

Alcohol Policies in EU Member States and Norway

A Collection of Country Reports

Edited by

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Foreword

Fighting alcohol-related harm is a public health priority in many Member States, and also at EU level. The new European Public Health Action Programme (2003–2008) strongly underlines this priority and will consider inappropriate use of alcohol, alongside with tobacco use, as one of the key health determinants.

In the framework of the current Health Promotion Programme, the European Commission already supported the European Comparative Alcohol Study (ECAS). The previous volume from the ECAS project established that per capita alcohol consumption in Europe was very high, but somehow the quantity consumed and the manner of alcohol consumption were changing. For example, in the recent past countries where wine is more consumed experienced a declining trend of alcohol consumption while other countries had opposite trends. Within the EU therefore, the differences have been diminishing; the traditionally dominating beverages have been losing ground to other beverages, as drinking patterns become similar.

This volume is devoted to national policies in EU and Norway, proposes some important conclusions and welcomes the convergence of alcohol policies of Member States. In the opinion of policy makers and scientists, the main indicators of alcohol-related risks are per capita alcohol consumption and drinking patterns. Alcohol policies must be tailored according to the weight those indicators are given, respecting also the cultural traditions of the Member States. For policies to be effective, a mixture of approaches is needed involving all the concerned sectors, for example legislators, educators, alcohol producers and information providers, such as the mass media.

Strong, co-ordinated actions are required to prevent the considerable public health consequences associated with inappropriate alcohol consumption. However, alcohol is also part of our culture and it could take time to reduce alcohol-related harm.

The adoption of a Council Recommendation on Young People and Alcohol in 2001 was a welcome step. I hope that the convergence process of EU Member States policies will lead to a high level of public health protection. This process has also been developed and supported through the activities of the World Health Organisation.

Eventually this process will result in:

- Saving lives of young Europeans;
- Improving health in the EU;
- Shrinking the social costs of alcohol.

I hope that the present publication will also make a useful contribution to the policy debate that will need to proceed at Community level.

David Byrne
EU Commissioner for Health and
Consumer Protection

Acknowledgements

We would like to thank Robin Room, Centre for Social Research on Alcohol and Drugs, Stockholm University, for reading and commenting on the whole manuscript. We would also like to thank Anna-Maija Halsas and Taimi Nuopponen for technical assistance in producing the manuscript as well as Helena Halme for checking the language. Furthermore, we are also grateful to our contact persons in different countries and to several colleagues who have helped us in drafting this manuscript. We have chosen to mention them in the chapter to which they have made their contribution.

Chapter 1

Studying alcohol policies in national and historical perspectives

ESA ÖSTERBERG AND THOMAS KARLSSON¹

Setting the scene

Worldwide, Europe plays a significant part in the production, trade and consumption of alcoholic beverages and it also carries a heavy burden of alcohol-related problems (International Statistics, 1977, 47; Walsh, 1985; World Drink Trends, 2002; Murray & Lopez, 1996). Within the European Region of the World Health Organization (WHO) alcohol consumption is estimated to be responsible for about 9 per cent of the total disease burden increasing the risk of liver cirrhosis, certain cancers, raised blood pressure, stroke and congenital malformations (Rehn, Room & Edwards, 2001). Furthermore, alcohol consumption increases the risk of many family, work and social problems such as violence, financial hardships, absenteeism, poor productivity, unintentional injury, traffic accidents, criminal behaviour, homicide and suicide (Edwards et al., 1994). For instance, in the European Region of the WHO between 40 and 60 per cent of all deaths from intentional and unintentional injuries are estimated to be attributable to alcohol consumption (Rehn, Room & Edwards, 2001). It has also been estimated that in the European Region of the WHO altogether 55,000 young people died in 1999 from causes related to alcohol consumption (Brundtland, 2001). Consequently, without any doubts drinking alcohol is in Europe a severe social and public health problem.

Alcohol also significantly affects the lives of many people in Europe through profits from alcohol production and trade as well as employment, salaries or other revenues to distillery and brewery workers, to wine farmers, to waiters and shopkeepers, and to producers of raw materials and other equipment to the alcohol industry and trade. For instance, it has been estimated that in 1990 the production and trade of alcoholic beverages provided directly or indirectly employment to nearly three million people or to about 2.0 per cent of the civilian employment in the 12 member states of the European Communities (EC) (Naert,

¹ We would like to thank Christoffer Tigerstedt from Alcohol and Drug Research, National Research and Development Centre for Welfare and Health for commenting a draft version of this chapter.

1993; Lehto, 1995b). In 1992, eight of the world's top ten exporting countries of alcoholic beverages were EC member states. The top six exporting countries were France, the United Kingdom, Italy, Germany, Spain and the Netherlands (Lubkin, 1996). The importance of alcohol taxes and other state or local alcohol revenues should not be forgotten, either. Using again the EC member states as an example, it can be concluded that in 1991 about 2.8 per cent of all tax revenue came from alcoholic beverages or the drinks industry (Naert, 1993). In the same year alcoholic beverages made up 2.6 per cent of total household consumption expenditures in the EC member states (Lubkin, 1996). Taken together, it cannot be denied that alcoholic beverages are economically important commodities in many European countries.

Alcohol consumption is also socially and culturally deeply embedded in the daily lives of most Europeans both as traditional everyday drinks with the ordinary diet and as a customary habit to have a drink or two with colleagues after work. Drinking alcohol is also connected with many recreational activities, and in many countries alcoholic beverages have important religious or symbolic meanings. To have a drink, to raise a glass or even to drink heavily together are often symbols of friendship or celebration (Harkin, Anderson & Lehto, 1995).

In most Central and South European countries drinking alcohol follows or is thought to follow sophisticated rules and explicit norms. These informal rules and norms have emerged because of religious, moral, economic, social or health considerations (see e.g. Ahlström-Laakso, 1976; Gefou-Madianou, 1992). Regardless of their origin, these informal rules and norms guide many people to abstain either totally or in certain situations or to restrict their frequency or amount of drinking or to modify their drinking habits. The existence of informal social alcohol control decreases the need to implement legal or formal alcohol control measures and vice versa. In fact, the existence of informal social alcohol control is presumably one of the most important explanations why in the period immediately following the Second World War national alcohol policies with specific public health or social policy objectives were not prevalent nor even known in most South European countries. At the same time, state-imposed alcohol control was practised in many North European countries, with strict measures restricting the physical availability of alcohol and high excise duties on alcoholic beverages. In these countries informal restrictive social alcohol control was nearly lacking among drinkers. In fact, many of the norms affecting drinking were rather pushing drinking up than down (see e.g. Bruun, 1959). Also in many East European countries preventive alcohol controls were an essential part of public policy (Moskalewicz & Simpura, 2000).

