

SHAAP

Scottish Health Action on Alcohol Problems

# Getting the Price of Alcohol Right

Safeguarding public health and social well-being

## Summary

A range of pricing policy options are currently being debated with the objective of reducing problem alcohol use in Britain. Evidence strongly indicates that the increasing affordability of alcohol in recent decades has been a major driver of rising rates of consumption and harm. Alcohol has become more affordable in part due to the pricing practices of producers and retailers. It is now widely accepted that measures to control the price of alcohol are necessary to tackle harmful alcohol consumption and related health and social problems;

A comparison of the pricing options under consideration reveals that the proposed measures are likely to have varying levels of effectiveness. Some measures will have limited or no impact, or will be practically difficult to implement;

Preventing below-cost selling of alcohol is an agreed objective as this pricing practice allows alcohol to be sold very cheaply. However, a ban on the sale of alcohol below cost is hard to monitor and enforce due to difficulties in establishing cost price. It is also not clear that a ban on below-cost selling will be sufficient to reduce harmful consumption;

An alternative proposal for preventing below-cost selling by defining cost price as the tax component – duty plus VAT – of any alcohol product will have no effect in reducing problem alcohol consumption and harm. If implemented it could result in alcohol prices falling further, to as low as 6p per unit of alcohol;

Alcohol taxes/duties set at an appropriate level can curb consumption and harm as well as raising government revenue. However, alcohol duty increases of the order seen in recent years may not be sufficient to raise the price of the cheapest alcohol to a level that will substantially reduce harm. Evidence suggests that measures targeted at the cheapest alcohol products in the cheapest retail setting can deliver significant health and social benefits;

Establishing a minimum price per unit of alcohol offers a workable solution for preventing the sale of cheap, below-cost alcohol. Evidence indicates that setting a minimum price of 40p per unit of alcohol or above will be an effective means of reducing alcohol-related problems as the measure selectively raises the price of the cheapest alcohol that is associated with harmful consumption;

If policy measures are adopted with the primary aim of reducing alcohol problems – health, social or crime-related – then it is reasonable to expect that they demonstrate efficacy in this regard;

From the perspective of safeguarding public health, the best policy options for regulating the price of alcohol will be those that work most effectively to moderate alcohol consumption and minimise alcohol-related harm. A key test of the value of the proposed alcohol pricing options is the extent to which they will work to reduce harm.

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# Introduction

It is widely recognised that harmful drinking across Britain is being fuelled by alcohol that is too cheap and too easily available. Concern has been expressed in particular that the pricing practices of some retailers, including loss-leading, below-cost selling, and the extended use of multi-buy promotions and discounts, are contributing to a rise in problem alcohol use and related health and social harms.

There is now general agreement that some form of action to control alcohol pricing is necessary; however policy responses have varied as to what mechanisms should be employed. Legislation is currently before the Scottish Parliament to ban price promotions in the off-trade sector and to introduce a minimum price per unit of alcohol.<sup>1</sup> At Westminster, the coalition government is considering a ban on the sale of alcohol below cost<sup>2</sup> and conducting a review of alcohol pricing and taxation with a view to increasing tax on particular drinks deemed ‘problematic’.<sup>3</sup>

From the perspective of safeguarding public health, the best policy options for regulating the price of alcohol will be those that work most effectively to moderate alcohol consumption and minimise the level of alcohol-related harm. The purpose of this paper is to assess the relative effectiveness of the policy options currently under discussion in terms of their likelihood of achieving public health objectives. Although it is to be expected that practical and legal considerations will factor into policy decision-making; if an intervention or strategy is proposed with the primary aim of reducing alcohol problems – health, social or crime-related – then it should, first and foremost, demonstrate efficacy in this regard.

‘The difference between effective and ineffective alcohol policy is not an abstraction, but very often a matter of life and death.’<sup>4</sup> It is also a matter of pounds and pence. It costs Britain around £25 billion each year dealing with preventable and avoidable alcohol-related mortality, morbidity, crime and social problems.<sup>5</sup>

## Options for raising the price of alcohol

The retail price of alcohol sold in the UK is made up of producers and retailers costs and profit margins (1); alcohol excise duty (2) which is set as a specific monetary amount; with VAT, currently at 17.5%, being levied on top of the sum of components (1) and (2).

