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This entry is our account of a study selected by Drug and Alcohol Findings as particularly relevant to improving outcomes from drug or alcohol interventions in the UK. Click [here](#) for copyright and permissions to copy and adapt. The original study was not published by Findings; click on the [Title](#) to obtain copies. Links to source documents are in [blue](#). Hover mouse over [orange](#) text for explanatory notes. The Summary is intended to convey the findings and views expressed in the study. Below are some comments from Drug and Alcohol Findings.

### ► Independent review of the effects of alcohol pricing and promotion.

**Meier P. et al.**  
**University of Sheffield, 2008.**

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*Commissioned by the English health department, the first study to model the impacts of alcohol policies by integrating data on pricing, promotion, purchasing, consumption and harm found that raising price or banning promotions can bring major benefits. The findings helped persuade government to introduce a minimum per unit price for alcohol.*

**SUMMARY** For the English Department of Health, independent researchers examined the potential effects of different pricing and promotion policies on patterns of alcohol consumption and the resulting impact on the UK's health, crime, absenteeism in the workplace and unemployment. Over 40 policy scenarios were tested, including setting minimum prices per unit of alcohol at different levels and bans on price-based promotions in off-licences and supermarkets, and impacts were assessed on different groups including moderate, hazardous, harmful and underage drinkers both in the on-trade (such as pubs, clubs and restaurants) and the off-trade (supermarkets, off licenses) sectors. Overall the results suggest that policies which increase the price of alcohol can bring significant health and social benefits and lead to considerable financial savings in the health service, criminal justice system and in the workplace. Generally, the more restrictive the policy, the greater the harm reduction. Most of the options tested would reduce harm by over £500m and some were valued higher than £5 billion over a ten-year period.

The researchers felt their most important findings were that • pricing policies can be effective in reducing health, crime and employment-related harm • pricing policies can be targeted so people who drink within recommended limits are hardly affected and very heavy drinkers – who cause by far the most alcohol-related harm – pay the most • minimum unit pricing and discount bans could save hundreds of millions of £s every year in NHS, crime and employment costs • policies which raise the prices of cheaper drinks available in pubs, clubs and supermarkets promise the greatest impact in terms of crime and accident prevention by reducing the consumption of 18–24-year-old binge drinkers.

Targeting price increases at cheaper types of alcohol would affect harmful and hazardous drinkers far more than moderate drinkers, because the former tend to buy more of the cheaper beers, wines and spirits. Minor restrictions on promotions would have little impact but major changes such as a ban on discounts of greater than 10% or a total ban on off-trade discounting might rival the effectiveness of some minimum price options.

**FINDINGS COMMENTARY** In [three reviews](#) feeding in to a [modelling report](#), the study comprehensively draws on available research to assess • the effect of pricing and taxation on alcohol consumption • the effect of promotion on alcohol consumption • and the effect of alcohol consumption on alcohol-related harm. Though each element in this chain has previously been examined, uniquely the report joins up the dots to assess what impact national policies on pricing and promoting drink might have on the nation's health, safety, and productivity, using as far as possible UK data. The same simulation model [has been used](#) to estimate the impacts of plans in Scotland to prohibit discounting of alcohol and to introduce a minimum retail price per unit of alcohol.

#### What about the *benefits* of drinking?

The findings broadly accord with those of other major analyses ([1](#) [2](#)), but arguably form an inadequate basis for policy because the analyses was limited to illness and other adverse consequences of drinking and certain specific health benefits, which have little to do with why most people drink. The other side of the equation is that in British society people value drinking and social activities and forums such as pubs based on drinking. To the extent that, for example, price rises impede these activities, some things people value are lost, even as another thing they value, health, improves. If the impact is greatest on low income groups – and the relevant review was unable to determine this – then greater social inequality may be the result even as health inequality diminishes. Because of the benefits they feel they get, the report acknowledges that in the face of price rises drinkers generally do not cut back sufficiently to avoid spending more. Again, the impact of a greater proportion of the family budget being diverted to drinking is likely to be felt most sharply among the poorest in society. Economic impacts of this kind can of course be mitigated depending on how governments choose to disperse revenues from higher taxes and/or public sector cost savings. More below.

By design the featured estimates excluded what the researchers [described](#) as drinking's "beneficial effects in terms of individual 'feel good' factors or general quality of life". Subjective 'feel bad' consequences were included, for example in the form of distress caused to the victims of crime and diminished quality of life due to alcohol-related illness. [According to](#) the World Health Organization, if one is included, so should the other be if the aim is to assess the total net harm imposed on society by drinking. This omission of what for probably most of the population are the main reasons for drinking [has been highlighted](#) by Findings as a flaw not in the study itself, but in the use of these results in isolation to determine social and economic policy.

An alternative position taken by a [UK government analysis](#) published in 2003 is that diminished quality of life due to alcohol-related illness is part of the cost drinkers are prepared to pay, so from a whole society perspective, is cancelled out by the benefits they experience. As for [other critics](#), the argument is that only the consequences and benefits arising for other people are relevant to determining public policy.

Neglect of benefits from drinking was one of the [criticisms](#) made of the model underlying the featured analysis and of similar analyses by a prominent alcohol expert and sociologist from Finland. He levelled his attack at attempts to establish a total cost (or cost reduction due to policy changes) to society of alcohol-related harm, rather than the constituents such as lives saved, crimes not committed, and illnesses avoided. These in themselves may be considered a good enough reason to curtail the availability of alcohol, even if some drinkers are thereby deprived of the benefits they feel they get from drinking, or pay more to sustain these and lose out in the form of less money for other purposes.