The importance of informal social alcohol control in many Central and South European countries did not mean that in the 1950s these countries were totally lacking any formalised control measures on alcohol production and trade

or even on alcohol consumption, nor that they lacked any treatment systems for alcoholics or problem drinkers. On the contrary, in many Central and South European countries one could find formalised and conscious alcohol policy measures. As a rule these measures were not, however, aimed at controlling alcohol-related social or health problems (Fahrenkrug, 1990). They were mostly imposed to control alcohol production and trade as economic and commercial activities. For instance, in many Central and South European countries alcohol production, especially wine production, was subsidised or wine making was controlled in order to increase or keep up the quality of wine with the aim of creating or guaranteeing export market. Furthermore, in many Central and South European countries there were also special taxes on alcoholic beverages, even if the tax rates were low. Many Central and South European countries also practised isolated alcohol control measures motivated by social or public health considerations but they did not form any comprehensive alcohol control systems. Sometimes they were not even conceived as alcohol policy measures (see e.g. Fahrenkrug, 1990, 539).

The definition and scope of alcohol policies

In the monograph *Alcohol Control Policies in Public Health Perspective* by Bruun et al. (1975), the term alcohol control policies refers “to the legal, economic and physical factors which bear on the availability of alcohol to the individual” (Bruun et al., 1975, 12; see also Lehto, 1995a, 5). Consequently, alcohol control policies referred to all strategies and measures employed by governments or local administrative authorities to influence alcohol availability, no matter what the explicit or implicit motives for these activities were.

The definition of alcohol control policies in Bruun et al. (1975) is narrow insofar that it makes no reference to informal social control (see Sulkunen, 1978, 191; Smart, 1977). Strictly taken, alcohol control policies did not even include alcohol information or education targeted on individuals or groups of individuals trying to affect their values and attitudes and, ultimately, the demand for alcoholic beverages. Logically then, advertising or sponsorship of alcoholic beverages and the control of these activities also fell outside alcohol control policies.

The monograph *Alcohol Policy and Public Good* by Edwards et al. (1994) followed Bruun et al. (1975) in formulating an updated statement on the intersections between science and alcohol policy. Edwards and his colleagues preferred to use the term alcohol policy instead of alcohol control policy. They did not, however, explicitly define the exact meaning of alcohol policy, but

considered it a public health response to the burden inflicted by alcohol to society. Alcohol control measures were then defined as public health responses to alcohol-related problems dictated in part by national and historical circumstances and by beliefs about the fundamental nature of target issues and the efficacy of possible control strategies and measures (Edwards et al., 1994, 1). Consequently, alcohol policy included alcohol taxation, legislative controls of alcohol availability, alcohol education and information, measures affecting drinking within particular contexts and measures affecting directly certain alcohol-related problems like drunk driving.

The indirect definition of alcohol policy in Edwards et al. (1994) is broader than the definition of alcohol control policies in Bruun et al. (1975). However, in Edwards et al. (1994) alcohol policy still consists only of authoritative decisions by governments through laws, rules and regulations, and actions through legislators, judges and other public officials. Consequently, informal social alcohol control or decisions and actions by the private alcohol industry, public interest groups or non-governmental organisations targeting alcohol-related problems fell outside alcohol policy even in those cases where these activities clearly had affected alcohol consumption or alcohol-related problems. Furthermore, defined as a public health response to alcohol-related problems, alcohol policy does not or should not include measures affecting alcohol production, trade or consumption with other aims than improving public health (see however Edwards et al., 1994, 1–2).

Alcohol issues, even if not always recognised or labelled especially as alcohol issues, are dealt with by all modern states, and there is a wide horizontal and vertical dispersion in handling them (Room, 1999). The state has several different tasks and interests concerning alcoholic beverages; for instance, the fiscal interest, the economic development interest, the interest to maintain public order and safety and the interest in maintaining the reproduction and health of the population (Mäkelä & Viikari, 1977). These interests with regard to alcohol are often split between different government departments and levels. For instance, in the report *Alcohol Policies in United Kingdom* (Bruun, 1982), 16 government departments were identified with some interest in the production, distribution or sale of alcohol or the problems resulting from alcohol consumption.

Alcohol is a causal factor, usually in association with other factors, in a wide variety of social and health problems (see e.g. Edwards et al., 1994). The conditional nature of many alcohol-related problems means that there is a wide scope both for labelling many problems as alcohol-related, which Room (1999) calls problem inflation, or to ignore the association with alcohol and to stress the causality with some other factor or factors, leading to problem deflation from the alcohol point of view (Room, 1999). As Room (1999) shows, the terms alcohol policy and alcohol control policy only make sense in cultural situations where people are

noticing and emphasising the alcohol dimension in a broad range of social and health problems. Consequently, in societies where the alcohol dimension is not noticed or emphasised, the terms alcohol policy and alcohol control policy do not have any real meaning.

According to Room (1999), the term alcohol policy came into English fairly recently, more or less as an import from the Nordic languages. In English the older term for what now would be called alcohol policy or alcohol control policy was the liquor question or the social liquor question, a term derived from temperance movement terminology. After the reaction against the idea of prohibition in the 1930s, alcohol-specific state regulations or agencies have in the United States and Canada been known as alcoholic beverage control systems or liquor control boards (Kortteinen, 1989; Room, 1987; Room, 1993; Room, 1999; Österberg, 2000).

When reading the alcohol literature it is quite easy to note that the practice of using the terms alcohol policy and alcohol control policy is not very consistent or coherent overall, not even within certain organisations or in certain reports (see e.g. Harkin, Anderson & Lehto, 1995; Lehto, 1995; Rehn, Room & Edwards, 2001; Fahrenkrug, 1990; Vingilis, Lote & Seeley, 1998; Wagenaar & Toomey, 2000). Also the ECAS project plan uses the terms alcohol policy and alcohol control policy as synonyms for each other (Agreement SOC 98 2000739 05F03 (98CVVF3-3420-0); see also Norström, 1999; Simpura, 2001; Karlsson & Österberg, 2001). Despite these terminological problems, it is very clear that the ECAS project plan is built on an inherent view on alcohol policy similar to the study by Edwards et al. (1994).

In this report, when referring to the totality of government measures as responses to alcohol-related problems we prefer to use the term preventive alcohol policy, because, following Bruun et al. (1975), we will clearly include in the term alcohol policy all government measures directed at alcoholic beverages, no matter what the underlying motives of these measures are. Therefore, alcohol policy in this report also includes subsidising the alcohol industry and trade as well as government's efforts to decrease or increase the demand for alcoholic beverages or the licensing of alcohol production and trade, irrespective of whether the licensing is motivated by social and public health policy aims or by industrial and commercial interest of the state. In practice it is, however, very difficult to follow this distinction, as it is quite often almost impossible to prove the real motives that underlie certain alcohol policy moves.

