source: modified from information from the Excise Department

Policy appropriateness

Theoretically, appraisal of policy appropriateness, equity, responsiveness and adequacy are all elements of policy evaluation. These areas have been largely more frequently assessed by stakeholders than technical processes.

Most stakeholders seem to recognise the increasing liveliness of alcohol policy process in recent times. The Thai population have been increasingly exposed to the implementation and outcomes of alcohol policy over time. Improvement in the social climate for alcohol policy has been seen. The proportion of alcohol policy supporters is fairly high in the Thai population, for measures such as the advertising ban, alcohol-free period and drink-driving countermeasures. The Anti-alcohol Running campaign to support the ACC Bill gained over 12 million supporters nationwide [Phoojadkarn Online Newspaper 18/03/2007], equivalent to approximately one-fifth of the national population.

“This is a transition period, before this period we had been affected by ‘bad water’ (problem-promoting conditions), higher income, increase in number of motorcycles, higher consumption, and high promotion. In the recent period,

ThaiHealth has invested in alcohol issues a lot, and this trend has been halted, diluting it with 'good water'.” [An alcohol policy expert]

“Alcohol issues used to be the missing link, having no owner. There was a small NGO association, but it could not do much. Bureaucrats are just concerned with treatment, meanwhile prevention is neglected. But having no owner is also a good opportunity, as we can engage in the alcohol arena without disturbing the sense of belonging to anyone.” [A ThaiHealth administrator]

“When looking at the domestic market, we know that it has become more and more difficult to expand, because of many regulations. Overall the market has not increased much for a while, but there is still growth in some competing sectors. This means that what the MOPH is doing, such as anti-alcohol campaigns, starts to have effect.” [A domestic alcohol company administrator]

However, the appropriateness of Thai alcohol policy has been critiqued in a number of ways, including its core concept that has been defined as an obstacle to policy effectiveness. Many have tagged ‘no-alcohol’, the core concept of policy interventions, as a non-realistic choice. An academic identified the traditional beverage legalisation campaign as flawed policy, because it pushed local producers, who used to brew on a non-commercial basis, into competition with industrial entrepreneurs in the market system [Post Today Newspaper 25/06/2003]. Other complaints about policy have included obsolete policy content, multi-objectives that can be seen as either conflicting or lacking direction, and unsuitable policy concepts imported from other countries.

“While they (ThaiHealth) have employed a 'No alcohol' campaign for three years, consumption still grows. This message is contrary to the real world scenario. This is the biggest mistake.” [An SAO administrator]

“I do not work on consumption reduction; I have to voice this clearly...Those people wrongly conducted a no-alcohol campaign. How they can promote no drinking, when we still fail to convince people on drink- driving which is easier. The Lord Buddha has taught us for over 2500 years; with millions of monks continuing his teaching not to drink. What does this thousand-year

experience show us? And who are you? Can you convince people better than Lord Buddha?" [A drink-driving NGO administrator]

"To deal with drink-driving, the Western experience says that RBT plus public campaigns are effective. For our country, applying this concept seems to bring another result." [A road safety expert]

Other forms of policy inappropriateness include the mismatch between content and implementation capacity, and the comprehensiveness or coverage of policies. These scenarios, in many cases, lead to unfavourable practices and situations. The legalisation of traditional beverages and limitations on tax collection capacity led to a new wave of illegal beverage production. The partial advertising ban does not cover many types of alcohol promotion, and has led to the mushrooming of alcohol promotions in uncontrolled media and other formats.

"Partial advertising ban increases the intensity of alcohol promotion after 10 pm. The condensation of advertising surely affects the desire to drink. This is something they did not think about before... Many campaigns did not reach the target group. The alcohol-free Buddhist lent campaign did not reach drinking groups." [A former SAO administrator]

"A partial advertising ban is only a half-answer. We, therefore, will not see its effect as expected. One reason, television-watching behaviour has changed. Perhaps limitation at 22.00 is not enough. As well as this, advertising agencies know that they have less broadcasting time. Their work must be attractive, having good quality and clear messages." [A Communication Art academic]

Evaluation of policy context and by product

Many alcohol policy interventions create significant spillover, with positive and negative implications. Some side effects are quantifiable and have been included in the policy evaluation process, but many are not. On the negative side, traditional beverage legalisation enhanced opportunities for illegal beverage production. When the Thai

government declared war on illicit drug trafficking in 2002, the number of patients(clients) with alcohol-related issues increased, in comparison to the number of amphetamine cases (Thamarangsi, 2005). On the positive side, education and persuasion interventions not only targeted behaviour change, but also created support for the advocacy and implementation of many policies, including drink-driving enforcement and punishment, and MPA (Sathapitanont, 2006b). From the government's perspective, one of the positive impacts of traditional beverage legalisation was to reduce social tension between former illegal producers and the public sector [Banmuang Newspaper 26/01/2003].

“Thaihealth budget in the media for education campaigns is not fruitful spending, in terms of bringing down consumption. But it is worthwhile, if we focus on awareness raised, partnership connections created and establishing the opportunity to work together. For example, ThaiHealth could co-organise the alcohol-free New Year event, even though this project was solely originated by the media.” [A Communication Art academic]

“Any intervention we choose, what ever, we have to think about side effects. It may be even more attractive and create higher net benefit than the direct outcome of the interventions. Also it is our challenge to quantify those by products and verify if they can create net benefit or not.” [A road safety expert]

“I am satisfied with the 2003 adverting regulation. This is a milestone for Thai alcohol policy development, stamping that alcohol is a non-ordinary issue to Thai society.” [A ThaiHealth administrator]

Alongside policy process, policy context is also influential for policy outcomes. The major reason why many tax rate increases failed to curb consumption was because these adjustments did not lead to substantial price increases and/or their effect was weakened by income increases and inflation, together with the effect of marketing practices. Another example for the effect of outside factors was the drop in alcohol sales and growth in alcohol smuggling due to economic crisis. An outlet owner stated that sale volumes during the economic crisis period drop by 50% for premium beverage sector

and 20% for the secondary, and that he also witnessed an unusual increase in cross-border smuggling [Matichon Newspaper 17/01/1997].

“The serious enforcement of drink-driving laws and broadcasting of drink-driving campaigns recently led to a 10% drop of our sales. So our company will halt the trend by launching a gift package, which is forecasted to boost our sales volumes back by 10 to 20%.” [An administrator of an alcohol importer, Than Setthakit Newspaper 22/08/1999]

“Since 1997, tax rate increases have had no effect on consumption level. Thai drinkers have tolerated tax rate changes, particularly with income growth.” [An SAO administrator]

Alcohol taxation

The monitoring and evaluation of Thai alcohol taxation policy is conducted by ED administrative systems, where economic interests are the primary concern.

Monitoring of alcohol taxation policy

Chapter Eight illustrates the many pitfalls of taxation policy implementation, both in tax collecting and illegal beverage suppression. Collecting tax from small producers, particularly traditional beverage producers, still has problems of coverage. The mismatch between implementation capacity and increased workload, and the application of inappropriate concepts are defined as main contributors to this poor performance. As it produces only small revenue but consumes substantial resources, the traditional beverage taxation is inefficient. .

“Less than half of traditional beverages, including OTOP, are taxed.” [An alcohol policy expert]

“This year, we have 6,000 licensed producers for distilled plus 2,000 for fermented beverage. Overall it is 8,000, but only 3,000 pay tax.” [An ED officer]

“Traditional beverage legalisation is perhaps against the global trend. Industry consolidation is an example of the global trend. The fewer producers there are, the easier it is to control quality, environmental impact and to collect tax. But the political position was just to please the villagers on an inappropriate issue... Prior to liberalisation, we had lessened the number of state-owned production sites from 32 to 12, for better control. But look at the current situation, thousands of producers are licensed.” [An ED administrator]

“While we have had a massive increase in workload, ED has the same number of officers. The amount of tax collected from traditional beverage producers is so minimal, around one thirtieth.” [An ED]

Distortions of policy are also heavily criticised, particularly in conflict-prone processes such as tax rate adjustments and setting the Standard Ex-factory price. The lack of capacity and commitment was defined in the media as the cause of the tax drop in the post concession period. Officials were unable to prevent tax evasion techniques, and there was a lack of commitment and personal conflicts [Phoojadkarn Raisabda Newspaper 23/10/2000]. High-ranking officials claimed that the drop in revenue were due to legal loopholes beyond ED’s control [Krungthep Thurakit Newspaper 17/05/2002], and was from the uncontrollable factors [Than Setthakit Newspaper 17/03/2002], as well as claiming that the drop reflected a drop in real demand [Than Setthakit Newspaper 2/11/2000].

