Alcohol (Minimum Pricing) (Scotland) Bill

University of the West of Scotland

Abstract

A minimum unit pricing policy for alcohol is strongly supported. It is proposed that the “unit” price should be 50-55 pence and that this should be “indexed” in order to prevent the relative cheapening of alcohol over time. Given the innovative nature of this Bill it is crucial that the means are put in place to evaluate the impact of minimum pricing, on consumption levels and alcohol related health and social consequences, with a view to making recommendations for adjustment in the light of findings. Recent reductions in reported alcohol consumption may be attributed in part to the prevailing economic circumstances.

Introduction

The study of alcohol use and related health and social consequences was initiated at UWS\(^1\) in 1979 by the establishment of the Alcohol Studies Centre. This study grouping was initially funded in its entirety by the Scottish Home and Health Department and emerged in the wake of the liquor licensing changes (Licensing (Scotland) Act 1976). At that time there was recognition of a lack of research on alcohol issues and even less relevant education for those working with alcohol related problems. A post graduate study programme was established in 1979 and is the fore runner of the current MSc/Post Graduate Programme in Alcohol and Drug Studies, perhaps the largest programme of its kind in the UK, offering full time, part time and online study options. Central to this programme is the view that alcohol, as a legal drug, makes a very significant contribution to the well documented health and social problems in Scotland (Scottish Government, 2008; Barrie, 2012). The high level of problems attributed to alcohol use in comparison to illicit drug use have been reported by McPhee et al (2009), as have harmful levels of alcohol consumption among methadone maintained individuals (O’Rawe, 2009). A study of binge drinking and the design and evaluation of an intervention has been carried out by Marks (2011).

Evidence

This document is set out to reflect the themes outlined in the Scottish Parliament’s Health and Sport Committee’s call for written evidence, dated 1 November 2011.

1. Establishing a minimum alcohol sales price, based on a unit of alcohol, a review of the evidence
2. The level at which such a proposed minimum price should be set and the justification for that level
3. Any other aspect of the Bill.

---

\(^1\) The University of The West of Scotland, formerly the University of Paisley.
Establishing a minimum alcohol sales price, based on a unit of alcohol, a review of the evidence

There have been many interventions designed to reduce alcohol related consequences in the last 25 years: Liquor licensing, educational campaigns/programmes, town/city centre drinking bans, proof of age schemes. However their impact on the overall alcohol consumption and in turn alcohol related problems, at a time of high and rising per capita consumption, has been minimal. Such interventions may appear to be more effective as part of a preventive strategy when part of that approach tackles consumption levels but would not provide viable policy alternatives independent of price control measures.

There is a large body of literature attesting to the connection between the price and availability of alcohol and in turn consumption and health/social consequences (Wilson 1940; Babor, et al 2003; Wagenaar et al 2009). Therefore increasing the price of alcohol will reduce consumption and resulting problems, at all levels of drinking, including harmful/dependent drinkers (Kendall et al, 1983). Alteration of price and availability are the most powerful interventions available to policy makers in reducing alcohol related problems. Pricing has been used as a public health measure, as a means of government revenue-raising, and sometimes both, in various countries (Babor et al, 2003). Sales and consumption may be affected by economic factors, whereby at times of recession alcohol may become relatively more expensive, in comparison to other commodities; consequently sales and consumption decrease. Recent economic circumstances in Scotland/UK may in part explain reductions in consumption and consequences in recent years, though consumption and consequences remain relatively high.

Minimum pricing as currently conceived would target those who consume cheaper alcoholic beverages, namely harmful/dependent drinkers and young “binge” drinkers. Those who consume more expensive alcoholic beverages will be unaffected despite evidenced across all social groups for hazardous and harmful drinking.

Advantages

Depending on the level of price increase or setting of a minimum price of alcohol a modest reduction in per capita consumption of alcohol will be achieved, as only lower priced alcohol products are targeted. More specifically minimum pricing could:

- Reduce consumption amongst the heaviest (and dependent) drinkers,
- Decrease the proportion of the population drinking above the recommended safe limits
- Decrease “binge” drinking as well as public drinking among all age groups.

As a result of its effect on purchase and consumption of alcohol it would be expected that a range of health and social consequences would decrease in these sub-populations targeted.
The licensed trade and public houses would benefit in that their prices, which would be largely unaffected by minimum pricing would be more competitive in comparison to off-sale and supermarket outlets. It is clear that the closure of many public houses in Scotland is associated with a transfer of purchasing alcohol from the pub to the off-sales/supermarket, where prices are considerably cheaper.

The Sheffield University study by Meier et al (2009) conducted an independent review of the effects of alcohol pricing and promotion, concluding that general price increases on alcohol exhibited relatively large reductions in mean consumption for the population. Further, minimum pricing options would result in health harm reductions, mostly in relation to chronic rather than acute conditions, and reduce crime. This study further explores the relationship between crime and alcohol consumption and suggests that:

“crime harms are estimated to reduce, particularly for 11-18s because they are disproportionately involved in alcohol related crime and are affected significantly by targeting price rises at low priced products” (Meier et al 2009,p 8).