In the following we are also using the term alcohol control policy as distinct from alcohol policy. As pointed out above, the definition of alcohol control policies in Bruun et al. (1975) only included those alcohol control measures directed at alcohol availability or supply, whereas alcohol policy in Edwards et al. (1994) also included measures directed at alcohol demand, as well as measures aimed

directly at certain alcohol-related problems like drunk driving. This distinction may sound unnecessary or purely theoretical. It is, however, of practical importance especially in situations where different alcohol control measures are not developing in the same direction. For instance, alcohol control measures directed at alcohol supply may become fewer or weaker at the same time as alcohol control measures concerning alcohol demand or directed straight at alcohol-related problems become more common or stronger.

Alcohol policies in an enlarged European Union

The process leading to the present European Union (EU) consisting of 15 member states formally started in 1951 with the signing of the Treaty of Paris. This treaty established the European Coal and Steel Community. In 1957 the European Economic Community (EEC) and the European Atomic Energy Community were established through the Treaty of Rome. Thus the European Communities (EC) with its six member states, Belgium, France, Germany, Italy, Luxembourg and the Netherlands, were created.

The basic motive among the former enemies in the First and Second World War for creating the EC was to achieve peace and economic development in Europe based on free trade. The Treaty of Rome outlined the rules for free market competition and for building of an integrated internal market as the most important target in the future. The Treaty of Rome was not aimed at integrating or harmonising any social policy or public health areas, even if increased and deeper economic integration in the long run could easily lead to the need of a more integrated cooperation in all policy areas. This kind of development was most certainly the ideal of some founders of the EC but the Treaty of Rome did not give the EC bureaucracy supranational mandates in the social policy or public health field.

When discussing alcohol policy matters in the present EU member states and at the EU level, it is important to bear in mind how the Community has enlarged since 1951. The six founding members of what is now called the EU are mostly countries where beer or wine has been the preferred beverage. These countries were and constantly are important producers of wine and beer. On the other hand, in the 1950s alcohol control measures were not very common in the founding member states of the EC, and even if at least some preventive alcohol control measures existed in all these countries, not all of them effectively enforced these measures.

In 1973, three more beer-preferring countries, Denmark, Ireland and the United Kingdom, joined the EC. In comparison with the old members, these

countries had very high excise duties on alcoholic beverages. These countries were also important alcohol producers with interests especially in beer. Ireland and the United Kingdom had also great interests in the production of distilled spirits, especially whisky. On the other hand, these new members had no interest in domestic wine production. Ireland and the United Kingdom also differed from the older member states in that they restricted alcohol availability with a very sophisticated system for controlling on-premise retailing of alcoholic beverages.

The next three new members of the EC were Greece in 1981, and Portugal and Spain in 1986. They all are wine producing and consuming countries with practically no background in social and health policy motivated alcohol control measures or high special taxes on alcoholic beverages.

In 1995, the EU got three more members, Austria, Finland and Sweden. The two Nordic countries had been for long spirits-drinking countries (Karlsson & Simpura, 2001a). They are also countries that have a long history of alcohol control policy including a comprehensive state alcohol monopoly system, very restricted physical availability on alcohol and very high excise duties on alcoholic beverages.

When taking into consideration the goals of the EC and the place of alcohol in its member states, it is quite easy to understand that in the late 1950s and in the 1960s alcoholic beverages were seen in the EC as ordinary consumer goods or as agricultural or commercial products. As ordinary consumer goods, alcoholic beverages were treated like other commodities. As agricultural products, alcoholic beverages were special goods. Especially wine production was subsidised by the EC through its common agricultural policy. The basic aims of the wine policy in the EC was to secure the survival of small family wine farms and to ensure a fair standard of living to wine farmers as well as to secure the supply of wine to the consumers at reasonable prices. This policy included measures aimed at increasing the productivity of viticulture but also at regulating the geographical area for growing grapes, at stabilising the wine market by creating demand for wine inside the Community, by supporting the wine export and by distillation of the wine surplus, and at increasing and monitoring the quality of wine (Kortteinen, 1990). The new EC member states in the 1980s fitted very well to this general picture but the new Nordic members in the 1990s with their strict alcohol control caused some problems to the EU.

When Finland, Norway and Sweden were negotiating their possible membership in the EU in 1993 and 1994 they had already been involved in the process of joining the European Economic Area (EEA) agreement (Holder et al., 1998; Ugland, 2000). In these negotiations the continuation of the Nordic alcohol control system with its comprehensive state alcohol monopolies was not raised on the agenda. The Nordic alcohol monopoly countries did, however, attach the

following declaration to the agreement: “Without prejudice to the obligations arising under the Agreement, Finland, Iceland, Norway, and Sweden recall that their alcohol monopolies are based on important health and social policy considerations” (Appendix 1 to the Agreement of Oporto of May 2, 1992). This declaration had no legal bearing to the EEA agreement which included identical articles to the Treaty of Rome with regard to any state monopoly of commercial character and to quantitative restrictions on import and export (Holder et al., 1998). Therefore, it was no real surprise that in the mid-1990s Finland and Sweden as members of the EU, and Iceland and Norway, who turned down its EU membership in a referendum in 1994, as participants in the EEA agreement were forced to abolish their alcohol monopolies on import, export and wholesale of alcoholic beverages.

Another problem in the new Nordic EU member states was their high alcohol excise duties and prices compared to the other EU member states combined with their low allowances for travellers’ duty-free alcohol imports. It was feared in Finland and Sweden that if they had to accept the travellers’ allowances generally practised in other EU member states, travellers’ alcohol imports would grow tremendously. In the long run this would either lead to decreases in domestic alcohol sales and in the tax base as well as in actual amount of alcohol taxes collected by the state, or force Finland and Sweden to decrease their alcohol excise duty rates in order to keep up the tax base and domestic alcohol sales. In practice, however, even this latter alternative would mean a decreasing total amount of alcohol tax revenues to the state (Österberg et al., 1998). The problem with great differences in alcohol prices between different EU member states was not totally new because earlier Denmark, Ireland and the United Kingdom had posed similar problems with cross-border trade in alcoholic beverages (see e.g. Bygvrå & Hansen, 1987; Bygvrå, 1992; London economics, 1994). For Finland and Sweden, the problem was partially solved by a derogation, which allowed these countries to keep stricter travellers’ import allowances of alcoholic beverages for a fixed period (Holder et al., 1998; Österberg & Pehkonen, 1996; Kühllhorn et al., 2000; see also Chapter 2).

European Comparative Alcohol Study

The abolition of the comprehensive alcohol monopoly system in Finland and Sweden in 1995 came as a surprise to many Nordic politicians and citizens. To the Nordic temperance organisations it was a shock as they had in the early 1990s very seriously discussed the possibility of exporting the Nordic alcohol control system to the EC countries (Österberg, 1993). Furthermore, the interpretation by the Swedish and Norwegian temperance organisations was that their governments

had promised that EU membership would not affect national alcohol control systems. Therefore, there were also hopeful wishes that the Nordic countries could keep their derogation concerning travellers' alcohol import allowances forever. Against this background the Swedish ministerial initiative in summer 1996 to conduct an EU financed study on alcohol-related problems and alcohol policies in the EU countries is easy to understand.