Evaluation of Alcohol taxation policy

The section analyses many characteristics of Thai alcohol taxation, including effect of tax rate adjustments, effect of Standard price and tax rate anomalies, effect of consumption control, revenue generation, and other objectives . And lastly it assesses the context of taxation.

1. Effect of tax rate adjustments

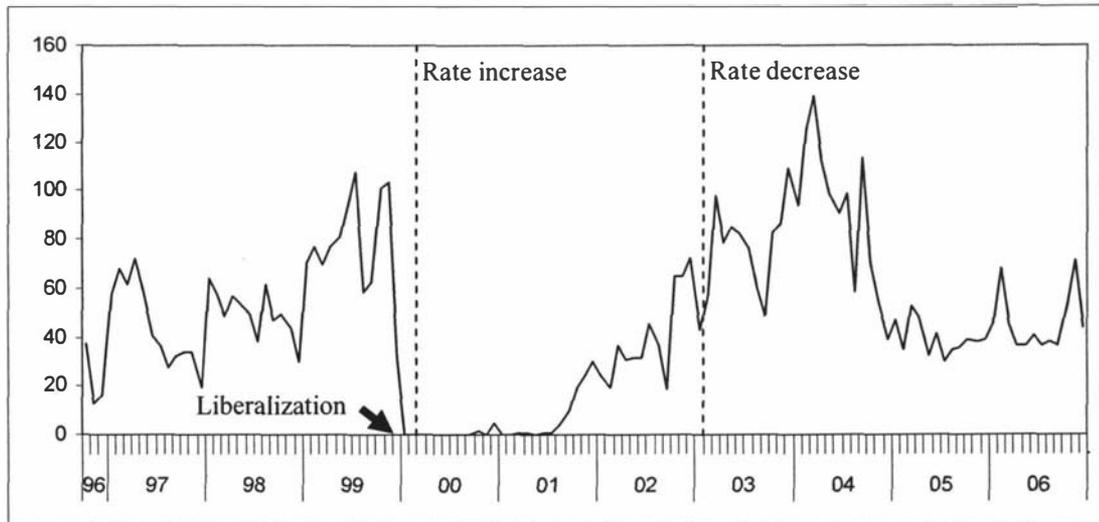
During the years 1997-2006, the Thai government amended the tax rate for alcohol beverages six times, mostly to make increases. The only lowering of the tax rate occurred in 2003, when the tax rate for White spirits was dropped from 100 to 70 Baht per litre of pure alcohol. Some of the tax rate raises led to price increases and marketing stunts from the affected sectors. The 'Wine fever' phenomenon during the period of economic progress was almost terminated by the *Ad valorem* tax rate increase in 1996-97, from 20 to 55%, and the devaluation of the Thai currency [Krungthep Thurakit Newspaper 25/02/1998]. The growth rate dropped from 300% in 1995 to less than 60% in 1996 [Siam Thurakit Newspaper 12/01/1997].

"The further wine tax rate increases in 1998, from 50 to 55% was the additional burden on top of the previous threats...The wine market in 1997 dropped by 30% and will decrease by another 25-30%...There used to be 300 wine importers in the hot time, but now only 30 remain." [An administrator of a wine importer company, Krungthep Thurakit Newspaper 25/02/1998]

"The major increase in excise tax on brown spirits in September 2005 forced all producers to pass the price increase onto consumers. Total sales of brown spirits dropped 5.9%. Our flagship brown spirits brand, Sangsom, experienced a 48% decrease in sales volume in 2006, compared with 2005." [Thai Beverage annual report 2006, (Thai Beverage Public Company Limited, 2007)]

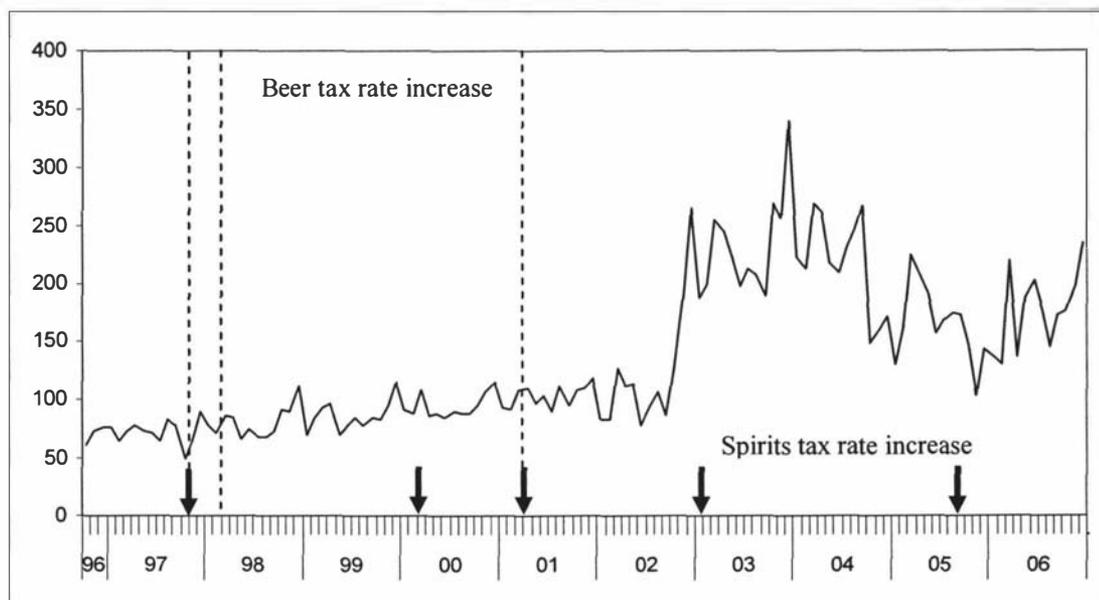
Figures **F-10** and **F-11** show the mixed effect of tax rate adjustments on White spirits and beer production volumes. The lowering of White spirits tax rate in early 2003 played a part in a surge in production in 2003 and 2004. However the beer tax rate increases in 1997, 1998 and 2001 seem not to have affected production volume. Figure **F-11** also shows that tax rate increases for most spirits in early 2003 may have had a cross-category consequence in boosting the volume of beer production.

Figure F-10: White spirits production volume (unit: million litres), 1997-2006



Source: Modified from information from the Excise Department

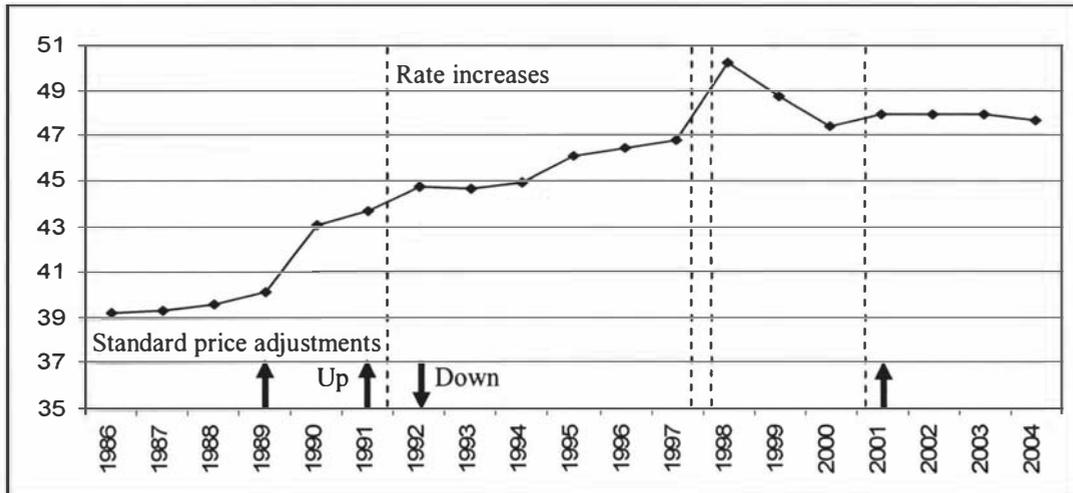
Figure F-11: Domestic beer production volume (unit: million litres), 1997-2006



Source: Modified from information from the Excise Department

Using Singha beer as a proxy, beer retail prices were not much affected by the production liberalisation campaign in 2000. In comparison, four tax rate increases in 1991, 1997, 1998 and 2001 all drove the beer retail price up, as depicted in Figure F-12. Furthermore, this chart also confirms that the changes in the Standard Ex-factory price, set up by ED, are likely to have affected retail prices, without the tax rate adjustments.