#### Other criticisms

The [same critique](#) noted that the cost reductions due to minimum pricing estimated by the featured analysis were dominated by productivity gains due to less drink-related unemployment and absenteeism, calculations which unrealistically assume no countervailing benefits for other people currently unemployed or for those who take a day off work. The [underlying model](#) calculates the increased risk that someone will be unemployed the more they drink above harmful levels, then uses this to predict that (for example) a minimum unit price for alcohol of £0.50 would lead to 25,900 fewer people unemployed in the first year. However, in the absence of full employment, vacancies left by drinkers will usually be filled by someone else, ending perhaps via a chain of job changes in someone currently unemployed gaining a job. The productivity is not lost, but shouldered by someone else. Drinking may, the Finnish expert argued, affect who gets hired and fired first, but a minimum unit price would hardly create 25,900 new jobs. This assumption has a substantial impact, accounting for three quarters of the estimated social value gained by a £0.40 minimum price in year one.

The Finnish critique also argued that calculations of losses due to absenteeism take no account of the benefits the drinker and perhaps others gain from staying away from work. Arguably the value lost to the company and the economy is transferred in a different form to the worker and others who are able to enjoy a day off work or enjoy a night's drinking knowing they can sleep it off the next morning.

It also highlighted another factor omitted from the featured analysis and others of the same kind, one also [highlighted by Findings](#) – the implicit assumption that crime benefits no one, and in particular that stolen property effectively vaporises rather than being transferred within society. Though a factor in alcohol cost estimates, this assumption is particularly significant in estimates of the cost imposed by addiction (and saved by its treatment) to illegal drugs, whose purchase is often funded by prodigious levels of property crime.

### UK policy

The featured report was commissioned by the English Department of Health under the Labour government in power before May 2010. There have also been [strong recommendations](#) on minimum pricing from the UK government's principal medical adviser, and Britain's [National Institute for Health and Clinical Excellence](#) has [lent its weight](#) to setting a minimum price on the basis of the health and social costs of alcohol-related harm and the expected impact on alcohol consumption.

Despite the official origins of the research and this high-level backing, under the previous Labour government there were no immediate plans in England and Wales to respond by setting minimum prices. This too was the position of the Conservative-Liberal Democrat coalition government which took over in May 2010, which at first preferred to rely on policies affecting particularly troublesome individuals or drinking cultures and environments rather than the whole society. Especially in the frame were young 'binge' drinkers.

That changed with the publication of the 2012 [national alcohol strategy](#) for England and Wales. It accepted that drink-related harm is spread across much of the population, so counter-measures too must affect the population as a whole, even if it inconveniences them or makes bigger alcohol-related holes in their pockets – and even if it may lose votes. Most far-reaching was a commitment to set a uniform minimum [price](#) per unit of alcohol across all drinks, which might substantially raise the costs of the cheaper products. The Conservative party seemed prepared to grasp a politically risky nettle in the name of public health and safety, facing up to the uncomfortable prospect of being [hoist on its own petards](#) of deriding the 'nanny state', rolling back state control of the market, and its previous stress that the majority drinking public should not be punished for the antics of the minority of rowdy binge drinkers.

By the following year the nettle had been dropped on to shelf marked 'Awaiting Evidence'. A [consultation](#) on what the price should be and how it should be regulated turned in to a trial of the evidence for the principle of setting a price. [There remained](#) no doubt in the government's mind that a minimum price of around £0.45 would improve health and reduce crime, but no longer were they of a mind to accept it would do so "without penalising all those who drink responsibly". Rather than new evidence, it was the "absence" of "empirical" and "conclusive" evidence that persuaded the Home Secretary "it would be a mistake" to implement minimum pricing at this stage – evidence which could have been no more absent in 2013 than in 2012. Also, "other issues were raised including the potential impact of minimum unit pricing on the cost of living and the economic impact of the policy and increases in illicit alcohol sales".

The same nettle had already been grasped in Scotland, which has also moved further to making unit pricing a reality, but has been stymied by legal challenges. For more on the state of play there and across the UK see this [hot topic entry](#).

The stuttering and in some political quarters reluctant progress to accepting a minimum unit price in the UK illustrates the difficulty democratic administrations face in imposing expensive drink on majority-drinking populations, and also in facing up to the power of sections of the alcohol industry opposed to such plans. Britain has a particular difficulty because [compared to other European nations](#) it already has among the highest alcohol taxes, and drink prices are relatively high compared to other commodities.

While tax and unit pricing have been at the forefront of political debate, regulating availability and minimising harm through licensing are also major tactics. The Licensing Act 2003 seemingly has not made things much worse, but as detailed in this [Findings analysis](#), neither did it give local authorities in England and Wales the power to make things much better, though in Scotland licensing authorities have greater scope. [Current plans](#) for England do however include giving local health bodies the power to make representations to licensing authorities, and do not rule out a key change already made in Scotland – including prevention of health harm among the objectives of licensing decisions.

The featured report has also been summarised in a [journal article](#).

*Thanks for their comments on the initial entry to Petra Meier of the University of Sheffield. Commentators bear no responsibility for the text including the interpretations and any remaining errors.*

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