Background

1. In September 2009, the Scottish Parliament Information Centre (SPICe), at the Committee’s request, conducted an information-gathering exercise on comparative international evidence on unit-based pricing for alcohol sales. SPICe researched approaches around the world to delivering public health policy in relation to alcohol-related disease, anti-social behaviour and longer term health strategy. This included discussions with experts in the relevant countries.

2. The research revealed three particularly pertinent examples—
   - Canada: the only country at that time where any form of minimum pricing on alcohol (“social reference pricing”) was operated;
   - Finland: a country comparable with Scotland that had experimented with alcohol pricing via the taxation system;
   - France: a country where rates of alcohol consumption and alcohol-related disease had progressively dropped significantly, for reasons other than tax or other retail price controls.

3. Based on the research findings, the Committee agreed to take the experiences of these countries into account in its inquiry into the general principles of the Alcohol etc. (Scotland) Bill: by taking evidence via video-conference with relevant parties in Canada and by sending a cross-party delegation of the Committee to undertake a fact-finding visit to both Finland and France.

Finland

4. Finland had traditionally been a country with high taxes and strict controls on alcohol. However, Finland had more recently experimented with reducing fiscal controls over a number of years and then re-applying them. The Committee therefore agreed there would be merit in visiting Finland as it provided an insight into the effect of price on alcohol consumption and subsequent harms.

5. The delegation undertook the following programme of meetings, drawn up following consultation with officials in Helsinki.
6. A key issue arising in the meetings held was the pivotal role of Estonia, where alcohol is sold at much lower euro-for-euro prices than in Finland. Following the accession of the Baltic States to the EU, in 2004, and the resulting freedom of movement across borders, Finland saw a dramatic increase in cross-border trade. The Government of Finland responded by dramatically reducing duties and taxes on alcohol in an attempt to prevent cheap imports from Estonia from swamping the Finnish market. Within 12 months of this decision, Finland saw a 20% increase in alcohol-related illness and anti-social behaviour and a 17% increase in alcohol-related deaths. In response, the Finnish Government has instituted three tax increases in 2 years: 1 January 2008, 1 January 2009 and 1 October 2009. This had not led to a decrease in alcohol consumption levels.

7. The role of the state monopoly was also of particular importance in Finland. Off-sales of all alcoholic drinks stronger than 4.7% are through the alcohol monopoly, Alko Inc, which supplies 35% of alcohol consumed by Finns. Alko Inc does not discount nor actively promote alcohol and it was suggested that controlling alcohol availability in this way is at least as important as controlling price: weaker beers and ciders, which are more freely available (for example, in convenience stores), are often consumed in much larger quantities. Moreover, when off-sales of beer were released from state monopoly control in 1969, there was a consequential increase in consumption of beer.

8. Finland differed from other countries in that alcohol consumption in the 18-24 age group was falling. The delegation was told that there had been no research into the reasons behind this decrease. However, the decrease
coincided with an advertising campaign run by Alko the state-owned off-licence monopoly. This advertising campaign was targeted at parents, highlighting to them the damage that their alcohol consumption could have on their children. These adverts were very subtle but effective. It was also noted that Finland had a strong temperance movement, supported by young people and also promoted an alcohol free month.

France

9. Although often referred to as a country with low alcohol taxation, France was one of just four EU countries where the relative price of alcohol had actually increased in recent years\(^1\). Although it was difficult to disentangle the reasons for the decline in consumption in France, it had been partly attributed to a concerted effort on the part of the French Government to reduce consumption in response to high levels of liver cirrhosis and mortality.

10. Recently, the French Government had implemented health policies other than across-the-board minimum pricing, and the country had seen alcohol consumption almost halve. In addition to advertising regulation, these policies had included stricter licensing controls (such as opening hours and the concentration of bars allowed to open within a particular area), adjusting the legal drinking age, stricter and more intensive application of drink-driving laws, heavy public awareness campaigning and care and treatment of alcoholics. The Committee therefore agreed that there would be merit in visiting France to examine a non-pricing approach to tackling alcohol. The delegation undertook the following programme of meetings, drawn up following consultation with officials in Paris.

Fiscal aspects of alcohol policy in France – French Government officials (Directorate of Social Security)
- Jonathan Bosredon, Sous-Directeur du financement de la sécurité sociale (Head of Division – Social Security Financing);
- Pascal THEVENEAU, fiscaliste (tax specialist).

Health policy – French Government officials (Ministry of Health and Sport)
- Professeur Didier HOUSSIN, Directeur Général de la Santé;
- Pascal Mélihan-Cheinin and Cécile Taché, Bureau des pratiques addictives/Addictions Unit;
- representatives of the National Cancer Institute.

Alcohol: culture and politics – Senate Committee on Social Affairs
- Mme Muguette Dini, Présidente (Convener);
- Mme Cécile BOYON-RÉMY, Conseillère, (Clerk to the Committee).

Treatment: visit of the Centre Hospitalier des Quatre Villes

\(^1\) RAND Europe (2009) The affordability of alcoholic beverages in the EU.
• Dr Michel Craplet, Association Nationale de Prévention en Alcoologie et Addictologie (ANPAA);
• Claude Rivière, ANPAA.
• Patients.

Public information campaigns - Institut national de prévention et d'éducation pour la santé (INPES)
• Thanh Le Luong, Director General, INPES;
• Jennifer Davies, International Affairs, INPES;
• Juliette Guillemont, Coordinator of the alcohol program, INPES;
• Anne-Juliette Serry, Alcohol Communications, INPES;
• Dr Philippe Batel, Chef du service d'alcoologie de l'Hôpital Beaujon (Psychiatrist, Addictions Specialist and Head of Alcohol Studies Centre, Paris Beaujon Hospital).

Alcohol industry – Entreprise et Prévention
• M. Armand Hennon, Directeur Vice-Président Public Affairs, Pernod Ricard;
• Mme Anne-Marie Cailloux, Director, External Relations, Diageo;
• Gilles Rouvière, Fédération française des Spiritueux;
• Alexis Capitant, Directeur-Général, Entreprise et Prévention;
• Mme Marie Choquet, Research Director, INSERM (National Medical Research Institute) and French co-ordinator for studies by the European School Survey Project on Alcohol and Other Drugs.

11. The importance of the wine industry, both economically and culturally – and therefore politically – was very apparent in France. This was attributed in large part to the industry being made up of a very large number of small producers, each having a very strong relationship with their elected representatives and therefore very strong lobbying influence throughout the country. As an example of the politicisation of the issue, it was explained that, when recommendations to cut safe drinking levels due to cancer risk were publicised, there was public consternation and doctors from the wine-producing regions publicly rebutted the research.

12. Nonetheless, a general cultural shift involving a significant drop in wine consumption had taken place. This was attributed primarily to changes in the type of wine consumed – where previously people had drunk large quantities of cheap table wine, quality wines were now far more important. Selling wine by the glass rather than by the bottle was also cited as having had an impact on drinking.

13. It was explained, however, that binge-drinking problems in France are linked with spirits, not wine, and that the overall drop in consumption – arising from a fall in the consumption of wine – masked an increase in spirits, despite higher taxes on spirits.