Figure F-12: Surveyed retail price (Baht) of Singha beer (0.63 litre-bottle), 1986-2004



Sources: Surveyed regional price from Bureau of Trade and Economic Indices, adjusted by data on regional population from the Office of National Economic and Social Development Board

Many tax rate adjustments showed the opposite results from what was expected in theory. For example, the tax rate increase in March 2001 for Special spirits, wine and beer did not affect consumption level, as these market sectors continued to grow at the 7.3% overall alcohol growth rate [Siam Thurakit Newspaper 2/09/2001]. A serial retail price survey during the 2000-2002 period illustrates that retail prices for most domestic beverages were not affected by the 2001 tax rate raise (Phoblarp, 2002). The effect of the tax rate adjustment can be nullified by numerous factors, including marginal absorption by entrepreneurs (Phoblarp, 2002), inflation, and increased purchasing power. Table F-2 confirms that entrepreneurs absorbed the additional burden from tax increases, either partially or completely. For example, the retail price of a 0.64 litre Chang beer bottle dropped from 34.52 Baht in 2000 to 33.63 Baht in 2002, although tax levied on it was increased by 1.30 Baht.

Table F-2: Additional tax burden from 2001 tax raise and retail price of some selective beverages (unit: Baht), 2000-2002

	Additional tax (Baht)	2000	2001		2002	
		Price(A)	Price(B)	Change(B-A)	Price(C)	Change(C-A)
Beer						
Singha (0.63L)	1.77	46.37	45.48	-0.89	45.59	-0.78
Chang (0.64L)	1.30	34.52	33.75	-0.77	33.63	-0.89
Leo (0.63 L)	1.30	34.30	35.02	0.72	34.77	0.47
Heineken (0.64 L)	1.87	58.42	58.18	-0.24	58.45	0.03
Wine						
Chateau De Loei (0.75L)	17.43	276.00	286.67	10.67	291.22	15.22
Special spirit (Brandy)						
Regency (0.70L)	13.06	341.74	338.45	-3.29	347.45	5.71
Special spirit (others)						
Sangsom Rianthong(0.75L)	27.00	144.13	138.35	-5.78	138.57	-5.56

Source: Modified from (Phoblarp, 2002)

Tax rate adjustments did not cover all beverage segments. They created disproportionate effects among beverage categories. Many beverage sectors gained absolute and relative benefits from tax rate adjustments, including the sectors with lowered, unchanged or minimally changed tax rates. In addition, tax rate adjustments also pushed entrepreneurs to focus on the beverage sectors advantaged by the adjustments. A beverage importer revealed that the tax rate increase in 1997 not only drove the retail price up by 10%, but also made importers pay more attention to their economy grade whisky, below 300 Baht. [Than Setthakit Newspaper 17/10/1997] Some adjustments may even have affected beverage in the same category differently. For example, the 24 to 28% *Ad valorem* tax rate raise for whisky in 1996 affected only beverages with a retail price higher than 200 Baht, while the tax levied on those cheaper beverages was not altered as they were taxed by the Specific rate [Than Wikrau Newspaper 15/09/1996]. Furthermore, many incomprehensive adjustments worsened the tax rate anomaly situation. Therefore, these decisions were easily seen as favouring some entrepreneurs.

“Our tax rate adjustment is inconsistent among beverage types. I do not know why. Maybe some sectors are defined as ‘the preserved area’. The incomprehensive tax raise is probably the effect of top-down assignment or perhaps a secret settlement.” [An ED technocrat]

“Rate adjustments have not been ‘across the board’ adjustments for all categories. This is why it is thought that our adjustments favour some categories.” [An ED officer]

The increase in alcohol smuggling is one of the most concerning side effects of tax rate adjustment. Many also see the trading down effect or shift toward cheaper beverages, as another side effect, likely to lead to more problems. This is because consumers are likely to drink higher volumes of pure alcohol by consuming cheaper beverages. The significant shifting down phenomenon in recent times is the growth of secondary whisky. The IWSR reported that cheap whisky, defined as less than 400 Baht a bottle, had a 4% share of total volume of whisky imports in 1996 but this increased to 87% in 2003, while the premium grade moved in the opposite direction from 96 to 13% [Thairath Newspaper 27/03/2005].

2. Effect on the alcohol market

The effect of Thai alcohol taxation on the alcohol market is complicated, partly because the taxation method itself is not straightforward. The existing system has been frequently criticised as having no policy direction [Naewna Newspaper 16/09/2005], as well as being irrational and not transparent. [Bangkok Post Newspaper 30/03/2003]. The amount of tax charged to beverages depends not only on tax rates, but also the beverage categorisation, the declared tax base, and the calculation approach. Under the inclusive approach, the *Ad valorem* tax rate actually applied to beverages is higher than the declared rate. Furthermore, Figure F-12 shows that the adjustment of the declared Standard Ex-factory price can act as an indirect tax rate adjustment, affecting the amount of tax collected. These factors lead to tax rate anomalies and prices difference among beverages within and across the categories.

Some beverages are charged at an extremely low rate, such as White spirits and some fermented beverage groups. Table F-3 and Figure F-13 show that the tax amount collected from 1 Litre of pure alcohol in each category can be extremely different. Many define the anomalies in tax rate and Standard Ex-factory price as an upside-down practice, taxing some high percent beverages at lowest rates and applying higher rates for low percent drink, including beer and wine. A wine expert claimed that this practice

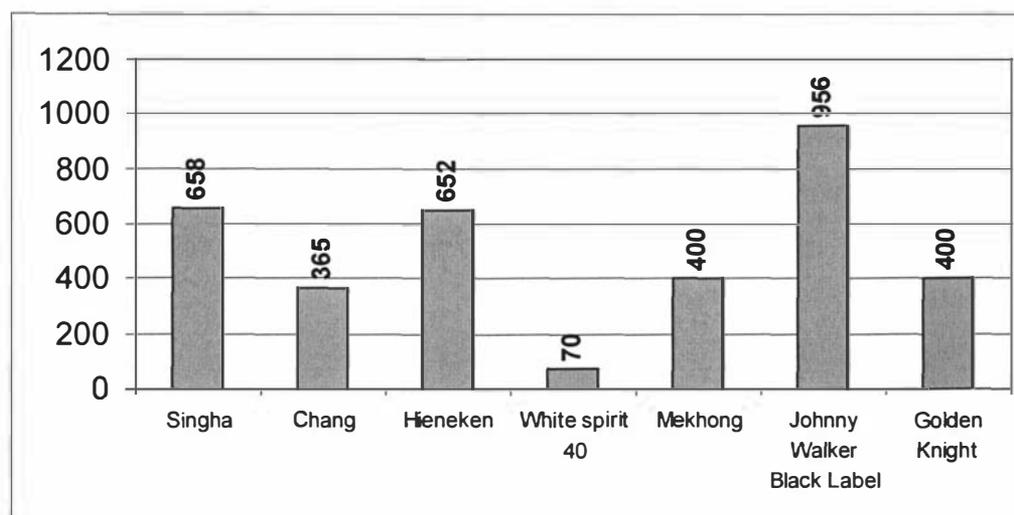
was criticised as making the Thai wine tax rate one of the world highest [Bangkok Post Newspaper 30/03/2003]. From an economic perspective this setting creates a non-level playing field among brands (Poapongsakorn, Leelahanon, Laowakul et al., 2005), for example the 43% tax discrepancy between Economy and Premium grade beers, regardless of alcohol content.