The European Comparative Alcohol Study (ECAS) was granted an appropriation by the European Commission Directorate-General for Employment, Industrial Relations and Social Affairs (DG V) in August 1998. The major part of the research work was to be carried out by a core group of researchers in Sweden, Finland and Norway, and the organisations responsible for the study were the National Institute of Public Health in Sweden and the National Research and Development Centre for Welfare and Health in Finland. In addition to the Nordic researchers there was at least one collaborative partner joining the project from each of the study countries except Luxembourg (see Norström, 1999).

The overall purpose of the ECAS project was to evaluate alcohol policies in the EU member states and Norway. In more specific terms, the aims of the whole project were to analyse similarities, differences and changes in alcohol policies, drinking patterns and levels of alcohol consumption, and to collect comparative data on the prevalence of alcohol-related harm. The aims also included a comparative analysis of the relationship between overall level of alcohol consumption and various forms of alcohol-related harm in the EU member states and Norway. And finally, in integrating the findings, the study was to evaluate their implications for coordinated and cost-effective alcohol policies within the EU (Agreement SOC 98 200739 05F03 (98CVVF3-420-0)).

In practice, the ECAS project was divided into several studies. In the subproject we are reporting here we deal with similarities, differences and changes in alcohol policies in the present EU member states and Norway, hereafter called the ECAS countries. According to the project plan this analysis should include a systematic description of different methods used to prevent alcohol-related harm, including price and tax policy, physical availability, licensing policy, advertising regulations, and education and information. In addition, regulations and enforcement practices of public drinking, including drunk driving, on-licence outlets, and custody of drunk persons as well as of the administrative structure of preventive alcohol policies and treatment were to be dealt with. Furthermore, the feasibility of preventive alcohol policies, including an analysis of public opinion, pressure groups, and the effects of internationalisation and cross-border trade was to be discussed (Agreement SOC 98 200739 05F03 (98CVVF3-420-0)).

There are two basic alternatives for describing differences and similarities in alcohol policies in the ECAS countries. For the first, the description could be organised topically dealing with one alcohol control measure or one alcohol

control area at a time. However, this way to proceed would make it very difficult to follow changes in alcohol policies in individual ECAS countries especially if changes in different alcohol control measures are intertwined. The other solution, which is adopted in this study, is to describe alcohol policies and changes in them country by country and only in the summary chapter to go over to comparing different alcohol control measures topic by topic. Organising the description of alcohol policies country by country also makes it possible to put changes in alcohol control measures in a broader social context as our hypothesis is that between the years 1950 and 2000, which is the period studied in this ECAS subproject, changes in alcohol controls were rather related to national than international factors and processes.

In this report we are describing alcohol policies in the ECAS countries in the 1950–2000 period. This is, however, not possible for all alcohol policy areas or for all countries as we many times lack reliable sources. The year 1950 or early 1950s is a good starting point for our analysis for two reasons. For the first, our aim is to describe and analyse alcohol policies in the present EU member states, and the formal history of the EU goes back to 1951 when the signing of the Treaty of Paris established the European Coal and Steel Community. Secondly, in Europe the period after the Second World War is a continuum without great political or economic ruptures. Of course, the reunion of Germany in the early 1990s causes some problems in this regard. Furthermore, we should also bear in mind that still in the beginning of the 1950s many ECAS countries felt the effects of the Second World War. For instance, the growth in alcohol consumption in many countries in the late 1940s and early 1950s can be interpreted as a return to normal alcohol consumption levels and drinking patterns prevailing in the late 1930s. This is presumably more true for the countries on the losing side of the Second World War, Austria, Finland, Germany and Italy, or participating in the war, Belgium, Denmark, France, Greece, Luxembourg, the Netherlands, Norway and the United Kingdom, than for those countries which were able to stay outside the war, Ireland, Portugal, Spain and Sweden. In some instances we will even go deeper back in history if we feel it is important in understanding the developments in alcohol fields in the 1950–2000 period.

Earlier studies and available data sets

Country reports on alcohol policies are by no means a new invention. In fact drafting country reports or descriptions of the current alcohol policy and changes in it and related features in alcohol fields is perhaps the most natural way to spread basic information about alcohol matters in conferences, symposiums and meetings. There are, however, also many research projects where country

descriptions have been the base material on which comparative analyses have been built. There are also some more or less frequently repeated series of country reports of alcohol policies and related phenomena.

The Brewers Association of Canada published in 1972 a description of alcohol beverage taxation and control policies in 14 countries (Brown, 1972). Since that it has produced eight more similar reports, the latest in 1997 (Brown, 1976; Brown, 1978; Brown & Wallace, 1980; Brown, Dewar & Wallace, 1982; Horgan, Sparrow & Brazeau, 1986; Sparrow et al., 1989; Brazeau et al., 1992; Hurst, Gregory & Gussman, 1997). In the course of years the number of countries embraced in these reports has increased to 23, including in 1997 all ECAS countries except Greece. The contents of the country analyses have become more detailed and comprehensive, and the comparative part of the report has developed immensely. The data of these surveys has been collected both by visiting the countries in question and by correspondence, i.e. sending beforehand a detailed questionnaire to relevant agencies. At least some chapters have been sent back to the countries in question for checking before publication.

Another comparative study well worth mentioning is the International Study of Alcohol Control Experiences (ISACE). The ISACE project covered the post Second World War period and its basic goal was to trace the historical development of alcohol control policy, its determinants, and its effects on the levels and patterns of alcohol consumption in seven societies. It also aimed at assessing the potential influence of control policy on alcohol consumption and related problems (Mäkelä et al., 1981). In addition to the summary report also a report on alcohol control experiences in the seven societies included in the ISACE project, California, Finland, Ireland, the Netherlands, Ontario, Poland and Switzerland, was published (Single, Morgan & de Lint, 1981). Each country report was written by a local researcher or team of researchers following common guidelines. In later years, Austria, Italy and Sweden have conducted studies of their own in the ISACE spirit.

Alcohol in the World of the 80s. Habits, Attitudes, Preventive Policies and Voluntary Efforts was published in 1982 (Armyr, Elmér & Herz, 1982). The study was initiated and financed by the Ansvar Mutual Insurance Company for Total Abstainers. The selection of countries was inspired by the Ansvar Group's own geographical spread including countries from all over the world. The main emphasis of the study was, however, directed at European countries. The data was collected by first filling in a questionnaire of alcohol policy. Later on, those who had supplied the basic information were gathered together in a seminar in connection with the Kettil Bruun Society's summer meeting in Vienna in 1981. A follow-up meeting in the same tradition was held in Berkeley in 1988 (see Hilton & Johnstone, 1988).