### Increasing alcohol duties/taxation

The imposition of alcohol duties has been the main policy lever used to date in the UK to control the price of alcohol, although not explicitly for public health purposes. Evidence from numerous research studies<sup>6</sup> as well as our own history<sup>7</sup> shows that alcohol duties set at an appropriate level can curb consumption and harm as well as raising government revenue. However, alcohol duty increases in the UK in recent years have not always kept in line with general inflation<sup>8</sup> and have not matched the rise in household disposable income.<sup>9</sup> As alcohol has become more affordable over the past few decades, the amount of alcohol consumed by the population has gone up. It is clear that if alcohol duty is to be an effective means of making alcohol less affordable and thereby reducing consumption and harm, duty increases will need to rise year on year in relation to inflation and income.

A limitation of the alcohol duty regime is that by itself it is not a guaranteed way of raising the retail price of alcohol or preventing below-cost selling, as duty increases can be absorbed in part or in full by producers and retailers. Big multiple retailers can neutralise the effect of alcohol duty increases by cross-subsidising (raising profit margins on non-alcohol products to allow alcohol to be sold at a reduced profit margin or at cost/below-cost price),<sup>10</sup> and using special promotions and discounts to ensure that low-priced alcohol is always available for sale. Furthermore, under the current duty regime the same rate of duty for a beverage type applies to a wide spectrum of alcohol products from the very cheap to the very expensive, making it difficult to use taxation to target the cheapest alcohol that is recognised as being a driver of harmful consumption. It is estimated that 64% of low cost alcohol (below 40p a unit) is drunk by men and women consuming more than 50/35 units weekly.<sup>11</sup> It would require an increase in alcohol taxation of 100 per cent and more (and passed on in full) to raise the price of the cheapest alcohol products to a level the evidence indicates would reduce harm.

## Measures to ban below-cost selling

Below-cost selling is where a retailer sells a product for less than the costs incurred in its production, distribution and retail. Below-cost selling of alcohol allows alcohol to be sold very cheaply and undermines the potential effectiveness of alcohol duty in curbing problem alcohol consumption and harm. Legislation could be introduced to ban this practice; however the Competition Commission has previously found bans on below-cost selling operating in other countries to be largely ineffective.<sup>12</sup> The practical difficulty in banning the sale of alcohol below cost is defining and measuring cost price.

One suggestion has been to define 'cost price' as the tax component – duty plus VAT – of the retail price of alcohol. Determining the tax component of any alcoholic beverage is a straightforward calculation. However, banning the sale of alcohol below duty plus VAT does not equate to a ban on below-cost selling as the tax component of the price of alcohol does not cover any of the costs of production, distribution or promotion. In theory, under this measure, alcohol could still be sold for no cost. It is also apparent from an examination of the retail prices of alcohol products that very few, if any, currently retail below the cost of duty plus VAT.<sup>13</sup> This being case it is difficult to see how such a measure would have any impact on levels of harm.

Other options for banning below-cost selling include defining 'cost price' as the invoice price plus tax, or a nominal production/distribution/marketing cost plus tax. Both these options are problematic in terms of implementation, monitoring and enforcement. It is also not clear from a health perspective whether banning below-cost selling by either of these methods would raise the price of the cheapest alcohol sufficiently to reduce the level of harm caused by its use.

## Setting a minimum price per unit of alcohol

Establishing a minimum price per unit of alcohol is a workable solution for preventing the sale of cheap, below-cost alcohol. Determining whether a product is being sold below a minimum price can be observed from the retail price which makes monitoring and enforcement straightforward. Evidence indicates that setting a minimum price of 40p per unit of alcohol or above would be an effective means of reducing alcohol-related harm in terms of mortality, morbidity, crime and work productivity.<sup>14</sup> Minimum pricing selectively raises the price of the cheapest alcohol that is associated with harmful consumption. In terms of legality, the European Commission has

stated on two occasions in the past year that EU rules governing alcohol taxation do not prohibit Member States from setting minimum retail prices for alcoholic beverages.<sup>15</sup> In response to a written question from Dr Charles Tannock MEP on the legality of minimum pricing for alcohol, a representative of the European Commission stated in May 2010: “The Commission fully shares with the Honourable Member the conviction that there are strong public health reasons for the EU to tackle alcohol related harm including minimum pricing measures.”<sup>16</sup>

## Banning price promotions and multi-buy discounts

The purpose of promotional offers and multi-buy discounts is to encourage additional buying. The widespread use of price promotions and discounts in the retail sector has contributed to the rise in affordability of alcohol that is strongly correlated with increased consumption and harm. Some supermarket retailers have argued that their alcohol promotions are not aimed at immediate consumption and that their customers buy alcohol as part of a weekly shop and drink it over a period of time. These attempts to disassociate supermarket pricing practices from problem alcohol use are difficult to reconcile with the facts: current *per capita* alcohol consumption in the UK is associated with a high burden of harm and two-thirds of this consumption is comprised of alcohol purchased from the off-trade sector.<sup>17</sup> Evidence indicates that a ban on all off-trade discounting will result in reduced population alcohol consumption and harm.<sup>18</sup>

