

# Higher alcohol taxes are cost-effective in reducing alcohol harms

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Increasing taxes on alcohol is one of the most cost-effective methods of reducing the harms caused by alcohol consumption, according to research in the new issue of the *Journal of Studies on Alcohol and Drugs*.

Restrictions on alcohol advertising and hours of sale are also a "best buy" when it comes to reducing hazardous and harmful alcohol use and, by extension, improving overall health in the population.

"Tax increases may not sound the most attractive of policy options but are the single most cost-effective way of diminishing demand and reining back consumption," says lead researcher Dan Chisholm, Ph.D., of the Department of Mental Health and Substance Abuse at the World Health Organization in Geneva, Switzerland.

In the study, researchers from the World Health Organization and one of its academic collaborating centers used a statistical model to determine which of five alcohol control strategies could be a cost-effective public health policy to reduce deaths and harms from alcohol consumption. Previous

research has indicated that more than 5 percent of deaths worldwide and over 4 percent of diseases are directly related to alcohol.

A 50 percent hike in alcohol excise taxes—that is, taxes worked into the price of the product and that the consumer might not "see"—would cost less than the equivalent of USD\$100 for each healthy year of life gained in the overall population and would add 500 healthy years of life for every 1 million people.

To put that tax increase in perspective, it might represent mere pennies per drink. According to a study in the January issue of the journal, state excise taxes in America average only three cents per 12 oz. beer or 5 oz. glass of wine and only five cents for a drink with 1.5 oz. of hard liquor.

"Current rates of excise taxes on alcohol vary considerably between jurisdictions but can be set very low," Chisholm says, "for example because of low awareness of the risks that alcohol consumption can pose to health or because of strong advocacy from economic operators."

But increasing these rates is "an ambitious but feasible strategy," according to the study, and this change in public policy "would bring excise taxes for alcoholic beverages more in line with those imposed on tobacco products."

Restricting hours of operation for off-premise alcohol retailers or implementing and enforcing strong restrictions/bans on alcohol advertising (on the Internet, radio, television, and billboards) each would also cost less than \$100 per healthy year of life gained and would add up to 350 [healthy life](#) years for every 1 million people in the population.

Stronger enforcement of [blood alcohol concentration](#) laws by increasing the number of sobriety checkpoints would be a somewhat less cost-effective policy: Their model showed it would cost up to \$3,000 per healthy year of life saved and

would add fewer than 100 years of healthy life per 1 million people. The higher cost would be the result of more time invested by police and the equipment required at checkpoints.

Chisholm and colleagues found that wider use of brief alcohol-problem screening and intervention performed by primary care doctors would generate up to 1,000 years of healthy life per 1 million people, but at a price of up to \$1,434 per year of healthy [life](#) gained.

The study used data from 16 countries, including upper middle- and high-income countries (such as the United States, Germany, Japan, and China) as well as low- and lower middle-income countries (such as Guatemala, India, Ukraine, and Vietnam).

The report's authors note that they likely underestimated the benefits of improved alcohol control strategies. Their study did not look at effects such as reduced property damage or better productivity at work, among other likely benefits of less overall alcohol consumption in the population.

Nonetheless, not everyone will necessarily think that less alcohol consumption is good policy. "Implementation of these effective public health strategies is actively fought by the [alcohol industry](#), often with threats of lost jobs and/or revenue for countries," the authors write.

In the end, the authors hope their research will "guide decision makers toward a more rational and targeted use of available resources... for addressing the substantial and still growing burden of disease attributable to alcohol use."

**More information:** Dan Chisholm et al, Are the "Best Buys" for Alcohol Control Still Valid? An Update on the Comparative Cost-Effectiveness of Alcohol Control Strategies at the Global Level, *Journal of Studies on Alcohol and Drugs* (2018). [DOI: 10.15288/jsad.2018.79.514](https://doi.org/10.15288/jsad.2018.79.514)

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