In 1983 Phil Davies and Dermot Walsh published the study *Alcohol Problems and Alcohol Control in Europe* containing reports on alcohol control policies in

nine countries of the EC as it was in 1980 and seven other countries (Davies & Walsh, 1983). Nowadays 12 of these countries belong to the ECAS countries. The publication was based on an earlier study by Davies and Walsh on medical and social aspects of alcohol-related problems in Europe partly financed by the EC. The objective of the authors in the 1983 publication was to study alcohol consumption and alcohol problems, and the impact of alcohol control policies on both of these phenomena. According to the acknowledgements of this publication, the authors had been in contact with several informants in each study country (Davies & Walsh, 1983).

As a part of the study by Davies and Walsh (1983) a rudimentary scale of alcohol control policy was constructed to rank the countries according to the degree of existing alcohol control. After the countries were ranked, they were divided in three different categories according to the level of alcohol control (Davies & Walsh, 1983). A scale similar to that developed by Davies and Walsh (1983) has also been constructed in the ECAS project (Karlsson & Österberg, 2001).

In 1998 the French Society of Public Health published an overview of national alcohol policies in 15 EU member states (Oberlé, Craplet & Therre, 1998). The preparation of this report was financed by the European Commission DG V. It included a description of alcohol policies and alcohol-related harm in each EU member state. The information was partly gathered by sending out a questionnaire to relevant authorities in each EU member state.

In 1990 an alliance of voluntary and non-governmental organisations concerned with the impact of the EU on alcohol policy in its member states was formed. The alliance, named Eurocare, has published a series of country profiles on alcohol policies and alcohol-related harm from 21 European countries, which can be found at Eurocare's homepage (<http://www.eurocare.org/profiles/>). The method of data collection and the sources are not described in detail.

The WHO, especially through its Regional Office for Europe (WHO-EURO) in Copenhagen, has produced several country profiles on preventive alcohol policies. In 1985, for instance, the WHO-EURO published in its regional publication series the report *Alcohol Policies* (Grant, 1985). This report included separate country profiles on Greece, Italy and Sweden (Cottino & Morgan, 1985; Yfantopoulos, 1985; Bruun, 1985). Other valuable WHO reports containing country profiles on preventive alcohol policies are *Alcohol Problems, Policies and Programmes in Europe* (Moser, 1992; see also Moser 1980a; 1980b) and *Profiles of Alcohol in the Member States of the European Region of the World Health Organization* published in 1995 (Harkin, 1995).

The latest addition to the list of country profiles by the WHO-EURO, *Alcohol Policy Profiles in the European Region of the World Health Organization*, was presented at the European Ministerial Conference on Young People and Alcohol held in Stockholm, Sweden, February 19-21, 2001. The draft document presented

at the conference included country profiles on 39 member states of the WHO-EURO (Rehn, 2001). These profiles are compiled on the basis of Alcohol Profile Questionnaires 1999 (and 1998) filled in in each member state by the National Counterparts of the European Alcohol Action Plan.

One of the most important data collections used in this report is the annually published *World Drink Trends* which is an expanded English-language edition of the original Dutch version, *Hoeveel Alcoholhoudende Dranken Worden er in de Wereld Gedronken?* published for the last time in 1989 by Productschap voor Gedistilleerde Dranken. *World Drink Trends* includes nowadays alcohol consumption data from 59 countries since 1961, and also data on alcohol production and total beverage intake (World Drink Trends, 2002). The original Dutch version was first published in 1960 and included consumption data since 1950 (see Sulkunen, 1973).

Data sets on alcohol production, import, export and consumption from the 1950–1972 period have been published by the Finnish Foundation for Alcohol Studies (International statistics, 1977). The surveys produced by the Brewers Association of Canada also include data series on alcohol consumption, production, import and export as well as on alcohol taxation. An important source in describing the rates of alcohol excise duties and changes in them in the 1990s is the *Excise Duty Tables* collected and published by the European Commission.

It is not possible to mention here all individual country reports or articles dealing with some specific alcohol control measure in a comparative perspective. There are many such reports and articles, and insofar as they have been used in drafting individual country reports they are also mentioned in references to the country in question. On the top of all this we should, however, mention four data sets produced in connection with the ECAS project.

Leifman (2001) has estimated both the level of unrecorded alcohol consumption in the 1990s and trends in unrecorded alcohol consumption from the 1960s to the late 1990s in 14 ECAS countries. In estimating the trend in unrecorded alcohol consumption Leifman (2001) first estimated the discrepancy between the observed development of alcohol-related problems and the development of alcohol-related problems that would be expected on the basis of the development in recorded alcohol consumption. The trend in unrecorded alcohol consumption has then been estimated by assuming that the trend in the discrepancy between developments in observed and expected alcohol-related problems, or in fact recorded alcohol consumption, expresses changes in unrecorded alcohol consumption (Leifman, 2001, 56; see also Norström, 1997; 1998).

In estimating the level of unrecorded alcohol consumption in the 1990s Leifman (2001) used different kinds of published sources (Leifman, 2001). One of them was the study by Trollidal (2001), where the aim was to estimate the

impact of tourism and duty-free sales on recorded alcohol consumption in ECAS countries (Trolldal, 2001). The method was to estimate the number of nights tourists had spent in different ECAS countries as well as how many nights the residents of different ECAS countries had spent abroad. Making different assumptions on the average alcohol consumption abroad, Trolldal (2001) arrived at alternative estimates of the amount of tourist consumption. These figures, either surpluses or deficits, could then be used to correct recorded alcohol consumption figures either down- or upwards (Trolldal, 2001, 72–73). The estimates of duty-free purchases of alcoholic beverages were based on the amount of travelling as well as on the relative price levels of alcoholic beverages in the home country and on the total amount of duty-free sales of alcoholic beverages in the ECAS countries (Trolldal, 2001, 73–74).

In the study *Effects of economic factors on alcohol consumption in 14 European countries* (Leppänen, Sullström & Suoniemi, 2001a; 2001b) a real price index for total alcohol consumption was calculated. The real price index was reached by calculating the ratio of the expenditures on total alcohol consumption both in current and in constant prices. The data in this analysis are based on the OECD statistics on *National Accounts, Detailed Tables, Volume II*, and the data do not include beverage purchases in restaurants, cafes and hotels. The time spans of the series vary but usually they start in the early 1960s and end after the mid-1990s (Leppänen, Sullström & Suoniemi, 2001a, 103).

Drinking habits in the ECAS countries were analysed by reviewing country specific drinking habit surveys. The results from existing studies were collected with the help of a network of contact persons. The aspects of drinking habits covered were abstinence rates, frequency of drinking and occasions of heavy intake. Also the differences in drinking habits between age groups and sexes as well as specific characteristics of drinking contexts such as meals and work were covered. In most countries, the existing studies were few and covered only a limited number of the aspects of drinking habits. The results suggest that changes in qualitative features of drinking habits have occurred slowly, even when quantitative changes have been large (Simpura & Karlsson, 2001a; 2001b). Since drinking habits reflect overall changes in culture and patterns of life, the drinking habits reports were supplemented by separate studies on changes in living conditions and cultural changes that might have relevance with regard to changes in drinking habits and the level of alcohol consumption in the ECAS countries (Karlsson & Simpura, 2001a; 2001b).

