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### ► [The likely impacts of increasing alcohol price: a summary review of the evidence base.](#)

[UK] Home Office.

[UK] Home Office, 2011.

UK Home Office draws conclusions from recent government-commissioned reviews and research on the likely impact of a rise in the price of alcohol in Britain. Direct evidence is thin, but suggests "on balance" that policies designed to increase price may reduce harms caused by alcohol.

#### Original abstract

#### Introduction

##### Aims

This review aimed to summarise the research evidence around the likely impact of policies designed to increase the price of alcoholic drinks in order to answer the following research questions.

- 1) What does the research evidence tell us about the likely impact of increasing alcohol price on social outcomes (specifically crime and disorder, public health and workplace productivity effects)?
- 2) To what extent does the research evidence tell us about the distributional impacts (particularly across different income groups and responsible drinkers but also to binge drinkers and young people) of increasing alcohol price?
- 3) What does the research evidence suggest is the likely impact of increasing alcohol prices on costs and benefits to business (particularly on the on trade and producers)?

In answering the above research questions this review also sought to identify limitations and gaps in the research evidence reviewed.

#### Context

In 2010 the Coalition Government published its programme for partnership Government

*The Coalition: our programme for Government*, which made a number of commitments in relation to alcohol pricing. The first commitment is to ban the sale of alcohol below cost price, and the second is to review alcohol pricing and taxation to ensure it tackles binge drinking without unfairly penalising responsible drinkers, pubs and important local industries.

The Home Office and HM Treasury are jointly reviewing the impact of policies designed to raise the price of alcoholic drinks, with the Home Office leading on price and HM Treasury on tax. This report presents the extent and strength of the evidence base.

## Methodology

This review draws primarily on findings contained in research commissioned by the Home Office to understand the potential impacts of increasing alcohol price and to identify the completeness and robustness of evidence in this area. The research comprised:

- [A rapid evidence assessment of the published research literature examining alcohol pricing and criminal harm](#);
- [A rapid evidence assessment on the potential economic impact of three alcohol pricing policies](#) (taxation, minimum pricing and a ban on the sale of alcohol below cost price) and a preliminary economic analysis on the market for alcohol; and
- [Market research examining public perceptions of alcohol pricing](#).

This paper also considers the evidence contained in three other pieces of research, selected to address areas not specifically covered in the Home Office-commissioned research to ensure a more comprehensive review of the evidence base. Studies were:

- A systematic review of the evidence on [the effects of alcohol pricing and promotion](#);
- A modelling study examining the [potential impact of pricing and promotion policies](#) for alcohol in England; and
- A recently published paper examining the [purchasing patterns for low price off sales alcohol](#) (drawing on evidence from the Expenditure and Food Survey).

## Findings

### The likely impact of increasing alcohol price on alcohol related harms and outcomes

- On balance the evidence shows that increases in alcohol prices are linked to decreases in harms related to alcohol consumption. However, alcohol price is only one factor affecting levels of alcohol consumption with individual, cultural, situational and social factors also influential.
- Available evidence suggests that increases in alcohol prices tend to be associated with reductions in crime. However, this relationship is not straightforward and linear and the evidence base is not able to support a causal relationship between alcohol pricing and crime.
- When considering individual crime types rather than overall crime, there is a larger evidence base for a link between alcohol price and violence than for other crime types. The balance of this evidence tends to support an association between increasing alcohol price and decreasing levels of violence. No firm conclusions can be drawn around links between alcohol pricing and other specific crime types as the evidence is limited and some findings are inconclusive.

- It is important to recognise that inconclusive evidence or an absence of evidence does not necessarily mean that increasing alcohol price does not impact on particular types of crime. Rather, this indicates that there is a lack of robust evidence to allow a judgement to be made either way.
- Focus groups, designed to test reactions to pricing policies, reported an overall consensus of respondents not wanting to see an increase in the price of alcohol. There was conflict between a belief that only large price increases would have an impact on crime and disorder and a reluctance to be subject to such price increases.
- The modest evidence available on workplace productivity indicates a negative correlation with alcohol consumption (rather than price per se) but this evidence is not able to support a causal relationship for a link with alcohol pricing.
- Overall the research literature supports an established association between alcohol consumption and many negative health outcomes and the balance of research finds that increases in alcohol prices are linked to decreases in these health harms.