Table F-3: Excise tax and tax per litre of pure alcohol (Baht) for some selective brands [as of August 2007]

	Degree	Beverage volume(L)	Volume of pure alcohol(L)	<i>Ad valorem</i>		Specific		Selected tax	Tax/liter of pure alcohol
				Rate	Amount	Rate	Amount		
Singha beer	4.9	0.63	0.03	55	20.32	100	3.09	20.32	658.24
Chang Beer	6.4	0.64	0.04	55	14.95	100	4.10	14.95	364.99
Hieneken Beer	5	0.64	0.03	55	20.87	100	3.20	20.87	652.19
White spirit 40	40	0.625	0.25	25	8.64	70	17.50	17.50	70.00
Mekhong	35	0.75	0.26	50	58.00	400	105.00	105.00	400.00
Johnnie Walker Black Label	43	0.75	0.32	50	308.44	400	129.00	308.44	956.40
Golden Knight	35	0.7	0.25	50	29.76	400	98.00	98.00	400.00

Sources: Modified from (Sornphaisarn, 2005a)

Figure F-13: The sum of Excise tax per litre of pure alcohol

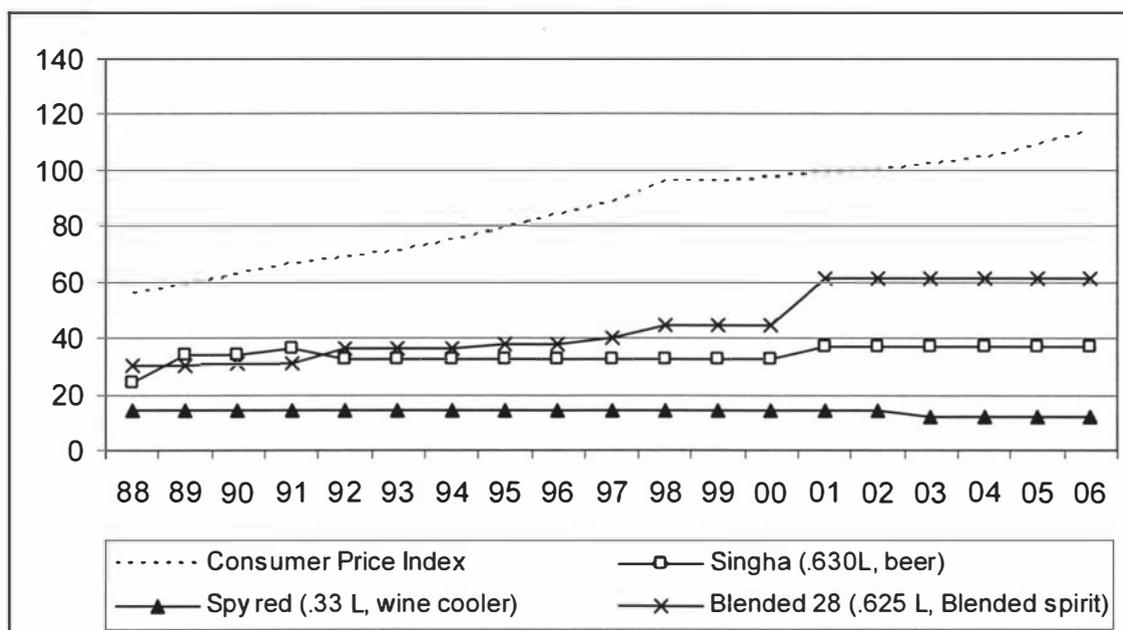


Source: Modified from (Sornphaisarn, 2005a)

Figure F-14 shows that the Standard Ex-factory prices declared by ED were mainly constant over time, and for some beverages were even lowered. This situation is contrary to the fact that the production costs of a product should increase parallel with

inflation. Figure F-14 illustrates that the changes in these Standard prices do not reflected the growth in the Consumer Price Index. Therefore, the inertia of the Standard price partly and relatively reduces the effect of alcohol taxation on beverage price.

Figure F-14: Standard Ex-factory price of some selective beverages (unit: Baht) and the relative Consumer Price Index (1999=100), 1988-2006



Source: Standard Ex-factory prices from the Excise Department announcements, Consumer Price index from the Bureau of Trade and Economic Indices, MOC

Apart from the incomprehensiveness of tax rate adjustments [Naewna Newspaper 16/09/2005], the taxation practices under the *Ad valorem* system and Standard price setting were frequently quoted as channels for abuses of authority, and seen as favouring some operators [Thairath Newspaper 27/10/2005, Siam Thurakit Newspaper 12/11/2005].

“How much each beer brand is charged is up to the announcement of the Excise Department to declare the Standard price. This is another cause of revenue-mismatch...Unbelievable, how can the Standard price of some brands be decreased. As time goes by, the cost of everything is higher, raw materials, labour costs, and petrol costs. Therefore, Ex-factory price should be consequently higher over time...We should abandon the Ad valorem tax system, as this is a way of corruption. Declaring and keeping the Standard price at the low price is perhaps bribery practice, open for those entrepreneurs who want to pay less tax.”

[Suthabodi Sattabutr-Assistant Managing Director, Boonrawd Brewery Limited, Thairath Newspaper 27/10/2005]

3. Effect on overall consumption

Considering production and importation volumes, the Thai taxation system has failed to reduce overall alcohol consumption, shown in Figure **F-1** and **F-2**. In the period between 1994 and 2005, the consumption volume per capita increased from 23.2 to 39 litres of beverage. Consumption in some particular sectors has expanded significantly, such as beer, Special spirits and imported beverages. The effect of tax rate anomalies that allow the producer to sell very cheap beverages, and create the trading down effect have been identified as a major root cause of increasing consumption, despite tax rates being raised many times [Thairath Newspaper 27/06/2005].

4. Effect on revenue

The amount of alcohol excise taxation has increased along with consumption growth. As in figure **F-8**, the amount of alcohol excise taxation grew by 481% within eleven years, from 15.4 in 1994 to 74 Billion Baht in 2005. Excise taxation from beer has outweighed the revenue generated by other beverages since 1998. In 2005, domestic beer generated 61.3% of the overall alcohol excise tax volume. The only set back in alcohol revenue was in the 2000-1 period with a 30% drop in taxation. The industry strategy of stockpiling played a major role in this decline. However, there was a recovery in 2002, with revenue bouncing back 40% from 2001.

The annual excise taxation targets consisted of two parts, beer and other beverages. Taxation volume in the previous years and the overall national budget are two main inputs for target calculation. The targets were amended in some years, for example during the period of economic crisis, 1997-1999. Table **F-4** shows the achievement of the alcohol taxation system relative to its annual targets. The ED failed to achieve overall alcohol revenue targets for six out of ten years between 1997 and 2006. The taxation rate adjustment is both the cause and effect for achievement of revenue targets. As an after effect, tax rate adjustment has been a policy option when revenue has missed its target. As a cause, the public media saw the poor tax rate adjustment in 2005, where

beer and White spirits were excluded, as the main reason for the non-achievement of revenue targets, as these two categories are the two biggest sectors sharing around 72 % of beverage volume [Thairath Newspaper 6/12/2005].

Table F-4: Alcohol revenue targets and achievement, million Baht (1997-2006 fiscal years)

	Beer			Other Beverages		
	Target	Tax collected	Achievement*	Target	Tax collected	Achievement*
1997	21200	21383.11	0.86%	23900	22763.33	-4.76%
1998	23400	23190.69	-0.89%	22200	20257.35	-8.75%
1999	24300	24991.84	2.85%	20600	22800.4	10.68%
2000	31950	26437.81	-17.25%	10500	8275.66	-21.18%
2001	30400	29990.72	-1.35%	10000	8932.96	-10.67%
2002	32870	31650.33	-3.71%	8700	22290.17	156.21%
2003	34350	36986.64	7.68%	18600	25676.15	38.04%
2004	34980	42748.62	22.21%	23830	26181.47	9.87%
2005	50277	45482.85	-9.54%	27215	28619.97	5.16%
2006	48390	44210.02	-8.64%	32010	29145.77	-8.95%

Source: modified from information of the Excise Department

Note *: tax amount compared to its target

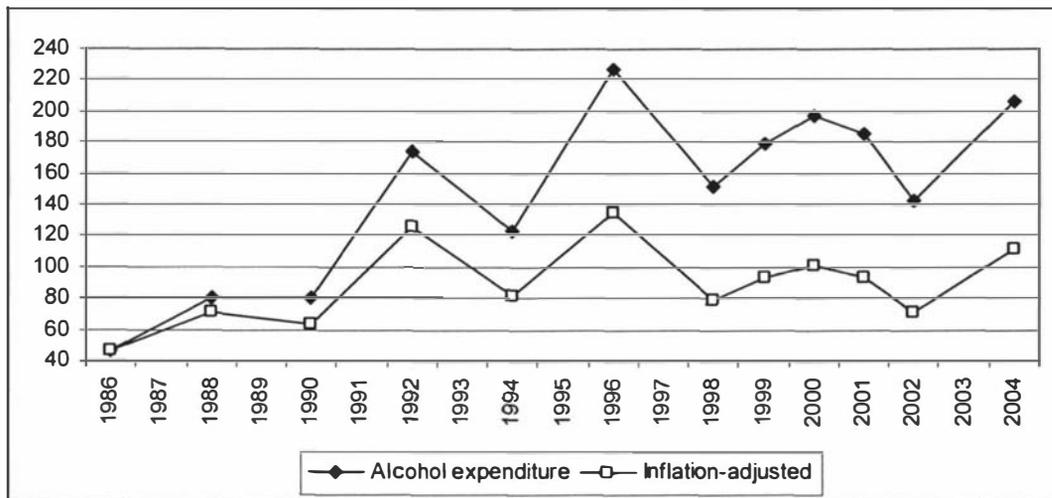
5. Effect of other objectives

Apart from controlling consumption and generating revenue, objectives of Thai alcohol taxation policy include protecting domestic entrepreneurs and to prevent non-necessary expenditure or luxury spending. With regard to growth of imported beverages, the protection of local operators seems to have not been much of a success. In particular, many domestic beverage categories that used to be under the concession system experienced a huge drop in production volume. However, domestic entrepreneurs still have higher market share.