The process of drafting the ECAS country reports

In drafting the ECAS country descriptions on alcohol policy and in compiling this report earlier studies and available data series have been very valuable sources. However, the most important sources, especially when describing the situation in later years and in 2000, have been our official ECAS contact persons and also many other key persons in different ECAS countries. The ECAS contact persons met with the ECAS research team in Stockholm at the first ECAS Conference in January 1999, and accepted to fill in an ECAS alcohol policy questionnaire giving basic alcohol policy information from each participating country (Appendix 1).

Besides filling in the questionnaire, the contact persons were given the possibility to individually decide on the degree of their participation in drafting reports concerning their own countries. Contact persons for Belgium, France, Ireland, the Netherlands, Norway, Portugal, Spain and Sweden decided to deliver the ECAS alcohol policy questionnaire and later only to comment on the country reports drafted in Finland. Contact persons for Austria, Denmark, Germany, Greece, Italy and the United Kingdom chose to take total or partial responsibility for writing the chapter of their own country's alcohol policies in the 1950-2000 period. Individual outlines of these countries were accepted as long as the reports were to include the data and analysis promised in the project plan.

An outline recommended to be followed in the country reports was drafted by the Finnish coordinators. This outline started with a short general description of the country in question followed by a short review of the production and trade of alcoholic beverages. Next, alcohol consumption and drinking habits were to be shortly described. The following item was the description of the administrative structure of preventive alcohol policies, aimed to give an overall picture of how alcohol matters have been dealt with in the country in question with certain degree of freedom depending on the national situation. Under licensing policy on alcohol production, import, wholesale and retail sale, as well as under restrictions on physical availability of alcoholic beverages, certain detailed questions were expected to be dealt with, followed by the description of alcohol taxes and price policy. After these items, the outline took up the regulations of alcohol advertising, marketing and sponsorship, and of alcohol education and information. Next, regulations concerning drunk driving and public drinking were to be described, and finally an overall picture of the administrative structure of treatment of alcoholism was to be dealt with.

In the ECAS alcohol policy questionnaire, information was also asked about the role of non-governmental organisations and other pressure groups dealing with alcohol policy, as well as about public opinions of preventive alcohol policies. The ECAS alcohol policy questionnaire also asked the contact persons to collect and send the Finnish coordinators relevant articles, publications and other written material and references.

Because of the different involvement of the ECAS contact persons in drafting the country-specific alcohol policy reports, different kinds of country reports evolved in the first round. Some of the reports turned out to be very detailed and very long, calling for cutting and editing. Some reports missed certain kind of data, especially historical data on alcohol taxation, which was added to these reports by the Finnish coordinators.

One way to increase the quality of those country reports drafted in Finland was to send them for comments and at the same time ask for further or clarifying information. In this phase of the project some of the contact persons were willing to take more responsibility for drafting the alcohol policy report of their own country. All these developments have meant that at the end of the day the 16 country-specific chapters have a structure more like each other than was anticipated in the beginning of the project. The final editing and language checking have taken place in Finland, which means that in case of mistakes or misinterpretations the Finnish editors are to be blamed, not our contact persons or informants credited in the individual country reports.

ECAS countries as an entity

Most Central, North and South European countries belong to the EU (Figure 1.1). In this respect the major geographical exceptions are Switzerland, totally surrounded by EU member states, as well as Norway and Iceland on the north-western corner of Europe. On the other hand, at the moment the EU includes Greece as a geographical outpost. In between Finland and Greece there are, however, many non-member countries which have applied for membership. These countries include Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria and Slovenia. Furthermore, also Turkey, Cyprus and Malta have applied for the EU membership.



Produced by the Cartographic Research Lab
University of Alabama

FIGURE 1.1. Map of Europe
Source: Cartographic Research Laboratory, University of Alabama.

Consisting of 15 member states, the EU as of today is in many ways quite a heterogeneous community. When Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia most certainly join the EU in May 2004 the EU will become geographically more connected. The differences in EU member states' historical backgrounds as well as in their cultural, economic and social conditions will, however, continue and even grow larger when the candidate countries enter the EU. How the differences in EU member states' historical backgrounds and their current cultural, economic and social conditions relate to differences in their alcohol policies, alcohol consumption, drinking habits and alcohol-related problems is very difficult to say (see e.g. Karlsson & Simpura, 2001a).

On the other hand, even if there are great differences among the ECAS countries, it is also very clear that in certain respects these countries are quite similar when compared to the rest of the world. All the ECAS countries are, for instance, more or less clearly welfare states taking care of basic schooling, basic health care and basic social security. Therefore, in the short introduction starting each individual country report we have tried to avoid sentences telling, for instance, that education is free and compulsory for all children, because this is basically true for all ECAS countries. Instead, in these short introductions we have tried to highlight certain special circumstances known or believed to affect alcohol matters.

Economically the ECAS countries are quite similar. Portugal, with the lowest figure for gross domestic product (GDP) per capita, still belongs to the affluent countries in the world. Furthermore, if we exclude the three ECAS countries having the lowest GDP per capita, Portugal, Greece and Spain, and the three ECAS countries having the highest GDP per capita, Luxembourg, Norway and Denmark, in the rest of the countries, where about 82 per cent of the EU citizens live, the GDP per capita in 2000 fluctuated between 20,000 and 28,000 euro (Table 1.1).

Country	2000
Austria	25,260
Belgium	24,240
Denmark	32,580
Finland	25,340
France	23,390
Germany	24,640
Greece	11,640
Ireland	27,320
Italy	20,160
Luxembourg	46,360
Netherlands	25,190
Norway	39,080
Portugal	11,490
Spain	15,250
Sweden	28,010
United Kingdom	26,100

TABLE 1.1. Gross domestic product in the ECAS countries in 2000, euro per capita

Source: Eurostat, New Cronos-database.

The ECAS countries have undergone great changes in their economic and social life during the last fifty years, and the trend in these changes has been quite similar. Urbanisation, industrialisation, rapid growth of the service sector, higher female labour force participation as well as diminishing agricultural sector are common features to all ECAS countries (see e.g. Miettinen, 1997).

In the 1950s the majority of the ECAS countries were predominantly rural (Table 1.2). Only in the Benelux countries, France, Germany and the United Kingdom the urban population clearly accounted for over 50 per cent. In all other ECAS countries there were more rural than urban people. In Finland, Norway and Portugal the proportion of urban people was about one third. This changed, however, during the next few decades, and in the beginning of the 1970s all ECAS countries except Portugal could be classified as urban (Karlsson & Simpura, 2001b). The degree of urbanisation increased until the 1980s, after which the trend has levelled out. In the mid-1990s the lowest degree of urbanisation was found amongst the Mediterranean countries, as well as in Austria, Finland, Ireland and Norway. As for the Mediterranean countries, one explanation to this is that the agricultural sector is larger in the wine-growing countries than in the rest of the ECAS countries (Karlsson & Simpura, 2001a).