## Targeted duty increases

It has been suggested that problem alcohol use could be successfully tackled by targeted tax increases on drinks popularly associated with anti-social behaviour or “binge drinking”. However, evidence on drinking habits in the UK reveal that individuals consuming alcohol in risky and harmful ways drink a range of alcohol beverage types and brands.<sup>19</sup> Survey data on the experiences of alcohol of children under the age of 18 for example show they drink all beverage types,<sup>20</sup> with spirits (particularly vodka) featuring in similar if not greater quantities than alcopops and cider. In terms of effectiveness, the experience of other countries also suggests that whilst increasing taxation on a specific product may result in a substantial reduction in sales of that particular beverage, total alcohol consumption is largely unaffected as substitution occurs to other beverage types and products.<sup>21</sup> The contention

that all alcohol-related problems can be tackled by targeted tax increases aimed at two or three specific drinks lacks a clear rationale and evidence of effectiveness.

## Comparison of pricing mechanisms

Table 1: Illustration of impact of different pricing mechanisms on range of alcoholic drinks

Product	Current Price	Min Price 45p per unit of alcohol	Ban on sale below cost of duty + VAT (17.5%)	Ban on below-cost selling	Excise duty increase 2% above inflation	Excise duty increase 10% above inflation
White cider 2L 7.5% 15 units	£2.98 or 20p/unit	£6.75	85p or 6p/unit	Not known	£3.03 or 20p/unit	£3.09 or 21p/unit
Cider 2L, 4.2% 8.4 units	£1.32 or 16p/unit	£3.78	85p or 10p/unit	Not known	£1.36 or 16p/unit	£1.43 or 17p/unit
Lager 4x 440mls 5% 8.8 units	£2.98 or 34p/unit	£3.96	£1.76 or 20p/unit	Not known	£3.07 or 35p/unit	£3.18 or 36p/unit
Wine 75cl 13.5% 10 units	£3.38 or 34p/unit	£4.50	£1.98 or 19p/unit	Not known	£3.47 or 35p/unit	£3.63 or 36p/unit
Value vodka 70cl 37.5% 26 units	£7.97 or 31p/unit	£11.70	£7.34 or 28p/unit	Not known	£8.31 or 32p/unit	£8.93 or 34p/unit
Single malt whisky 70cl 40% 28 units	£17.32 or 62p/unit	£12.60	£7.83 or 28p/unit	Not known	£17.71 or 63p/unit	£18.34 or 65p/unit

Prices obtained from [www.mysupermarket.com](http://www.mysupermarket.com) 23/09/2010.

## Conclusion

A range of pricing policy options are currently being debated with the objective of reducing problem alcohol use in Britain. An examination of the pricing options under consideration reveals that they are likely to have varying levels of effectiveness in tackling harmful alcohol consumption and related health and social problems.

The proposal to ban the sale of alcohol below the cost of duty plus VAT will have no impact in reducing levels of alcohol-related harm. Targeted tax increases aimed at specific 'problem' drinks are likely to have limited if any

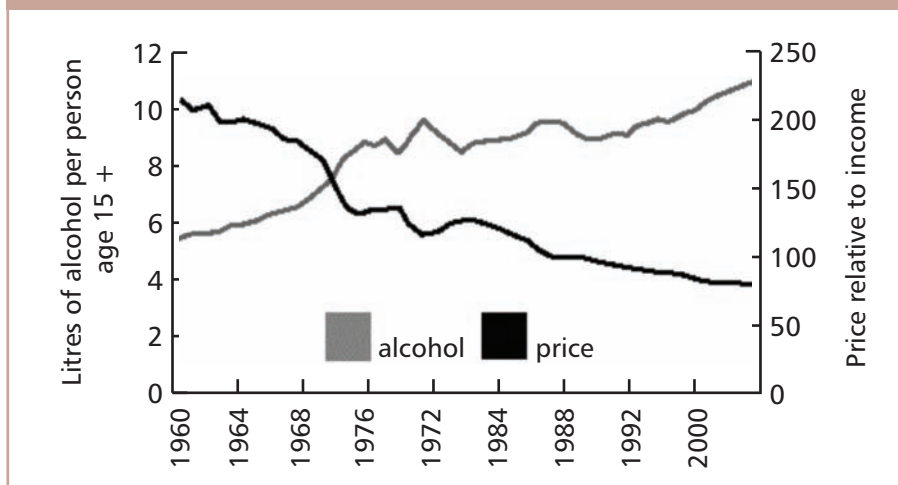
impact due to substitution behaviour, unless used as a supplementary measure to an overall price increase. Preventing below-cost selling of alcohol is a desirable objective although the extent of the impact of such a measure on reducing harmful consumption is unknown and a ban on below-cost selling is difficult to monitor and therefore enforce. In terms of efficiency and effectiveness, the measures that the evidence indicates will deliver the greatest health and social benefits are alcohol duty increases on all beverage types in line with inflation and disposable income; the establishment of a minimum price of 40p per unit of alcohol or above; and a ban on price promotions. Analysis also suggests that these alcohol pricing controls will achieve more in terms of reducing problem consumption if implemented in combination than separately.