Further policy options targeting hazardous drinking are effective in reducing alcohol related harm in the work setting, influencing both unemployment and absences among harmful drinkers.

Disadvantages

Commercial interests, who would tend to support minimal regulation or government intervention, may offer strong opposition and perhaps favour certain interventions. These interventions would involve targeted education, or would support changes in labelling on products which have little demonstrable effect in preventing or changing drinking behaviour which affects health (Babor et al 2003). The director of the Portman Group, an alcohol industry lobby group summed up this perspective:

“The health lobby favours restrictive measures on pricing, availability, advertising, and marketing in the belief that this will reduce overall levels of consumption. Leaving aside some of the flaws in that assumption ... rather than impose these blunt, ineffective measures that impact on the moderate majority ... one should instead educate consumers into drinking responsibly” p21 (Harkins and Poley 2011).

Efforts to circumvent minimum unit pricing are to be expected. Supermarket chains with UK-wide distribution and sales have already indicated that the purchase of alcohol from their outlets based out-with Scotland can be purchased “on-line” at discounts prices available elsewhere in the UK. This was a response to the recent implementation of the policy on banning discount alcohol purchases implemented by Scottish Government. There is potential for the illegal sale and distribution of alcoholic beverages and this
activity would become more lucrative the higher the minimum “unit” price. However this is a common feature of Scandinavian countries, where price and availability policies are in force as public health measures, whilst the importation of cheap alcohol is a recognised consequence. Minimum pricing will have a limited impact on moderate drinkers, who are less well off, on the basis of their limited consumption and the assumption that they consume only those cheaper beverages affected by a minimum unit pricing policy.

The level at which a proposed minimum price should be set and the justification for that level

The University of Sheffield study (Meier al 2009; Meier et al, 2010) set out a range of minimum price levels ranging from 20–70 pence per unit. Negative consequences reduce steeply as price per unit increases thereby demonstrating the potential effectiveness of this policy intervention. In Scotland 80% of alcohol sold from off-sales is at a cost of between twenty-five and fifty-five pence per unit of alcohol, with 75% of cider sold for less than forty pence per unit. In contrast, 8% of beer, 2% of light wine and 1% of spirits are sold at less than twenty-five pence per unit (ISD, 2011). In Edinburgh, 377 individuals with severe alcohol problems, in contact with a range of health services, including specialist alcohol treatment services, reported buying and consuming an average of almost 200 units of alcohol in the previous week, paying on average, forty-three pence and as low as nine pence per unit. The lower the price the more the problem drinkers consumed, and cheapness was commonly offered as the reason for choice of beverage. Problem drinking subjects purchased alcohol more cheaply than the rest of the population and mainly from off-sales. As heavy consumers of the cheapest alcohol available, it is suggested that a small change in purchasing alcohol could have a relatively large impact on consumption (Black et al., 2011).

Lower minimum pricing (less than 50 pence per unit) may demonstrate little impact whatsoever, being similar to current unit prices at the lower end of the market. Lower minimum prices affect beer, cider and spirits more so than fortified or table wines. On the basis of the research evidence it is proposed that a minimum price of 50-55 pence per unit is implemented in order to ensure impact on the target groups. However the consumption of certain brands of fortified wine which have been cited as a consistent feature of drinking in public and public disorder involving younger drinkers would be unaffected by the proposed “unit” pricing. It is understood that the Sheffield study group have been contracted, by Scottish Government, to update their pricing options (Meier al 2009; Meier et al, 2010) using more up to date drinking survey data.

Any other aspects of the Bill

Concern has been expressed that as a result of minimum “unit” pricing there will be an increased profit to producers and retailers. This is not an argument against minimum unit pricing per se. If the increased revenue remains with the producers and retailers it will be subject to taxation. Alternatively a proportion of these revenues could be channelled directly toward offsetting the costs of alcohol related problems in Scotland.
Historically taxation on beverage alcohol has diminished in relative terms over time, due to inflation, effectively making alcohol cheaper. Whichever “unit” price is confirmed mechanisms should be put in place to ensure that the “minimum price” is not eroded over time by inflation.

Given the innovative nature of this Bill it is crucial that the means are put in place to evaluate the impact of minimum unit pricing policy at an early stage and in turn make recommendations for adjustment in the light of findings. Research must be designed such that the impact of this policy can be disentangled from the down turn in alcohol consumption, which is associated with economic circumstances.

Ken Barrie
Senior Lecturer in Alcohol and Drug Studies
University of the West of Scotland
12 December 2011

References


O’Rawe S (2007) Investigating levels of problem drinking among those on methadone maintenance programmes: implications for individuals and services. MSc Dissertation UWS