Country	1950	1995
Austria	49	56
Belgium	63	97
Denmark	49	85
Finland	32	64
France	59	74
Germany	71	87
Greece	37	65
Ireland	42	58
Italy	45	67
Luxembourg	58	89
Netherlands	55	89
Norway	32	73
Portugal	31	36
Spain	37	77
Sweden	48	83
United Kingdom	81	89

TABLE 1.2. Percentage of urban population in the ECAS countries in 1950 and 1995, per cent of total population

Source: Karlsson & Simpura, 2001b.

The degree of urbanisation is closely linked to the occupational structure and labour force participation (see e.g. Karlsson & Simpura, 2001a). Changes in the degree of urbanisation and the development of the occupational structure seem to go hand in hand in the ECAS countries (cf. Tables 1.2 and 1.3). In the 1950s the employed population was quite evenly distributed among the agricultural, industrial and service sectors in Austria, Finland and France. There were, nonetheless, great differences between the other ECAS countries in employment structure. The countries that in the beginning of the study period had, and indeed still have, the largest agricultural sector are Ireland as well as the Mediterranean countries, Greece, Italy, Portugal and Spain. In the 1990s also Austria and Finland had a relatively high degree of the economically active population working in the agricultural sector.

In the 1950s Belgium and Germany were clearly countries dominated by the industrial sector, and also in Luxembourg, Sweden and the United Kingdom, industry was the biggest sector giving employment to the population. In Denmark and in the Netherlands the service sector was already in the 1950s giving relatively speaking most employment to the population.

TABLE 1.3. Employed population in the ECAS countries by sector of activity (agriculture, industry and services) in 1950 and 1995, per cent of all employed

Country	1950			1995		
	Agriculture	Industry	Services	Agriculture	Industry	Services
Austria	34	36	30	7	32	61
Belgium	12	51	38	3	28	69
Denmark	26	34	41	4	27	69
Finland	35	35	30	8	28	65
France	31	35	34	5	27	68
Germany	23	44	33	3	36	61
Greece	55	19	26	20	23	56
Ireland	40	25	35	12	28	60
Italy	44	31	25	8	32	60
Luxembourg	24	40	36	4	26	71
Netherlands	18	36	46	4	23	73
Norway	26	37	37	5	23	71
Portugal	50	24	26	12	32	56
Spain	52	25	23	9	30	61
Sweden	21	41	38	3	26	71
United Kingdom	6	50	45	2	27	71

Sources: Economically Active Population 1950–2010, Volume 4: Northern America, Europe and Oceania, 1997; Miettinen, 1997.

The occupational structure in the ECAS countries has transformed rapidly from domination by agriculture and industry to domination by the service sector during the last five decades. The rapid growth of the service sector is a common feature of all ECAS countries. Another common feature is the fact that women's participation in the labour force has increased considerably since the 1950s. Women now cover over 40 per cent of the total labour force in Europe, mainly because of the increase in the service sector. The service sector today accounts for almost 80 per cent of the female employment in Europe. The Nordic countries have had the highest female labour force participation, followed by the Central European countries (Miettinen, 1997, 49). The South European countries, Greece, Italy and Spain, but also Belgium, Ireland and Luxembourg, have had the lowest female participation rates, but these rates have increased since the Second World War. The patterns of female employment by sector are quite uniform in the ECAS countries. However, in Germany, Italy and Portugal, the proportion of women employed in industry is higher than the European average.

Demographic changes in Europe have taken place along similar lines, although there still are great differences. Firstly, the marriage rate in all European countries has declined. The decline was steepest in the 1970s and in the beginning of the 1980s, and has since then somewhat stabilised. The decrease in marriage rate has also affected the nativity figures. The diminishing number of children and increased longevity has been affecting the population structure in all European countries. Since 1970s the dependency ratio, i.e. the proportion of persons under 15 years and over 64 years to the population aged 15–64 has diminished, mainly due to the decreasing number of births. During the 1990s, however, the dependency ratio has started to rise again in the Nordic and Central European countries. In the near future the ratio can be expected to rise also in the South European countries and Ireland, due to the fact that the proportion of the population aged 65 or over is increasing (Miettinen, 1997).

Table 1.4 shows that demographic changes in the Nordic countries have been quite similar. The South European countries, Greece, Italy, Portugal, and Spain constitute another quite uniform group, with France as somewhat of a deviant case (see Table 1.4). Countries such as France, the Netherlands and the United Kingdom seem in some aspects to be closer to the countries in North Europe than to the Central European countries. The demographic development in the remaining ECAS countries, Austria, Belgium, Germany, Ireland and Luxembourg, is not very coherent. Ireland, once again, seems to be an exceptional case with the highest proportion of persons under 15 years among the ECAS countries in 2000.

TABLE 1.4. Demographic structure in the ECAS countries in 1950 and 2000

Country	1950			2000		
	0–14 years	15–64 years	65+ years	0–14 years	15–64 years	65+ years
Austria	22.8	66.8	10.4	17.1	68.5	14.4
Belgium	20.9	68.0	11.1	17.4	66.2	16.4
Denmark	26.3	64.6	9.1	18.6	66.7	14.7
Finland	30.0	63.3	6.7	18.3	67.1	14.6
France	31.7	56.9	11.4	18.3	65.5	16.2
Germany	23.2	67.1	9.7	15.3	68.8	15.9
Greece	28.6	64.6	6.8	15.3	66.9	17.8
Ireland	28.9	60.4	10.7	21.1	67.5	11.4
Italy	26.3	65.4	8.3	14.2	68.1	17.7
Luxembourg	19.9	70.3	9.8	18.0	67.7	14.3
Netherlands	29.3	63.0	7.7	18.2	68.2	13.6
Norway	24.5	65.8	9.7	19.8	65.2	15.0
Portugal	29.4	63.6	7.0	16.8	67.5	15.7
Spain	27.1	65.6	7.3	15.0	68.5	16.5
Sweden	23.4	66.3	10.3	19.0	64.3	16.7
United Kingdom	22.3	67.0	10.7	18.9	65.3	15.8

Source: World population prospects, 1998.

Contents and structure of this report

The contents of this report are very clear and straightforward. After this introductory chapter we will deal with alcohol policy at the EU level and then present the individual country reports in alphabetical order. The rationale for the chapter on alcohol policy at the EU level is that after the common EU level alcohol policy decisions and events have been documented, there is no need to repeat them in each country chapter. Moreover, according to the project plan, the results of the ECAS project should be integrated and their implications for coordinated and cost-effective alcohol policies within the EU should be discussed and considered. This can hardly be done without any knowledge of the previous alcohol policy decisions at the EU level.