Alcohol is no ordinary commodity. It is a high-risk product that is associated with a substantial burden of disease and social problems in countries with high population alcohol consumption. Regulation of the production and sale of alcohol is an ancient function of government. Traditionally taxation of alcoholic beverages has been the main policy lever used in Britain. However in a complex and highly competitive alcohol market it is likely that price controls other than taxation are required to better regulate the price of alcohol for the purpose of minimising harm. From the perspective of improving and safeguarding public health, the best policy options for regulating the price of alcohol will be those that work most effectively to reduce problem consumption and harm.

# Background

## 1. The availability of cheap alcohol

Figure 1: Consumption of alcohol in the UK (per person aged 15+) relative to its price 1960-2002



Source: The Academy of Medical Sciences<sup>22</sup>

Alcohol sold in Britain today is more affordable, more available and more heavily marketed than at any time during the past thirty years. As the price of alcohol relative to income has declined, the amount of pure alcohol consumed by the population has increased. (Fig 1) *Per capita* alcohol consumption in the UK has gone up by over 15 per cent in the past couple of decades and doubled since the 1960s. Even accounting for a recently reported recession-related drop in consumption, more alcohol is drunk per head today than it was ten years ago.<sup>23</sup> Nearly 1 million people in Scotland currently drink at hazardous and harmful levels,<sup>24</sup> and over 10 million drinkers in England are exceeding recommended weekly drinking limits.<sup>25</sup> As alcohol consumption has increased, so have levels of alcohol-related harm.

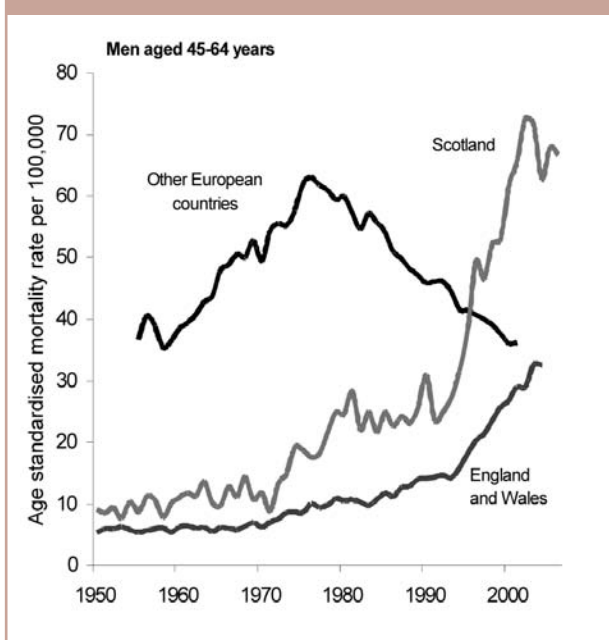
### Health costs

Health harm as measured by hospital admissions and death rates has increased markedly in recent years. The number of alcohol-related deaths almost doubled between 1991 and 2004.<sup>26</sup> Mortality from liver cirrhosis, which accounts for most alcohol-related deaths, has risen over 450 per cent across the population over the past 30 years as well as peaking at a younger age.<sup>27</sup>

There are a number of risk factors for chronic liver disease, but the overwhelming majority of deaths in Great Britain are directly linked to alcohol use. In 2007, 85% of deaths from chronic liver disease in Scotland were due to alcohol, a rise from 37% in 1979.<sup>28</sup> Since 1990, the relative increases in liver cirrhosis mortality in England, Wales and Scotland have been the steepest in western Europe. (Fig 2)

Alcohol is a major determinant of ill-health and the disease burden attributable to alcohol is substantial, accounting for 5% of all deaths in Scotland and 1 in 10 of all patient-specific discharges among men aged 16 – 64 years.<sup>29</sup> Just over 7 months of life are lost due to alcohol per person in England.<sup>30</sup> Alcohol-attributable disease lowers life-expectancy, diminishes quality of life and represents a significant burden to the health care system.