### Distributional impacts of increasing alcohol price

- The evidence revealed that increasing alcohol price may have distributional impacts on different population groups; however the impact on some of these population groups is under researched and some findings are mixed, therefore it is difficult to draw any firm conclusions. The evidence reviewed tends to suggest that increasing alcohol price reduces heavy drinking and some studies also suggest that heavy drinkers may be more affected by price increases than responsible moderate or occasional drinkers.
- The evidence supports the general principle that increasing alcohol price reduces alcohol consumption by young people and also suggests that binge, hazardous, harmful and younger drinkers tend to choose cheaper alcoholic beverages.
- Little is known about the impact of increasing alcohol price on different income groups. Findings are limited to two studies; one of which indicates that low socio-economic groups may be more responsive to changes in alcohol affordability whilst the other reported that all income groups purchased low price off sales alcohol, although low income groups were less likely to purchase off sales alcohol at all.

### The likely impact of increasing alcohol price on costs and benefits to business

- Available research on the economic impacts of different alcohol pricing policies and the exact magnitude of effects which each pricing policy may have is very limited.
- Evidence around how the alcohol industry may be affected by pricing policies is limited to findings from one small scale study, which only provides an indication of the way in which the UK alcohol market may react. Evidence from this study indicates that major retailers may benefit more from pricing policies than producers, and that both producers and supermarkets (and to some degree the on trade) may adopt strategies to avoid potential losses or to keep prices the same following an introduction of a pricing policy.

### Limitations of the evidence base

- Much of the evidence base on alcohol pricing and criminal harm related to alcohol consumption is not UK-based. The degree of transferability of findings may vary depending on the country where the research was undertaken. UK-based research is mainly limited to economic modelling studies with relatively few evaluations of alcohol pricing changes.

## Conclusions

On balance the international evidence base suggests that policies designed to increase the price of alcohol may be effective in reducing the harms caused by alcohol. However, alcohol price is only one factor that may affect levels of alcohol consumption, with individual, cultural, situational and social factors also influential.

This review has highlighted that a number of potential impacts of increasing alcohol price are currently under researched. The evidence revealed that there is limited UK-based research on alcohol pricing and criminal harm related to alcohol consumption, with UK evidence, in the main, limited to theoretical economic modelling studies. The evidence base for a link between alcohol pricing and crime is less comprehensive than that between alcohol price and consumption and alcohol price and health harms. Although evidence for a link between alcohol price and crime suggests that price increases tend to be associated with reductions in crime, this relationship is not linear and the evidence base is not able to support a direct causal link. For individual crime types rather than overall crime, the evidence base for a link between alcohol price and violence is largest with the balance of evidence tending to support this link.

Less is known about the potential distributional impacts on specific population groups, such as the impact on different income groups or how policies will impact on the majority of responsible drinkers, with the body of evidence tending to focus on impacts to heavier and younger drinkers. Little is known about how the alcohol industry may be affected by alcohol pricing policies.

On the basis of the evidence reviewed, it is not possible to determine which alcohol pricing policies may be the most effective.

 This review draws on the following research and reviews also represented in the Effectiveness Bank database:

[Independent review of the effects of alcohol pricing and promotion](#)

[Alcohol pricing, consumption and criminal harm: a rapid evidence assessment of the published research literature](#)

[Economic impacts of alcohol pricing policy options in the UK](#)

[Purchasing patterns for low price off sales alcohol: evidence from the Expenditure and Food Survey](#)

and also on:

[Market research examining public perceptions of alcohol pricing.](#)

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[The effectiveness of tax policy interventions for reducing excessive alcohol consumption and related harms](#) REVIEW 2010

[Model-based appraisal of alcohol minimum pricing and off-licensed trade discount bans in Scotland](#) STUDY 2009

[Effects of alcohol tax and price policies on morbidity and mortality: a systematic review](#) REVIEW 2010

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