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# A minimum unit price: the 'holy grail' of alcohol policy

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Alcohol is no different from virtually every other commodity studied by economists – there is a close relationship between price and purchase. Just as with cigarettes, there is a clear inverse relationship between alcohol sales and the price of a drink. The evidence for this is strong. For example a meta-analysis of 112 studies on alcohol showed the relationship unequivocally, and indeed showed the price elasticity was –0.44.[1] This means that a 10% increase in price causes a 4.4% fall in consumption. A similar meta-analysis of the impact of altering alcohol tax showed that a doubling of tax led to a 35% reduction in alcohol-related mortality.[2] Furthermore there have been natural experiments showing the impact of price changes on harm – for instance in Finland when the tax on alcohol was slashed in 2004 as its neighbour Estonia joined the European Union, death rates from alcoholic liver disease rose by 46% in 2004–6 compared with 2001–3.[3] And so price changes can save lives.

Price will also change behaviour – the UK used to be a nation of people who went out to pubs and bars to socialise over a drink. Now, because of the widening differential between bar and supermarket prices, about 75% of alcohol purchased is consumed at home. Hence price can drive culture, and the age group drinking most frequently is those aged over 65.[4] Even though the media spotlight is on alcohol-fuelled violence in our streets, drinking behind closed doors brings a bigger health burden through the various alcohol-related chronic diseases such as cirrhosis, hypertension and cancers.

The evidence for using price as a tool is strong, and its impact is larger than any other tool available to those responsible for the public's health. The traditional way that governments have varied price is by raising taxes or duty on alcohol – both increasing their revenue and reducing their costs on the adverse effects on health and crime. This is attractive to governments and every product, wherever it is sold and whatever its price, is affected. Different tax rates can be applied to different types of drink but the UK is constrained by tax bands set by the European Commission (for instance the UK cannot apply more duty to a 15% strength wine than a 7.5% one). The last UK Labour government committed to raising duty above inflation, a commitment initially honoured by their successors until the chancellor finally scrapped it this year.

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Another alternative is to set a 'floor price' below which alcohol cannot be sold. This has the particular attraction of hitting the cheap, often heavily discounted, supermarket 'bargains' without affecting the price of quality products or those in pubs and bars. This is doubly attractive, because firstly the heaviest and the youngest drinkers are attracted to the cheapest alcohol and are affected most. Secondly, the gap between off licenses and pubs might be narrowed (a floor price rarely affecting the 'on-trade'), and this might slow the rate of closure of pubs in England, often in rural areas where they fulfill an undoubted social function. A minimum unit price (MUP) for alcohol sets a level below which a 'unit' (10 ml or 8 g of pure alcohol) cannot be sold, and the level set by the Scottish Parliament in 2012 was 50p. The number of units in a drink or bottle is its volume in litres multiplied by its % alcohol by volume – hence a standard bottle of spirits (0.75 l) of strength 40% abv contains 30 units and could not be sold under 50p MUP for less than £15. NHS Health Scotland has estimated that the majority of supermarket vodka is sold currently at 35-40p/unit, equivalent to £10.50-£12 per bottle. The biggest impact would be on cheap white cider, currently often containing 15 units in a 2 l bottle. With a 50p MUP the cost of 2 l would rise from £2.99 to £7.50.

The beneficial impact on health and on crime has been extensively modelled, particularly by the University of Sheffield.[5] There are now results available on the impact of a very similar floor price in Canadian Provinces that show a benefit even greater than modeling would predict. A 10% rise in minimum price led to a 30% fall in deaths wholly attributable to alcohol.[6]

The health of those most at risk would benefit, government costs for alcohol harm would reduce, the pub trade would be better supported and producers/retailers would retain larger profits – seemingly a veritable 'win all round' - and yet this policy has become bogged down in political anxiety and legal challenge from producers. In Scotland, the political will was strong, resulting in the Alcohol (Minimum Price) Act of 2012, but the government undertook to fight any legal challenges before implementing the law. Industry interests led by the Scotch Whisky Association immediately sought a judicial review, at which the Scottish government's decision was upheld, but unfortunately at appeal the judge ruled that the matter be referred to the Court of Justice of the European Union. Those with an interest in legal matters will find the detail elsewhere, but in essence the battle is between relative importance of competition and health.[7] Submissions from member states have been submitted and are finely balanced.

The outcome may take months or years yet, which is in itself a victory for the drinks industry.

In contrast to Scotland, political nervousness has been much in evidence in Westminster. The prime minister gave a personal commitment to MUP in early 2012, ensuring it was part of the alcohol strategy put out for consultation later that year and famously stating that 'sometimes it is important to do the right thing rather than the popular one'. Despite the consultation being about the level rather than the principle, which had been accepted, rumours of cabinet splits emerged within months. Earlier this year the principle was formally sidelined, quoting concerns that the interests of the low-income moderate drinker might be unfairly affected. This was in spite of the government already receiving detailed evidence on this very point in a report they commissioned from the University of Sheffield, later published in full. This showed a minimal impact on this group of low-income moderate drinkers (£1.70 per annum) but a large directed impact on the heaviest drinkers across the income scale.[8] The politics of the 'U-turn' and the likely influence of a powerful industry have been recently uncovered and detailed by the freelance journalist Jonathan Gornall.[9]

Keen to be seen to be acting on cheap alcohol, the government brought in, instead of MUP, a different form of floor price that they called a 'ban on below cost sales'. This was defined as duty + VAT, therefore taking no account of production and distribution costs, and was such a low floor that it catches less than 1% of sales. A recent comparison of this ban and true MUP has shown starkly how only the latter is effective.[10]

Sadly all major political parties in Westminster remain anxious about MUP being a 'vote-loser', despite public opinion polls being remarkably favourable.[11] But the logic behind it, the modelled impacts and the real-life experience are so compelling that its time will come. For the sake of our patients, we have to hope that time is not too far away. ■

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