**Figure 2: Chronic liver disease mortality rates, 1950 to 2006**



Source: Leon & McCambridge 2006 (updated)<sup>33</sup>

**Annual cost of hospital inpatient stays directly related to alcohol:**

**England - £167.6 million<sup>31</sup>**

**Scotland - £83.5 million<sup>32</sup>**

## Social costs

Alcohol-related harm is not limited to health. Unlike the damaging effects of tobacco which fall almost entirely within the sphere of health, alcohol is a contributory factor in a wide range of negative social outcomes including public disorder, crime, violence, family breakdown, child abuse and work-related problems.

In Scotland, half of prisoners (who completed a questionnaire in 2009) reported being drunk at the time of their offence. Among young offenders this figure rises to 77%.<sup>34</sup> In June 2010, the Chief Constable of Strathclyde revealed that alcohol, and in particular cheap vodka, had played a major part in 14 out of 18 murders in the Strathclyde area in the previous 11 weeks.<sup>35</sup>

It is estimated that there are up to 1.3 million (one in 11) children in the UK living with parents who misuse alcohol.<sup>36</sup> Research reveals that harmful parental drinking can have multiple negative impacts on children's lives, with accounts of severe emotional distress, physical abuse and violence, and a general lack of care, support and protection.<sup>37</sup> Alcohol problems were the largest concern mentioned regarding parents in calls to Childline in 2008/09.<sup>38</sup>

*"More needs to be done, and we cannot do it alone"*

*"Alcohol is the number one factor in violence and the country needs a serious debate about the amount of cheap booze that is making its way into the hands of our young people. Until we do something about our drink culture, we will never be able to allow our communities to break free from the circle of violence."* Strathclyde Police Chief Constable Steve House

Source: Herald, Thursday 14th May 2010

*"Every night of the week Cheshire officers and our PCSOs are engaged in a constant battle against antisocial behaviour and alcohol-induced violence."*

*"Alcohol is too cheap and too readily available and is too strong."*

*"The police cannot do it alone. We are doing everything we can, within our resources and powers, but it is not enough."* Chief Constable of Cheshire (now Manchester) Peter Fahy

Source: The Times, 14th August 2007

Annual cost of alcohol-related crimes and offences to Scotland: £727.1m<sup>39</sup>

Annual cost of alcohol-related crimes and offences to England: £11bn<sup>40</sup>

## 2. A problem of regulatory failure

The affordability of alcohol in the UK is a function of the way the alcohol market operates and the way it is regulated. A number of factors have combined in the UK to increase the affordability of alcohol. A process of industrialisation, globalisation and consolidation of alcohol production in recent decades has resulted in higher volumes of alcohol being produced at a much lower unit cost, with large sums of money being invested in the promotion and marketing of alcohol brands.<sup>41</sup> Over the same timeframe there has been substantial deregulation of the alcohol market in Britain with the liberalisation of licensing legislation leading to alcohol being sold in many more outlets at virtually any time of the day. More outlets has increased the competition for customers and most competition has focused on price. The use of alcohol promotions and discounts is widespread.

The greatest increase in alcohol sales has been in the off-trade sector which now accounts for two-thirds of the volume of pure alcohol sold.<sup>42</sup> Major supermarkets dominate the off-trade<sup>43</sup> selling high volumes of alcohol at relatively low prices, sometimes selling alcohol at a loss to drive footfall and increase overall sales. The pricing practices of major supermarkets have led to a striking difference in the average price of alcohol sold on- and off-trade. This price differential is likely to be an explanatory factor in the shift towards home drinking in recent years, as well as being a driver of higher *per capita* consumption.

Table 2: Price of alcohol per litre of pure alcohol, Great Britain 2009<sup>44</sup>

Price per litre pure alcohol	Off-trade	On-trade
Spirits	£41.34	£193.50
RTDs	£77.64	£193.54
Fortified wine	£38.18	£271.89
Light wine	£48.81	£162.04
Cider	£29.56	£93.24
Perry	£24.75	£135.08
Beer	£41.28	£111.04

**6th May** 'A defensive supermarket price war?'

*Supermarkets are gearing up for a price war that will push the cost of a pint of beer to within a few pence of a pint of milk. Multi-pack deals pushed down beer prices during the Spring Bank Holiday to as little as the equivalent of 48p a pint. With similar deals expected during the summer's football World Cup, the battle lines are being drawn by the big supermarkets in the latest assault on price promotions.*

