

The impact alcohol has on the economy of a country

[Food & Diet, Alcohol](#)



Alcohol, a substance known for its pleasures and its pains, has a greater impact than most of us assume. By examining the impact it has on the economy, we can begin to understand the benefits and drawbacks it has on society as a whole; and whether further restrictions on the sale of alcohol would effectively reduce the problems arising from alcoholism. Alcohol doesn't just harm the health of the individual; others may fall victim to drunk driving, domestic violence or anti-social behaviour for instance.

Statistically, in England there are an estimated 595, 131 dependent drinkers, with only 108, 696 accessing treatment. In compliment, 57% adults reported drinking in the previous week, equating to 25. 3 million, just under 2/3 of English adults. Whilst the severity of consumption is likely to vary person to person, 47% of men and 38% of women regularly exceeded the recommended maximum of 14 units of alcohol a week. Excessive alcoholism can reduce productivity at work due to an increase in absenteeism. It is estimated that the overall value of production lost to alcohol abuse is 1% of GDP in MEDC (more economically developed countries).

Alcohol, a fermented beverage, has been around for over 9000 years.

Evidence suggests they were consumed as early as 7000 BC in China.

Alcohol prohibition was most notably used between 1920 and 1933, a ban on the manufacture, importation and sale of alcohol in an effort to reduce the growing consumption of alcohol among Americans. This would have had a devastating effect on the economy, with the closure of 200 distilleries, 1000 breweries and 170, 000 liquor stores ; a huge loss in tax revenue for the US government. The prohibition also sparked an opportunity for illegal alcohol

manufacture, sold on the black market. With demand high, the illegal market boomed in untaxed alcohol sales, leading to an even larger loss revenue for the government. This is relevant to the second segment of my title on further restrictions to reduce alcoholism. Prohibition is an older method affecting the manufacture and sale of alcohol, and it has been replaced by newer methods such as a minimum unit price or alcohol 'duty'; most likely because it is easier to make it less economical than to control the supply of a £46bn industry.

Alcohol is a growing issue; its availability and common consumption comes at a cost to public services, most importantly the NHS and Police. Estimated figures published by Cancer Research UK in 2015, predict that a 10% decrease in alcohol consumption would save the NHS £6.54bn (equivalent to a 6.6% decrease in costs) over 20 years, and £8.129bn in crime costs (equivalent to an 8.5% decrease). Whilst there is the issue of the direct economic impact, there is a very real impact of consuming high levels of alcohol on an individual and its family. 6,813 people lose their life yearly, equivalent to 1.4% of all UK fatalities. A wider economic impact of this is that a family may lose its main source of income and become a greater expense to the state.

I chose this topic because of an interest in business and economics and current affairs. A news report about the introduction of a minimum price of alcohol in Scotland in January coincided with my EPQ initial ideas, and gave me the idea to research alcohol. Initially I intended to base my essay on the impact alcohol has on the economy and the introduction of Scotland's MUP

strategy, but by developing and broadening my title to looking at the effectiveness of further alcohol restrictions I can evaluate and make comparison between the methods such as MUP or an alcohol duty.

Following the draft of my title, I began to look at the NHS websites on alcohol , compiling some bullet points on my key findings. This specifically related to the financial impact on health and crime services due to consumption levels, with the costs of crime and the NHS estimated to be £11. 5-16. 5bn a year. Household expenditure has more than doubled from £9. 2bn to £19bn, with alcohol 4% more affordable since 2006, and 60% more since 1980. These staggering figures gave me the opportunity to question how can the problem of alcoholism be reduced, what trends are emerging and how does the price of alcohol affect its consumption. Answering these will lay the backbone of my final report.

Whilst alcohol issues exist nationwide with 57% adults (25. 3 million) reporting that they drunk in the previous week (a fall from 64% in 2006), northern regions drink the heaviest. This establishes a link with the implementation of a minimum unit pricing strategy in Scotland, aiming to tackle cheap, high strength alcohol. This intends to deter use and abuse of alcohol as well as tackling the stereotype of Scottish citizens and alcohol problems, hoping to relieve the strain on the public services. Current statistics show that Scotland's alcohol problem costs the NHS and justice system £3. 6bn annually, but tragically 22 lives a week.

Drinkaware, a campaign to recognise the detrimental effects alcohol can have and control excessive consumption was my second thought. Its peer reviewed research focused on the consumption of adults and underage people. I focused on the adults, finding that 17% of adults in 2015 classed themselves as teetotal. It is expected that 48% of the younger 16-24 year olds demographic had consumed alcohol in the past week compared to the higher 55% of over 65s; with the younger generation generally leading healthier lifestyles. Despite this, what's damaging to public services is the extent to which alcohol is drunk. 26% of 16-24 year olds drank more than 9 units in the past week compared to 3% of over 65s, from which I infer that the biggest problem with alcohol lies with the younger cohort.

Alcohol Concern is a charity working to end alcohol harm in the UK. Alcohol related crime is estimated to cost between £8 and £13bn per year, with 70% of violent incidents at weekends being alcohol related.

The financial data from all of my initial research displays the extent to which alcohol is a cost to the UK. The estimated total cost of alcohol harm is £21bn, double the £10.7bn raised through alcohol duty in 2016. This is significant as it means the lack of control the British population has over its habits is of an adverse effect to the economy, especially in times of fragility, with funding being drawn from other government departments to cover the extra £10bn in health costs.