Preventing non-necessary spending is perhaps another miss for Thai alcohol taxation. Thai household monthly alcohol expenditure increased from 47 Baht in 1986 to 206 Baht in 2004, as shown in Figure F-15. When adjusted with the inflation rate, alcohol expenditure grew 236% from 1986 to 2004. Figure F-16 shows that the rate of growth in Thai household alcohol expenditure exceeded that for income and total expenditure. Alcohol expenditure increased from 1.2% of total household expenditure in 1981 to 1.68% in 2004. The proportion of alcohol expenditure to household income shared the same pattern to a lesser extent.

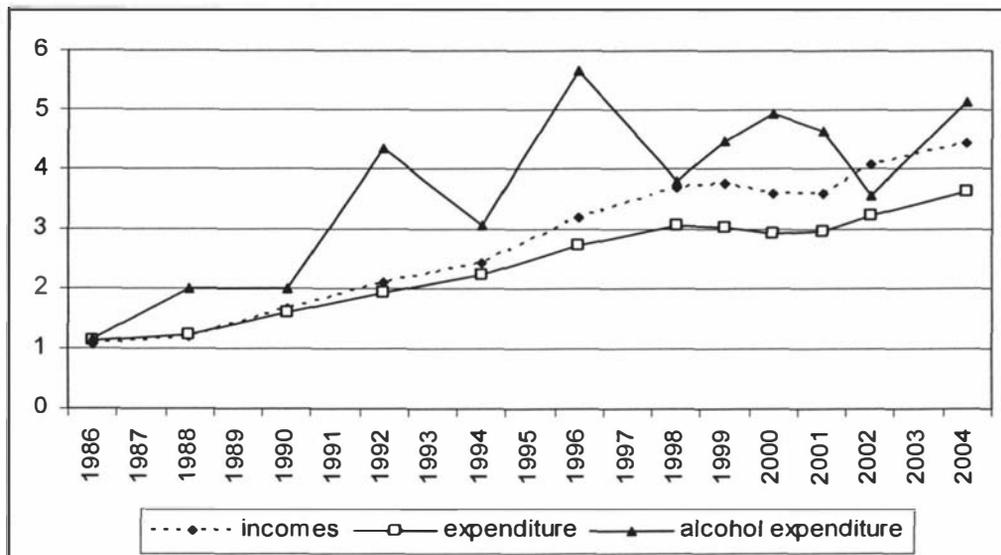
Economic conditions significantly influenced household alcohol expenditure. Alcohol expenditure reached its peak in 1996, prior to the economic crisis. At that time Thai households spent on average 227 Baht per month for alcoholic beverages. In addition the proportion of alcohol spending to total income and expenditure were comparatively higher during times of economic progress, such as in 1992 and 1996.

Figure F-15: Household alcohol expenditure, surveyed price and inflation-adjusted price (1986=1), 1986-2004 (unit: Baht)



Source: Survey on economic and social status, National Statistic Office

Figure F-16: Changes in household incomes, expenditure and alcohol expenditure compared to 1981 figures (Income 3,378 Baht, Expenditure 3,374 Baht, Alcohol expenditure 40 Baht), 1986-2004



Source: Survey on economic and social status, the National Statistic Office

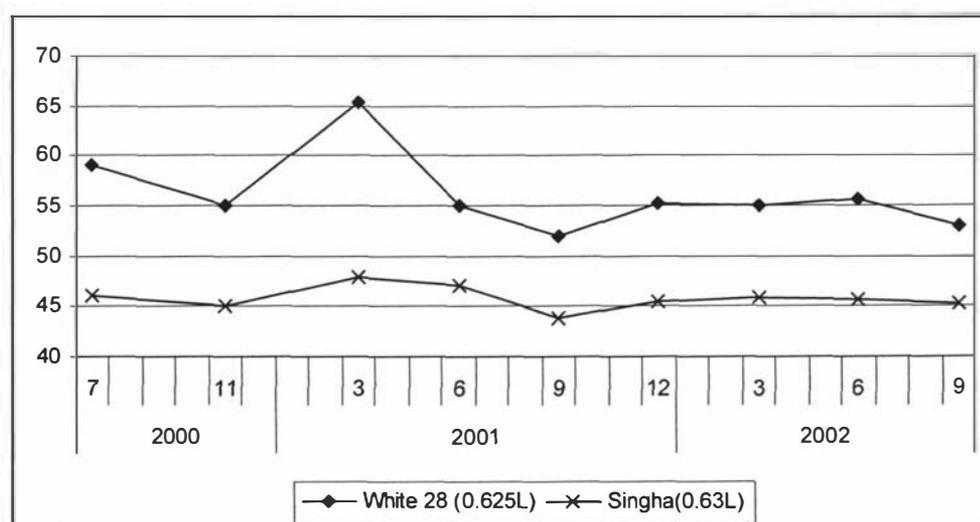
6. Effect of and to policy context

Many external factors, such as economic conditions, spillover effects from other policy interventions, and the reaction of sectors facing enforcement, significantly influence the effect of alcohol taxation. Production liberalisation and the tactics of the alcohol industry, particularly the stockpiling strategy, severely affected alcohol revenue in 2001 and 2002. The reaction of entrepreneurs to alcohol taxation such as marginal absorption and compensatory promotions also distorted the effect of taxation on consumption and retail price.

“If we focus on effects of excise tax, those alcohol policy interventions have had effect on consumption reduction in recent years.” [A former ED administrator]

The tied selling technique is another issue twisting the impact of taxation. This tactic can make the retail price move up and down, although the Standard Ex-factory price and tax rate remain constant (Trirat, 2006). Figure F-17 shows that the retail price of a 0.625 litre bottle of White Spirits 28 fluctuated up and down during 2000-2002 with price range of 13.3 Baht. Particularly in mid-2001 when it swung from 65.25 to 52 Baht within six months. In comparison, the price of Singha beer (0.63 litre bottle) varied by up to 4.08 Baht in the same period. The public media reported that this technique allows entrepreneurs to sell their beverages at incredibly cheap prices. The retail price for a can of Economy grade beer was reported at 10 Baht [Prachachat Thurakit Newspaper 11/06/2007], which is less than its Standard Ex-factory price.

Figure F-17: The retail price of White spirits 28 (0.625L bottle) and Singha beer (0.63L), 2000-2002



Source: Data from (Phoblarp, 2002)

Alcohol-free Buddhist Lent period program

The most well known alcohol-free campaign is the three-month Alcohol-free Buddhist Lent period (literally Stop drinking in lent period), has been organised around mid-July to mid-October every year for over half a decade. ThaiHealth and its allies promote this programme in both air- and ground-war approaches. Anti-alcohol public campaigns have been broadcast both pre- and during lent period. In this regard, implementers usually conduct attention-grabbing events, with participation of famous people such as politicians and celebrities. The groundwork consists of community-level projects, including raising local awareness, setting the promise-declaring ceremony and sites, and promoting role models. All activities are related to an annual theme, for example ‘Stop Drinking for your Mother’ in 2003-2005 and ‘Stop Drink Stop Poverty’ in 2006 (StopDrink Network, 2007a).

The evaluation process for this programme is uniquely comprehensive, consisting of at least three approaches. Firstly, the internal and external ThaiHealth evaluation process appraises it. Next the effectiveness of this campaign, along with others, was assessed by independent academics, contracted by ThaiHealth. And lastly, the public opinion polls have been conducted regularly since 2003 to gauge awareness and response in the general population.