Source: <http://www.bbc.co.uk/news/10098983>

**22nd June** Chancellor announces no new increases in alcohol duty and a reduction in cider taxation.

*"We have decided to reverse the previous Government's plan to increase the duty on cider by 10 per cent above inflation and the reduction will come into effect at the end of this month – just in time to celebrate England's progress to the quarter finals, or else to drown our sorrows."*

George Osborne, Budget Statement

**24th June** 'Ambulance calls rise after England World Cup games'

*Ambulance services have reported sharp rises in call-outs in the hours after England's World Cup games. There was a 54% rise in Herefordshire, Worcestershire and Shropshire and West Midlands Ambulance Service reported nearly 60% more calls than average in the region after England's first World Cup game on 12 June. Much of the rise is being put down to increased drinking.*

Source: <http://news.bbc.co.uk/1/hi/england/10400588.stm>

**Annual cost to the NHS of alcohol-related ambulance journeys:**

**England - £372.4 million<sup>45</sup>**

**Scotland - £24.4 million<sup>46</sup>**

### 3. Action on price to minimise alcohol harm

An extensive, high-quality research base indicates which interventions are likely to be most successful in preventing alcohol-related health and social problems. Repeated empirical findings across space and time clearly demonstrate that one of the most effective and cost-effective ways for society to moderate alcohol consumption and minimise alcohol-related harm is by regulating the price of alcohol.

#### Impact of price controls on level of harm

Detailed work analysing the effects of alcohol pricing and promotion on levels of harm in England/Wales and Scotland has recently been undertaken by the University of Sheffield.<sup>47</sup> Utilising alcohol consumption and expenditure data, Sheffield University has estimated the effects of a range of pricing policies on overall consumption and harm and by different population groups including moderate, hazardous, harmful and underage drinkers.

The research has found that price increases can have a substantial impact on reducing consumption and consequently lead to significant health and social benefits as well as considerable financial savings in the NHS, criminal justice system, and in the workplace. The analysis of Sheffield University indicates that different pricing policies can have a differential impact on pricing and therefore on the consumption of different population sub-groups and on levels and types of alcohol-related harm (Fig 3a-c).<sup>48</sup> Across-the-board price increases are shown to lead to relatively larger reductions in average population consumption, and price increases targeted at cheaper alcohol through minimum pricing affecting harmful drinkers more.

The results suggest that pricing policies can be combined to achieve an optimal effect in terms of moderating population consumption and delivering the greatest benefits in reduced health harms, crime and social problems.

