

# Fairness and efficiency: addressing the harms of excessive drinking

## Key Findings

- Excessive drinking imposes costs on society that are ignored in individual decision making.
- Alcohol related harms and their costs are greatest for the most deprived population groups.
- Minimum unit pricing is an effective intervention which does not impact unfairly on moderate drinkers, including those on low incomes.

## What problem was this research addressing?

Individuals making decisions about consuming alcohol generally consider only the cost to themselves, mainly the price. Alcohol has become more affordable over time, while increasing levels of alcohol-related harms have been imposing costs on a range of public services, including the NHS, social work and criminal justice, as well as impacting on the health and wellbeing of individuals and families. Effective price-based interventions to reduce alcohol-related harms need to be assessed in terms of equity or fairness.

## What this research adds

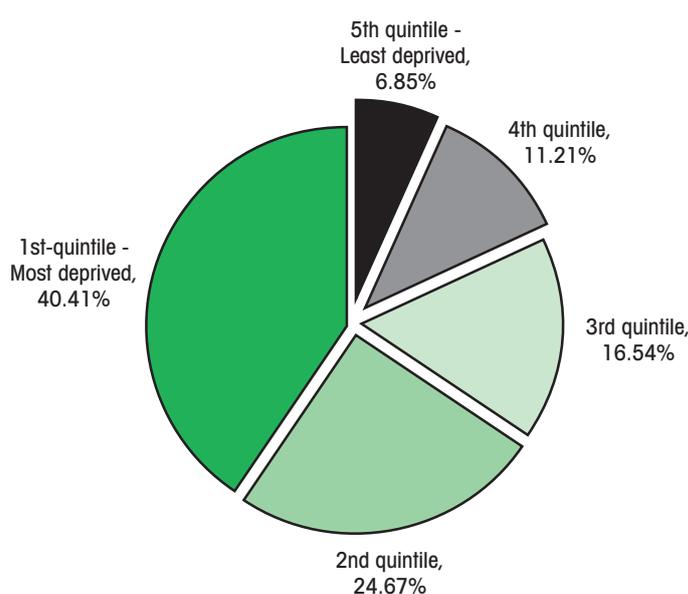
In two separate studies, we have identified, first, how alcohol-related harms and their costs are spread across different groups in society<sup>1</sup> and secondly, which groups would be most affected by the introduction of minimum unit pricing (MUP)<sup>2</sup>. Although the costs imposed by alcohol misuse have been assessed before, little previous attention has been given to the inequality in their distribution. Similarly, less attention has been given to the distributional effects of MUP.

## Methods

Costs which are ignored in private decision-making provide a general rationale for intervention to correct market failure<sup>3</sup>. The size and distribution of the main costs for Scotland in 2009/10 were determined using a cost of illness approach<sup>1</sup>. Secondary data and estimates from the literature were used to assess direct healthcare costs, intangible health costs, social

care costs, crime costs and labour and productivity costs. The distribution of costs used area based deprivation mainly measured by the Scottish Index of Multiple Deprivation (SIMD). The effect of MUP on households with different income and alcohol purchase levels was investigated by applying regression analysis to household purchase data from the UK Expenditure and Food Survey<sup>2</sup>.

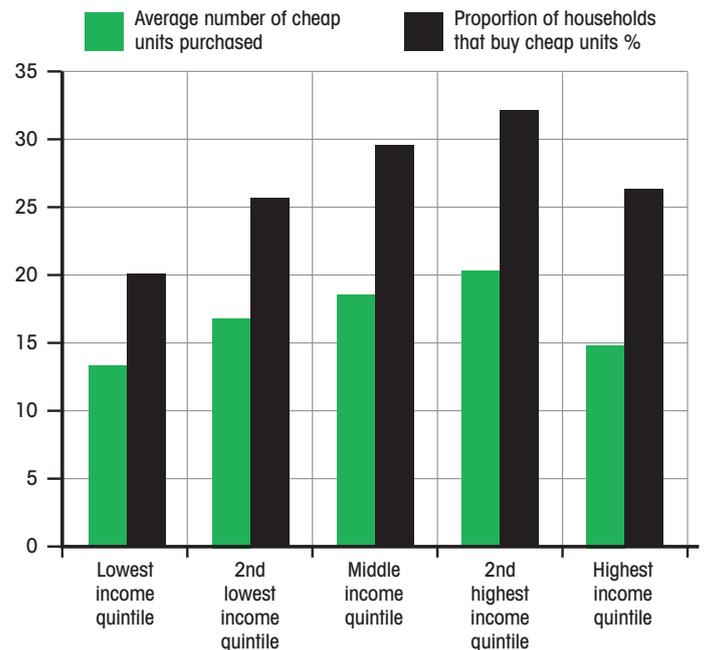
**Figure 1: Percentage of cost arising from each deprivation quintile, 2009/10**



## Research Findings

The monetary value of the cost of alcohol misuse was £7.5 billion in Scotland in 2009/10<sup>1</sup>. There were marked differences in the distribution of costs with 40% of the costs affecting the 20% most deprived areas compared with 7% of the costs in the least deprived areas (Figure 1). Low income households overall have the lowest probability of purchasing low cost alcohol and purchase fewest units (Figure 2), largely because many households purchase no alcohol. Moderate purchasing households are less likely to purchase low cost alcohol across all income groups<sup>2</sup>.

Figure 2: Purchasing patterns for cheap alcohol by income



## Policy Relevance of Research

Tackling the cost and health harms of alcohol misuse is a policy priority and price based interventions are known to be effective. This research indicates that alcohol harms also contribute to health inequality and that interventions such as MUP do not disproportionately affect low income households.

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For further information see References or Contact Anne Ludbrook (a.ludbrook@abdn.ac.uk)

## References

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