Monitoring of the Alcohol-free Buddhist Lent period program

The implementation of the Alcohol-free Buddhist lent period seems to have been successful, when considering the expansion in number of participants, sectors involved, campaign contents, and activities. As a result the campaign has gained high social awareness. The alcohol-depositing programme, conducted by the APPA had less than 20 participants at the beginning of the 2002 lent period. [Phoojadkarn Newspaper 26/07/2002]. But the alcohol-free Buddhist lent period programme has expanded massively in recent years; 229,979 people signed their stop-drinking oath in 2004. The number of participants further increased to over 1.25 million in 2005 lent period; among these oath takers, 30% were regular drinkers (StopDrink Network, n.d.-b).

In terms of institutional participants, the sectors involved have expanded from the religiously based to community-based, public agencies, private entrepreneurs and professionals sectors. The MOPH has been heavily involved recently, in particular by implementing the programme through its health care institutions nationwide. In addition, the HWA, which has members at sub-district level nationwide, has played a major role in the programme. A key success factor in the expansion of this programme has been support from Thaihealth and the MOPH, and the coordination between SDN and related sectors.

The alcohol industry have criticised the public campaign strategies used, such as the ‘Stop Drink Stop Poverty’ advertisement used during the 2006 lent period. An SAO administrator claimed that the frequent images of drinking used in the short clip would encourage rather than discourage binge drinking [Phoojadkarn Online Newspaper 26/11/2006].

“ThaiHealth campaign only says that alcohol is bad, but people do not believe this as they see the world leaders drink alcohol and question why other countries drink....Using ‘Thai kid’ as StopDrink logo and mascot, in promoting alcohol-free period is wrong and off target. Does that kind of boy drink? Does such a message reach the target group? As well, ThaiHealth campaigning spots are wrong.” [A consultant to a domestic alcohol company]

Figure F-18: Activities of the Alcohol-free Buddhist Lent program (2005-2007)

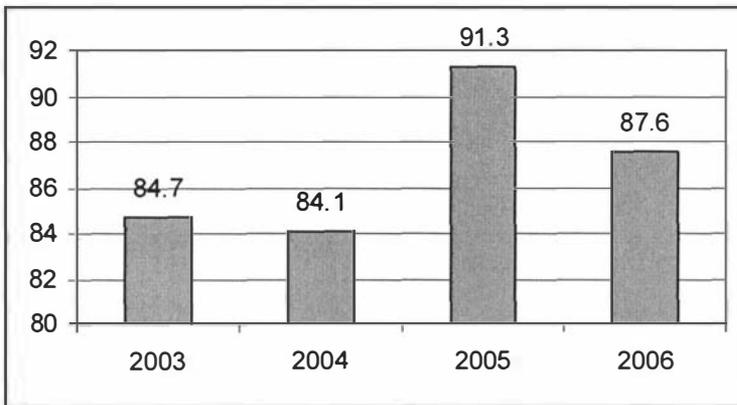


Evaluation of the Alcohol-free Buddhist Lent period program

1. Effect on public awareness

The Alcohol-free Buddhist Lent programme has had considerable success in raising public awareness. Figure F-19 shows that 91.3 % of population in 2005 recognised this programme and its campaign. The survey found that 87.4% of the Thai population recognised the television campaign, and drinkers had better recall of the campaign than the non-drinking group. In addition over half of drinkers declared they refrain from, or reduce their, consumption during this period (Sathapitanont, 2006c). Interestingly, 31% of the promise-givers in 2005 declared they would become life-long abstainers (StopDrink Network, n.d.-b).

Figure F-19: Percentage of Alcohol-free Buddhist Lent period program recognition among general population



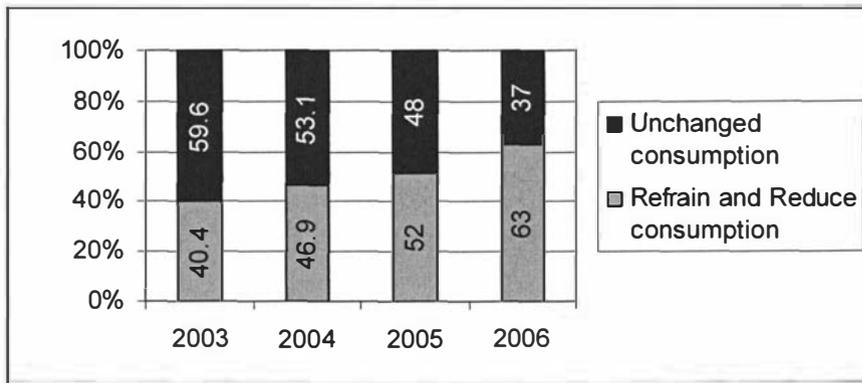
Source: Assumption University Poll referred in (StopDrink Network, 2007a)

2. Effect on alcohol consumption

Despite high achievement in raising awareness, the effect of the alcohol-free period on drinking behaviour is still questionable, particularly for young people (Sathapitanont, 2006c). Based on the survey, however, this programme has shown its promising results in curbing alcohol consumption. Figure F-20 shows the increase in the proportion of Thai drinkers who want to refrain from, or reduce their, consumption in the lent period from 40.4 % in 2003 to 63 % in 2006. Among this drinker group in 2005, 55% had refrained and the rest has reduced their drinking (StopDrink Network, 2007a).

“We also promote the Alcohol-free Buddhist lent program, together with ThaiHealth. But I think it still has only a small impact on consumption.” [A drink-driving NGO administrator]

Figure F-20: Percentage of alcohol consumption refraining and reducing behaviours among drinkers

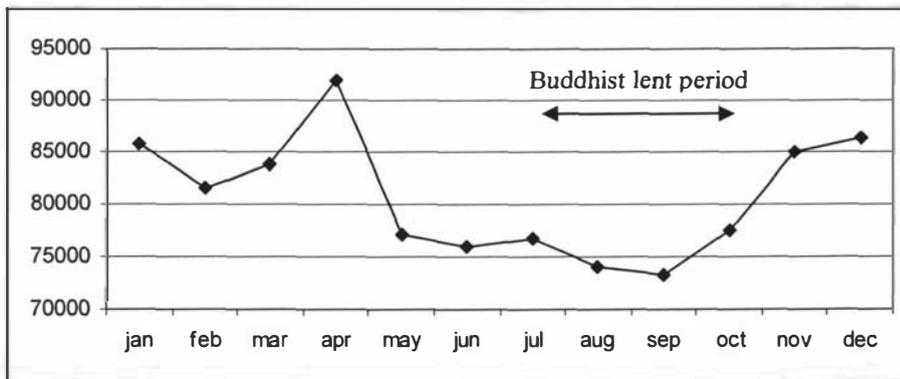


Source: Assumption University Poll referred in (StopDrink Network, 2007a)

The number of road traffic accidents during the lent period for 2002-2005 was 10% lower than other times of the year, depicted in Figure F-21. For alcohol sales, 62.8% of those who work in alcohol-related areas reported decreased income during the lent period in 2005 (Sathapitanont, 2006c). However, these are not the definitive indicators for the success of the Alcohol-free Buddhist Lent period programme, as this time of year has been known as times for lower alcohol consumption and perhaps road traffic accidents.

“Increased efforts by government on anti-drinking campaigns during Buddhist Lent also had a dampening effect on our sales in the third quarter of 2006.” [Thai Beverage Annual report 2006, (Thai Beverage Public Company Limited, 2007)]

Figure F-21: Average road traffic accident cases, 2002-2005



Source: from data of DDC, referred in (Sornphaisarn et al., 2006)

3. Effect of and to policy context

The fundamental contexts that support the alcohol-free programme are the Buddhist faith and the rainy season, which is not the best time for drinking. As well as creating awareness during this period, alcohol-free campaigns have shaped the social climate on alcohol consumption and policy. Health camp players also used this high social awareness during the Lent period in advocating for alcohol policy, such as the advertising ban in 2003 and to protest against the stock market listing of ThaiBev in 2005. On the other side, the alcohol industry has recently strengthened their marketing strategy to fight back against dropping sales and the anti-alcohol public campaigns [Than Setthakit Newspaper 16/09/2006].

“The alcohol industry has more and more concern on the impact of this programme. Not only the campaign, but the situations also produce favourable impact...The typical pattern of alcohol promotion budget allocation to highlight the post lent period has been witnessed for five years.” [An independent academic]

“The Buddhist Lent period is a good time for Thai people to review their health behaviours, particularly for health risks such as tobacco and alcohol consumption. As many sectors now promote an alcohol-free period, it is also a good time for us to review alcohol policy. This is to protect health and to reduce road traffic burden. MOPH will discuss our alcohol policy soon.” [Dr.Suraphong Seubwonglee-Deputy Health Minister, Phoojadkarn Newspaper 26/07/2002]

Prevention of youth consumption

Youth alcohol consumption is involved in many policies, intra and extra to the alcohol policy arena. Taxation, physical availability particularly MPA, modification of context, and education and persuasion programmes are alcohol policy interventions that directly affect youth consumption. The education system and Social Order Programme are sources of measures external to alcohol policy boundaries.