Figure 3a: Impact of pricing policies on consumption

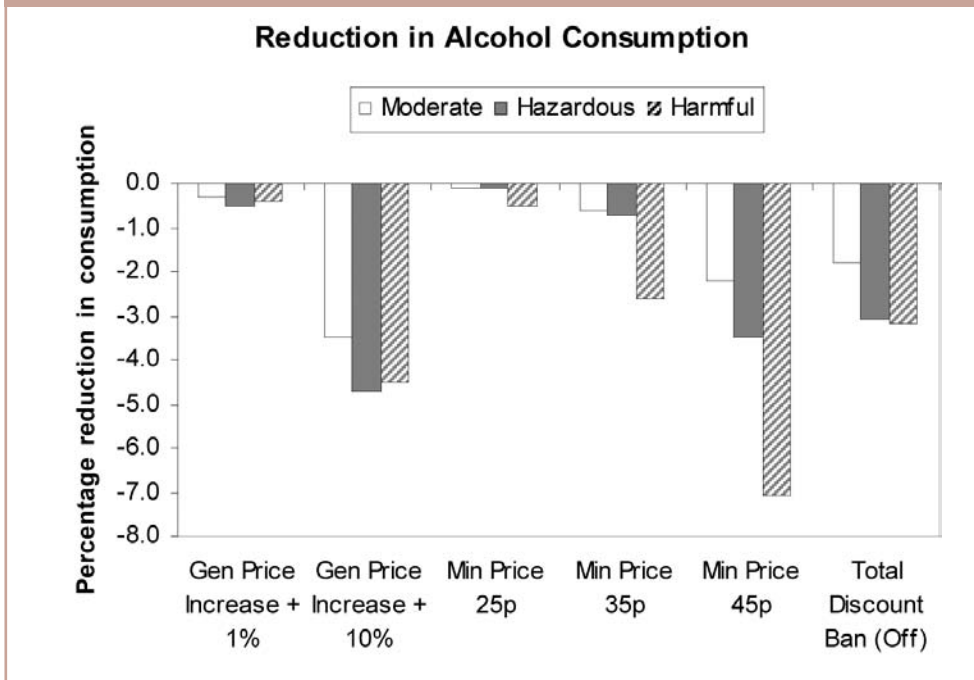


Figure 3b: Impact of pricing policies on hospital admissions

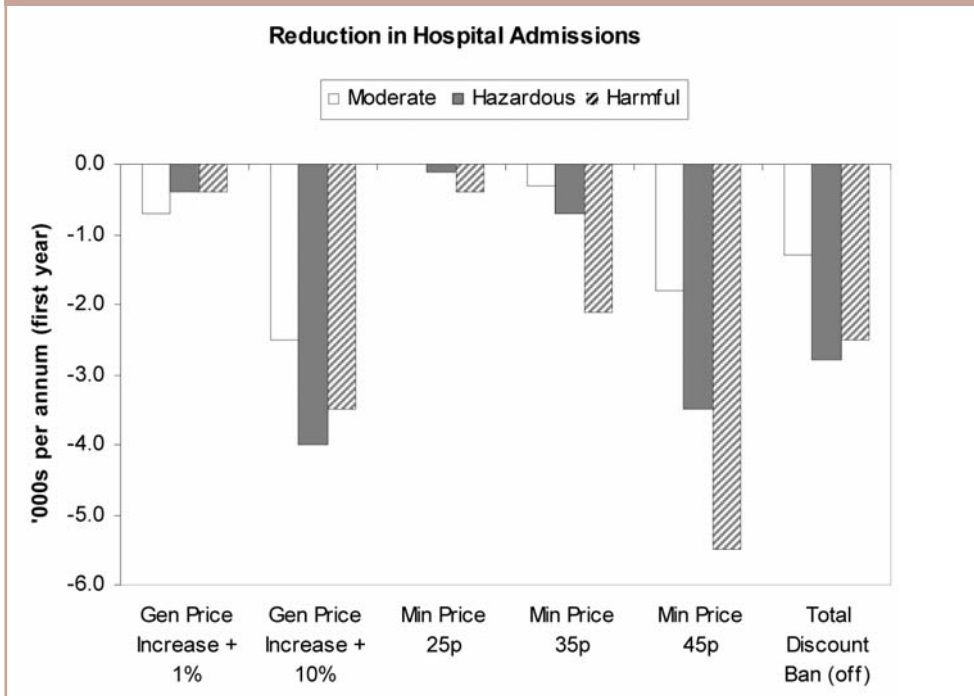
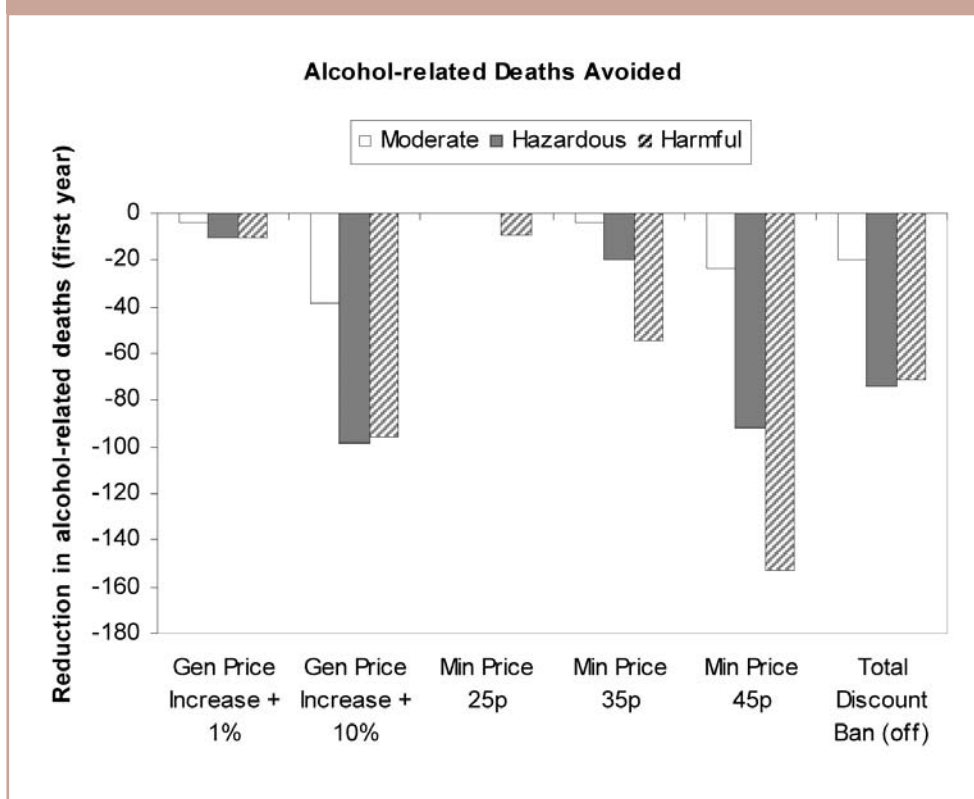


