Health Taxes Seminar Series

Bottoms Up: Alcohol Policy to Raise Revenue and Protect Health
Thursday, September 23, 2021
7:00 – 8:30 am EST
Meeting Guidance

1. Please mute your mic when others are speaking by clicking this icon on your screen 🎤. You are muted when you see the following icon 🎤.

2. If you have technical difficulties, please contact Aditi Nigam or Vrishali Shekhar using the Chat feature. This can be found by clicking this icon 📩.

3. Please use the chat feature by clicking this icon 📩 and to send a question that can be seen by ‘Everyone’.

4. To listen to the event in English or Spanish or Russian, click on the Interpretation icon 🌐 on your toolbar and choose your preferred language.

5. Selecting “Mute Original Audio” mutes the other audio channel so you only hear the selected language.

6. Please use headphones for optimal audio and speaking experience.

7. For participants calling in: Press 1 to go to menu. Press 8 to enable language interpretation to listen to interpretation audio channels and view interpreted text.
Meeting Guidance – Language Interpretation

Select your language

If you are not interested in Spanish or Russian interpretation, please click on the English channel for English audio.
Session moderator

Adanna Chukwuma
Senior Health Specialist, Health, Nutrition, and Population Global Practice
World Bank
Opening remarks

Toomas Palu

Adviser, Health, Nutrition, and Population, Global Practice
World Bank
Making the case: Alcohol policy, population health, and the economy

Michele Cecchini
Project Leader, Public Health
Organisation for Economic Co-Operation and Development

Céline Colin
Tax Economist, Centre for Tax Policy and Administration
Organisation for Economic Co-Operation and Development
MAKING THE CASE: ALCOHOL POLICY, POPULATION HEALTH, AND THE ECONOMY

Michele Cecchini
Principal administrator - Public Health
OECD
Overall, Alcohol Consumption Has Remained Stable in the Last Decade, But There Are Some Worrying Trends

- About 30% of adults engaged in heavy episodic drinking at least once in the past 30 days, across non-Muslim majority countries.

- Heavy drinkers make up only 4% to 14% of the population but they consume between a third and a half of all alcohol, in CAN, ENG, FRA, KOR, MEX and USA.

- Women with higher education are 13% more likely to engage in monthly binge drinking than women without a higher education, in EU/OECD countries.

- Age of initiation of drinking is raising slowly, but more than 60% of teenagers aged 15 drink alcohol and one in five has experienced drunkenness in EU/OECD countries.

COVID-19 Has Significantly Impacted Drinking Behaviours And Correlated Harm

Volume of consumption increased
Most people did not change their drinking amount but among those who did, a larger proportion increased consumption
Alcohol duty receipts in DEU, GBR and USA increased by 3-5%

Frequency of consumption increased too
In 11 countries, 43% of respondents increased drinking frequency; 25% decreased frequency
Binge drinking remained constant or, if anything, it decreased slightly

Place of consumption changed
The hospitality sector, such as hotels, bars and restaurants, was severely hit, other sectors such as retail stores and e-commerce saw increasing sales (e.g. +234% in online purchases in the USA)

Some groups were most affected
Women, parents of young children, people with higher income and individuals with depressive and anxiety symptoms reported the highest increase in alcohol consumption

Domestic violence increased
Domestic violence was exacerbated by lockdowns and stay at home orders
Across EU countries, there has been a 60% rise in emergency calls about domestic violence

Life Expectancy Will Be 1 Year Lower Than It Would Be Otherwise Due To Diseases Caused By Harmful Alcohol Use

Harmful Alcohol Consumption Carries A Significant Economic Burden For Countries And Individuals

- **1.8%**
  - of healthcare expenditure in OECD, EU & G20 countries is attributable to conditions caused by harmful alcohol drinking

- **2.2%**
  - Reduction in GDP due to conditions caused by harmful alcohol drinking in OECD, EU & G20 countries

- **+30%**
  - Chances to perform well at school in (mainly European) teenagers who have never experienced drunkenness

- **265 USD**
  - Equivalent tax increase per capita due to conditions caused by harmful alcohol drinking in OECD, EU & G20 countries

WHO data and evidence in the literature identifies some gaps in the policy action to tackle harmful use of alcohol. Key gaps include:

- Only 37% of the 52 countries included in the analysis have a written national policy and an action plan;
- 74% of countries do not automatically adjust alcohol taxes for inflation;
- The majority of countries does not have the most effective regulation of advertising, particularly in the case of social media;
- In Europe and the United States, less than 10% of those potentially benefitting from screening and brief intervention in primary care are covered by this intervention.

Alcohol Affordability In Off-Premise Market Has Increased By 50% in OECD Countries Since 2010

Affordability index in 2018 (index year 2000 = 100)

- Alcohol affordability is affected by income; price of alcohol; and price of other goods.
- The increase in affordability was caused by a growth in real income that exceeded growth in the relative price of alcohol.
- Seven out of the eight countries that saw a decline in the relative price of alcohol do not adjust excises for inflation;
- Countries adjusting for inflation experienced either no change or an increase in the relative price of alcohol.