Youth consumption prevention programmes have different characteristics from other interventions. Firstly youth consumption is an area of common concern for most stakeholders and involves multiple agencies, both public and private sectors, both in the health and industry camps. However, youth consumption control is still in no-man's land, having no real owner.

“Our alcohol policy programme should focus on youth, to build their maturity. But no one is serious about this issue as there is a long time lag before it leads to any effect. And the policy makers will not get credit from youth issues, if they want a quick return.” [A domestic alcohol company administrator]

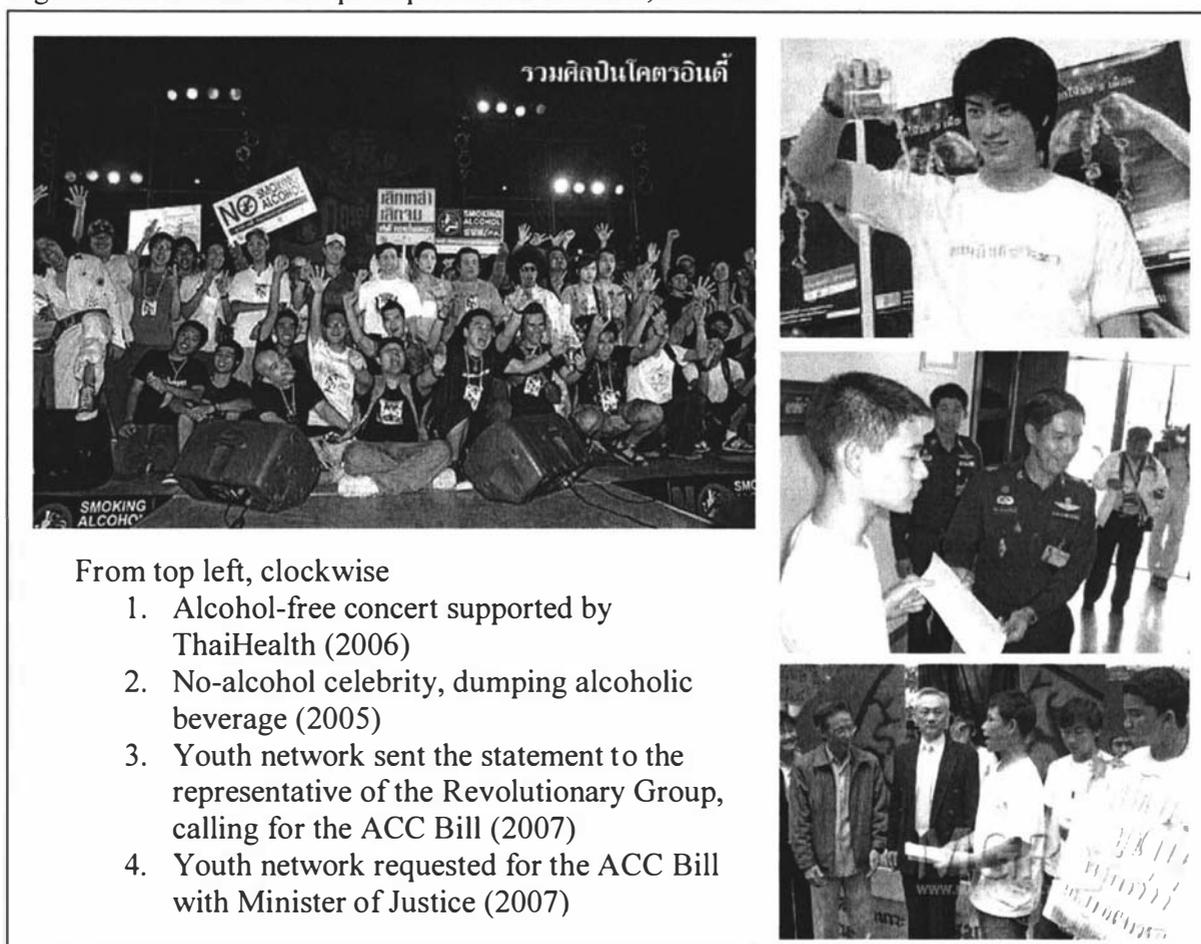
Although it can easily be seen as a social problem, youth consumption control measures have not been prioritised particularly among public agencies. Chapter Eight illustrates that implementation of MPA has been virtually neglected; while Chapter Nine shows that youth consumption control has no specific large scale evaluation programme. The situation of youth consumption and the effectiveness of policy aimed to halt it can be indirectly monitored through external evaluations, which are not the best data source for comparing situations overtime.

Although many stakeholders in both camps have called for an alcohol education course, there is no alcohol-specific education programme at national level. ThaiHealth and its allies have invested a huge budget on youth-specific education and persuasion programmes and changing contexts, such as ‘Alcohol-free Student Orientation’ for university students. Youth organisations have been set up coordinate programmes, such as No Nicotine- No Alcohol (NONA) club, and the Drink No Alcohol (DNA) programme. These alliances have also organised alcohol-free activities such as music events, and promoted some celebrities as no-alcohol role models. A foreign alcohol company also established the ‘Care-4-Friend’ group to promote responsible drinking among university and school students.

“Care-4-Friend acts like ThaiHealth, linking to youth. At the moment, it still has minimal influence, but it could be significant in the future. This tactic makes our partners confused and they lose their position.” [A ThaiHealth administrator]

“We have tailored our public campaign messages to fit with each target group...For youth drinking, we focus on the Student Orientation period, as it has already gained social attention on binge drinking practice. Our theme targets University seniors, using key words like ‘Don’t force your junior to drink, if you love them’.” [A ThaiHealth staff]

Figure F-22: Youth consumption prevention activities, 2005-2007



Monitoring

Youth consumption prevention programmes, particularly for regulating physical availability, have been very far from well implemented. Youth access to alcohol, on and off premises, is still high. A reporter said that only a minority of alcohol outlets observe the MPA and time of sales regulations [Thairath Newspaper 6/12/2005]. According to a 1997 survey, the most important factor in student purchases of alcohol was ease of access (Laichuthai et al., 2002). A student from a youth network revealed that there are over 400 on-premise outlets within 500 metres distance of schools in four districts of

Bangkok, concluding that government was not serious in their commitment to control youth access to alcohol [Phoojadkarn Online Newspaper 25/10/2006].

“Having alcohol outlets around their schools and universities is a gateway to create new drinkers. From the survey, we found that youth criminals started their drinking in these outlets, which are also their hang out places. These youth said that they are familiar with the outlet owners. Some owners helped them to flee from the police and teacher’s inspection.” [An NGO for youth, Phoojadkarn Online Newspaper 25/10/2006]

The problem of poor enforcement is well known among executives, including the PM (Shinawatra, 2006) and Minister of Justice who was responsible for the Youth Protection Act 2003 [Naewna Newspaper 16/07/2005]. However, the strictness of law enforcement has not improved much yet, apart from symbolic events organised inconsistently, such as the Social Order Programme. The Alcohol and Tobacco Hotline Center, operated by the DDC -MOPH, was established to strengthen enforcement. So far the number of violation cases reported to the Center, and referred for prosecution is still low. The lack of a responsible agency and resources for implementation has been defined as limiting factors.

“Although I agree with the ACC Bill in principle, I still can not see how the public infrastructure and capacity can fully handle it. How we can prevent under-20s from buying alcohol, it is rather about collective attitude of sellers, purchasers and public officials. How many outlets are inspecting ID cards? Sending police officers to each outlet is impossible, or it could be another bribery channel as well. Nowadays, does the regulation to prohibit under-20s to enter entertainment venues have any effect?” [Kamnoon Sitthisamarn- NLA member, Phoojadkarn Newspaper 28/03/2007]

The number of supporters for altering the drinking context and education and persuasion policy has increased massively in recent years, particularly among youth organisations and the public sector. For example, there were over 100 tertiary education institutions participating in the third year of the Alcohol-free Student Orientation programme [Phoojadkarn Online Newspaper 19/06/2007]. However, these programmes

are still limited mainly to youth in the education system, and confined to particular periods of the year.