Figure 3c: Impact of pricing policies on alcohol-related mortality



## 4. Ineffective alcohol policies

An extensive, high-quality evidence base also indicates which interventions are likely to be the least effective and the least cost-effective in reducing problem alcohol use and harm.

### Education

Educational/information campaigns like the industry-sponsored Drinkaware campaign have figured prominently in alcohol harm reduction strategies in Britain in recent years. However, there is little evidence to suggest that education and persuasion strategies used on their own have been effective in changing drinking behaviour. Despite the number and diversity of this type of intervention, relatively few have been properly evaluated and significantly fewer have been shown to have any impact on drinking behaviour or alcohol-related problems.<sup>49</sup>

Educational campaigns can have a role in a wider strategy to address problem alcohol use if used to support more effective interventions. Mass media

campaigns have been used for example to reinforce the law on drink driving. The combination of regulatory intervention backed up by public awareness-raising has been successful in reducing the incidence of drink-driving which was once a widely accepted practice.

#### Informational and Educational Approaches

*[T]heir hegemony and popularity seem not to be a function of either their demonstrated long-term impact or their potential for reducing alcohol-related harms.*

*Education alone is too weak a strategy to counteract other forces that pervade the environment.*

*An unanswered question... is why significant resources continue to be devoted to initiatives with limited potential for reducing or preventing alcohol-related problems.*

Source: Alcohol No Ordinary Commodity, 2010

## Voluntary regulation by the alcohol industry

There is little evidence in Britain or elsewhere to support voluntary regulation by the alcohol industry as a means of reducing or limiting problems related to alcohol use.

A voluntary labelling agreement to provide consumers in the UK with alcohol unit content information and government guidelines on lower-risk drinking has still not been implemented despite the industry signalling its commitment to it more than a decade ago. Recent independent monitoring of the labelling agreement between the UK government and the alcohol industry found only 15 percent of labels on alcoholic beverages were compliant in terms of acceptable health/unit information and legibility and clarity in 2009.<sup>50</sup>

An independent review of the alcohol industry's voluntary social responsibility standards for the production and sale of alcoholic drinks in the UK (launched in 2005) suggested that they were not operating as originally envisaged. The review revealed that the standards were having negligible impact in either reducing bad practice or promoting good practice on the ground. The standards were found not to have been a catalyst for self-

regulation, self-improvement and social responsibility throughout the industry. They were found not to have been an effective supplement to the mandatory requirements of the Licensing Act and did not lessen the external regulatory burden of local authorities. Critically, the voluntary standards were found not to have reduced the impact of harm on the criminal justice and health services. The main reasons identified for the failure of the voluntary standards was the lack of a reliable enforcement mechanism and overriding commercial interests.

Alcohol retailers and producers are in the business of selling alcohol to make a profit. The primary duty of listed alcohol companies is to maximise shareholder value by maintaining and growing market share. The interests of businesses/shareholders and the public health interest are not the same. Investing alcohol companies with a major or sole responsibility for limiting harm from the products they need to promote and sell in order to make a profit is a clear conflict of interest.<sup>51</sup>

*The stark discrepancy between research findings on effective alcohol policy options on the one hand, and the form alcohol policies actually take on the other, is often attributed to the central and even dominant role of commercial interests in the policymaking process. The involvement of the alcohol industry can thus be a major barrier to a public health-oriented action plan on alcohol.*

**Source: Handbook for action to reduce alcohol related harm, WHO Europe, 2009**

## Conclusion

Alcohol is not an ordinary commodity, but a high-risk product that is associated with a substantial burden of disease and social problems. Over the past few decades, consumption and harm from alcohol use has increased in Britain as controls on the supply, retail and marketing of alcoholic beverages have been relaxed or abandoned altogether. Evidence clearly shows that competent regulation of the production and sale of alcohol is one of the most effective and efficient means of limiting harmful consumption and alcohol problems in society. However, effective regulation will not be achieved through industry self-regulation: it is the proper function of government.

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**SHAAP**

Scottish Health Action on Alcohol Problems

SHAAP is a medical advocacy group established by the  
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advocate for alcohol policy in the public health interest.

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