Tackling Harmful Alcohol Consumption Keeps Healthy, Decreases Healthcare Expenditure and Increases Labour Force Productivity

<table>
<thead>
<tr>
<th>Interventions and packages</th>
<th>DALYs gained per year (per 100 000 population), average across countries</th>
<th>Health expenditure saved per year (per capita USD PPP), average across countries</th>
<th>Additional full-time workers per year (in thousands of workers), total across countries</th>
<th>Return on investment (USD), average across countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace programmes</td>
<td>1.8</td>
<td>0.1</td>
<td>49</td>
<td>0.1</td>
</tr>
<tr>
<td>School-based programmes</td>
<td>3.3</td>
<td>0.3</td>
<td>40</td>
<td>0.2</td>
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<tr>
<td>Pharmacological treatment</td>
<td>6.1</td>
<td>0.7</td>
<td>72</td>
<td>0.7</td>
</tr>
<tr>
<td>Regulation of advertising</td>
<td>3.2</td>
<td>0.3</td>
<td>73</td>
<td>2.0</td>
</tr>
<tr>
<td>Ban on advertising to children</td>
<td>7.6</td>
<td>0.7</td>
<td>87</td>
<td>2.7</td>
</tr>
<tr>
<td>Counselling in primary care</td>
<td>18.4</td>
<td>1.5</td>
<td>339</td>
<td>4.3</td>
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<tr>
<td>Sobriety checkpoints</td>
<td>63.7</td>
<td>1.0</td>
<td>963</td>
<td>11.3</td>
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<tr>
<td>Restriction on opening hours</td>
<td>43.0</td>
<td>0.6</td>
<td>634</td>
<td>43.6</td>
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<tr>
<td>MUP</td>
<td>47.1</td>
<td>4.1</td>
<td>1038</td>
<td>125.6</td>
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<tr>
<td>Taxation</td>
<td>48.7</td>
<td>4.1</td>
<td>1179</td>
<td>183.4</td>
</tr>
</tbody>
</table>

Note: All figures are annual average over 2020-2050, total for OECD countries included in the analysis
A PPPP Approach Is An Excellent Investment and Addresses Many Of The Current Policy Gaps

A comprehensive prevention package

Police enforcement to limit alcohol-related injuries and violence;

Protecting children from alcohol promotion;

Primary care to help patients with harmful drinking patterns;

Pricing policies to limit the affordability of cheap alcohol.

8.5 million
Cases of alcohol-related conditions avoided per year

USD 28 billion
saved every year due to reduced healthcare expenditure (≈ health budget of Israel)

3.9 million
additional full-time workers per year due to increased productivity

16:1
USD 16 returned in economic benefit for each dollar invested, excluding the impact on alcohol industry

Protecting young people from alcohol promotion, particularly through internet and social media which have been widely used during the pandemic;

Strengthening primary care to help patients with harmful patterns of alcohol consumption, which is a common response to cope with high levels of stress;

Tackling cheap alcohol, which is disproportionately consumed by individuals with harmful patterns of alcohol consumption; minimum unit price can have a positive effect on income of bars and restaurants.

Preventing Harmful Alcohol Use

Do you have questions? Contact us at: Michele.Cecchini@oecd.org

Data, graphs, country notes and much more at: oe.cd/alcohol2021

Follow us on Twitter: @OECD_social
MAKING THE CASE: ALCOHOL POLICY, POPULATION HEALTH, AND THE ECONOMY

Céline Colin
Tax economist
OECD Centre for Tax Policy and Administration
Celine.colin@oecd.org
Mobilising tax revenues to finance the health system in Morocco and in Ivory Coast


Key questions

• What were our recommendations with respect to alcohol taxation?

• What has changed since then?

• Can alcohol taxation be increased today?
Polling the experts:  
Alcohol, fiscal space, and health

Please navigate to the Zoom poll pop-up on your screen.

In order to reduce the negative impact of alcohol on health and society, do you think alcohol consumption should be:

1. Taxed
2. Banned
3. Controlled through other policies
4. None of the above
Polling the experts: Alcohol, fiscal space, and health

Navegue hasta la ventana emergente de encuesta de Zoom en su pantalla. Пожалуйста, перейдите к всплывающему окну Zoom poll на вашем экране.

Para reducir el impacto negativo del alcohol en la salud y la sociedad, ¿cree que el consumo de alcohol debería ser: Как вы думаете, следует ли употреблять алкоголь, чтобы уменьшить негативное влияние алкоголя на здоровье и общество?

1. Gravado. Облагается налогом
2. Prohibido. Запрещено
3. Controlado a través de otras políticas. Контролируется другими политиками
4. Ninguna de las anteriores. Ни один из вышеперечисленных
Peer-to-peer roundtable: Country experiences designing and implementing alcohol policies

Ms. Maris Jesse  
Former Deputy Secretary General for Health  
Ministry of Social Affairs  
Estonia

Dr. Dacosta Aboagye  
Director of Health Promotion  
Ghana Health Service  
Ghana

Dr. Ramesh V. Penumaka  
Former Principal Advisor to the Chief Minister (in the rank of Cabinet Minister)  
Government of Andhra Pradesh  
India

Ms. Gianna Gayle Amul  
Advisor  
Research for Impact  
Philippines
Closing remarks

Michael Borowitz
Lead of Secretariat of SFHA and Chief Health Economist
Global Fund
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