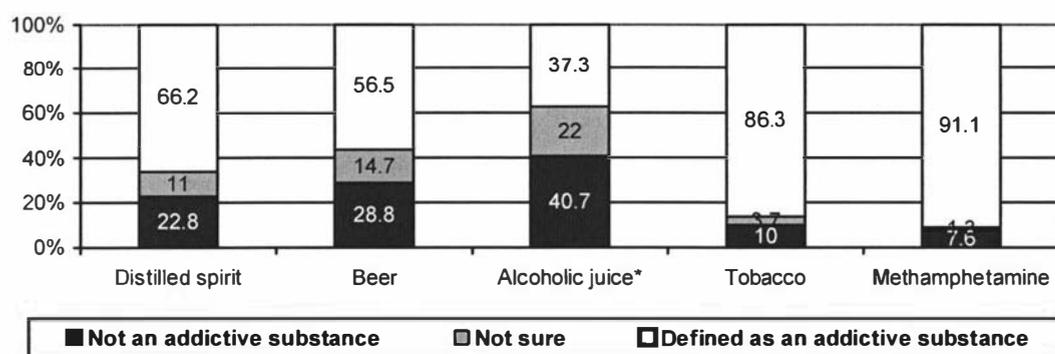
Evaluation

1. Effect on knowledge and awareness

Laichithai (2002) concluded from a survey that over 90% of secondary school students have good knowledge about alcohol-related health problems, particularly cirrhosis and Fetal Alcohol Syndrome (Laichuthai et al., 2002). However, there is a lot of evidence reflecting the poor recognition of alcohol and its effect among Thai youth. A survey of 12-24 years olds, found that only 56.2% of youth defined five drinks per day as a health risk, while 23 % believed that consumption of over five drinks in weekend time, as well as occasionally, is harmless (ABAC Poll Research Center, 2006b). Furthermore, youth perceptions about alcoholic beverages differ to their beliefs about other addictive substances, as shown in Figure F-23. 62.7% of youth do not think that alcoholic juice beverages are addictive, with 43.5% believing the same about beer.

“We already have alcohol education, all kids know about the Buddhist Precept 5, and know that alcohol is not worth drinking. How can they (the alcohol industry) say that we are lacking in alcohol education? But this knowledge is nothing compared to the power of advertising. Our youth still think that alcohol is the beverage of friendship, of heroes, and of a cool lifestyle.” [An SDN leader]

Figure F-23: Youth perception of addictive property for selective substances



Source: (ABAC Poll Research Center, 2006b)

Note: * such as sweetened alcoholic beverages, RTD

Youth attitudes to alcohol policy seem to differ from other age groups. Alcohol policy interventions, including advertising control and restriction on outlet location, were less accepted among youth, even though they are more exposed to alcohol-related problems and events (ABAC Poll Research Center, 2006a). Exposure to pro-drinking scenarios and messages may play a part in this difference, as the survey showed higher exposure to alcohol advertising among youth than other groups.

“Thai people, particularly youth, think that fleeing from police officers is cool. No body is really scared of enforcement...We commonly see youth drinking in public places, and this is the beginning of many social problems, such as violence, sexual harassment and crime. These young people, I would say, are mainly good, but the environment and friends provide reinforcement for these crimes.” [A Newspaper editor]

2. Effect on consumption

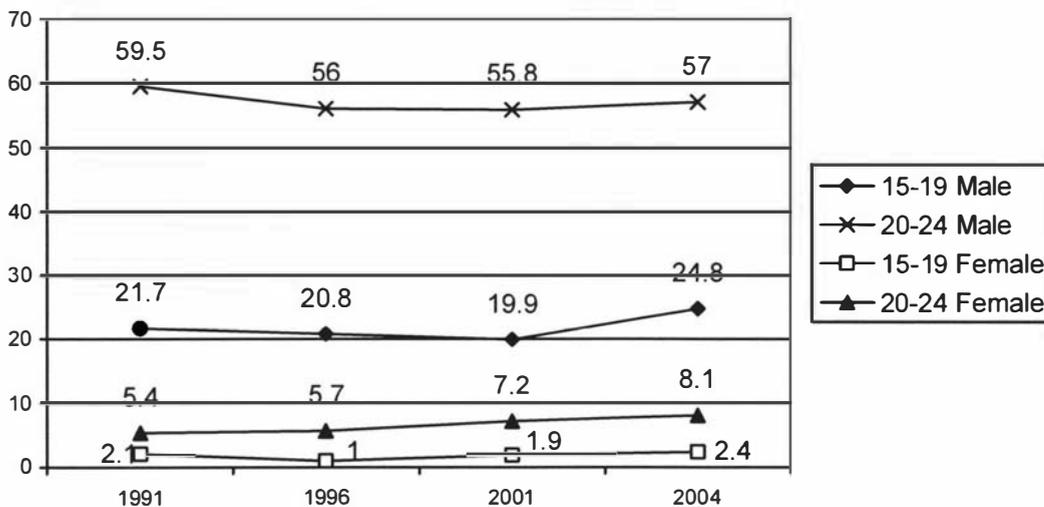
The effectiveness of policy on alcohol consumption levels and patterns is difficult to gauge. This is because it is the common target of many interventions, and is offset by pro-drinking messages and contexts. The results of many interventions have been disappointing. The effectiveness of public campaigns on drinking behaviour among youth and new drinkers has been limited (Sathapitanont, 2006c). On the positive side, the Alcohol-free Student Orientation programme has been successful in limiting alcohol consumption for such periods. A survey of university students found that the incidence of alcohol use in the orientation ceremonies dropped from 46.8% in 2005 to 27.6% in 2006 [Phoojadkarn Online Newspaper 19/06/2007].

Youth are theoretically price-sensitive drinkers, mainly because of their restricted incomes. Therefore, taxation and price policy should be more effective in controlling consumption among youth than other groups. However, the Thai taxation system and alcohol marketing practices may not give much support to this theory. The cheap price of beer, sometimes cheaper than soft drinks, significantly contributes to its popularity among youth. Some entrepreneurs have specifically targeted youth drinkers by launching youth-friendly beverages, such as small-bottles of White spirits at a very cheap price, ten Baht a bottle of 0.1-0.15 litre. This small bottle of White spirits used to

be popular among secondary school students, particularly in rural areas, until it was banned by the ED in 2003 [Than Setthakit Newspaper 7/11/2004].

In national surveys, drinker prevalence among youth has steadily increased particularly in recent times, as shown in Figure F-24. Between 2001 and 2004, the proportion of drinkers grew by 24.6 % and 12.5% among male and female 15-19 year olds respectively. The 20-24 year-old female groups had 26.3% growth in the same period. Another youth survey in 2006 found a difference in drinking patterns between tertiary students and the general population. Drinker prevalence among tertiary students is 59.9% (ABAC Poll Research Center, 2006a), almost two times higher than that for the general population [32.7% in 2004 (National Statistic Office, 2005)]. Furthermore, the proportion of drinkers who buy their drinks in on-premise outlets including entertainment venues was two times higher among university students than the general population (ABAC Poll Research Center, 2006a).

Figure F-24: Drinker prevalence among 15-25 years (unit: %), 1991-2004



Sources:

1. 1991, 1996, 2001 and 2003 Health and Welfare survey by National Statistic Office referred in (Wibulpolprasert, 2005)
2. 2004 data: Smoking and Alcohol Consumption Survey (National Statistic Office, 2005)

3. Effect of and to policy context

Youth awareness and consumption are influenced by many external factors. A study concluded that alcohol advertising has a persuasive effect on youth drinking. It portrays the link between good-looking role models and alcohol consumption, even though influence from advertising is weaker than the effect of peers [Matichon Newspaper 19/09/2006].

“From our survey, 100% of 150 primary school students can remember the Chang beer logo. Many of them show willingness to buy Chang beer in the future, when they have money and their parent’s permission. These young students said that Chang beer has supported Thai sport sectors, and helps people with property. So when they grow up, they will drink Chang beer to pay back the social support it provided.” [Srirat Larpyai-a researcher, Krunthep Thurakit Online Newspaper 15/06/2007]

With regard to the spillover effects on the process from other policy, youth groups associated with ThaiHealth and SDN have participated in the up-stream policy process, such as in calling for advertising regulation [Phoojadkarn Online Newspaper 18/09/2006], public debate on the listing of ThaiBev on the Thai stock market [TV Channel 9 broadcasted on 29/07/2005] and the ACC Bill (StopDrink Network, 2007b).

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