After the country reports have been presented, we will in the last chapter summarise the findings and discuss their implications. In describing and analysing trends as well as similarities and differences in alcohol policies we take advantage of the scale measuring the strictness and comprehensiveness of alcohol policies created for this purpose in the ECAS project (Karlsson & Österberg, 2001). There are, however, many problems involved in any scale approach. Therefore, in the summary chapter the description of trends, differences and similarities in alcohol policies is also organised topically, i.e. we are dealing with

one alcohol control area at a time. By this, we hope, it is possible both to get an idea of the prevailing trends in alcohol policies in each alcohol control area and in individual ECAS countries, and to get a many-sided picture of the practical alcohol control measures which different ECAS countries have used during the last fifty years.

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Chapter 2

Alcohol policies at the European Union level

ESA ÖSTERBERG AND THOMAS KARLSSON²

Basic interests with regard to alcohol

The state has four basic interests and tasks with regard to alcoholic beverages. They are the fiscal interest, the economic development interest, the interest in maintaining public order and safety and the interest in maintaining reproduction and health of the population (Mäkelä & Viikari, 1977). As mentioned in the previous chapter, these tasks and interests concerning alcoholic beverages are often split between different departments and levels of government.

The European Union (EU) is founded on the European Communities (EC) supplemented by new forms of cooperation agreed by the member states in Maastricht in 1993, and amended in the Amsterdam Treaty in 1999 and in the Treaty of Nice in 2002. Presently the EU consists of three pillars. The first pillar is the EC level cooperation laid down in the Community law and in the treaties establishing the European Coal and Steel Community, the European Economic Community (EEC) and the European Atomic Energy Community. The second pillar consists of a common foreign and security policy governed by the provisions of title V in the Treaty on European Union. It is a separate pillar since it differs from the traditional Community cooperation by the way it operates and by its inter-governmental nature. This difference is most striking in the decision-making procedures. The third pillar consists of police and judicial cooperation in criminal matters and it is governed by the provisions of title VI in the Treaty on European Union.

In everyday talk the Community is called the EU even in connections where one clearly should for the sake of exactness use the term EC. Even in this chapter we sometimes follow the easy, everyday mode of expression because the exact way of speaking is sometimes quite complicated. It is, however, important to bear in mind that the EC is a legal person whereas the EU has not got that legal status.

² We would like to thank Maija Heinonen from the Finnish Ministry of Agriculture and Forestry, Kari Paaso from the Finnish Ministry of Social Affairs and Health and Irmeli Virtaranta from the Finnish Ministry of Finance for commenting a draft version of this chapter.

Neither the EU nor the EC is a state or a federal state. Therefore, at the Community level the interests with regard to alcoholic beverages are not the same as those in the individual member states. The EC has always been and the EU is mostly an economic community. This is clearly stated in the second article of the Treaty of Rome, and it is also clearly stated in the second article of the Treaty establishing the European Community according to which “The Community shall have as its task, by establishing a common market and an economic and monetary union and by implementing common policies or activities referred to in Articles 3 and 4, to promote throughout the Community a harmonious, balanced and sustainable development of economic activities, a high level of employment and of social protection, equality between men and women, sustainable and non-inflationary growth, a high degree of competitiveness and convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States” (Consolidated version of the Treaty establishing the European Community, article 2).

As the EU is first and foremost an economic union, also the primary role of alcoholic beverages in the Community is an economic one. Consequently, the EU has an economic development interest with regard to alcoholic beverages. In practice this has concerned alcohol especially in connection with the common interest to develop agriculture. It has also concerned alcohol production and trade when the EU in general or in specific cases has removed different kinds of barriers to the trade. Special taxation of alcoholic beverages has also interested the EU as part of attempts to harmonise value added taxes and all excise duties in the Community area.

The Community has not directly collected any taxes on alcoholic beverages and, therefore, the EU does not have any special direct fiscal interest with regard to alcoholic beverages. Furthermore, at the time the Community was created it was not given any direct role concerning alcohol’s effects on social order or public health. However, in the preamble of the Treaty of Rome, the founders of the EEC mentioned, in addition to the need to guarantee economic development, also the need to guarantee social development.

In the following we will deal with the Community’s interests with regard to alcoholic beverages in the order of their historical appearance. We will thus start the presentation of alcohol policies at the EU level by dealing with alcohol as an agricultural product. Next we will consider the Community’s actions concerning the production and trade of alcoholic beverages in the process of trying to remove barriers to trade. This will be followed by a discussion of the harmonisation of alcohol excise duties in the Community. And finally we will look at actions with regard to alcohol as a public health and social policy problem at the EU level.

Wine and viticulture as agricultural activity

Wine production has a special position as a part of the common agricultural policy in the EU. Wine has made, and indeed still makes, a considerable contribution to the value of agricultural output in several EU member states. For instance, in the late 1990s the value of the output of wine accounted for about 17 per cent of the value of the total agricultural output in Portugal, about 14 per cent in France, about 10 per cent in Italy, about 7 per cent in Luxembourg, about 6 per cent in Austria and about 5 per cent in Spain (CAP, 2000, 1). In many EU member states the wine-growing sector also appears to play a very important part in agricultural activity and economy at certain regional and local levels. In many South European regions wine production covers as much as 20 or even 30 per cent of the value of the total agricultural output.

Since the mid-1970s, following the introduction of a ban on new plantings in vineyards and abandonment premiums, the areas for producing wine have gradually decreased inside the EU. From 1976 to 1996, the areas with vines have decreased from 4.5 to 3.4 million hectares (CAP, 2000, 1). Since the mid-1990s, however, the rate of the reduction in the areas with vines has slowed down.

The amount of wine production inside the EU fluctuates annually, mainly due to climatic effects. There was a decreasing trend in the volume of wine production in the EU member states from a level of 210 million hectolitres in the first half of the 1980s to an average production of 155 million hectolitres at the end of the 1990s (CAP, 2000, 2). The wine supply balance sheet for the EU has showed a radical change since the beginning of the 1990s. Until the mid-1990s the Community wine market was characterised by a permanent surplus but after the mid-1990s this balance in the enlarged EU showed a deficit (CAP, 2000, 2). However, in the market year 1999/2000 the production increased again to 176 million hectolitres and in the market year 2000/2001 it is estimated to reach 163 million hectolitres (Agricultural situation in the European Union, 2000 Report). As a consequence, the wine stocks are again high, which has had a negative impact on the price level of wines in several EU member states and led to a need to apply crisis distillation measures.

Despite the decrease in wine production inside the EU, the vineyards of the EU member states still account for approximately 45 per cent of the areas of vines in the world, and the EU member states produce about 60 per cent of all wine in the world. Furthermore, the EU member states account for almost 60 per cent of wine consumption in the world (CAP, 2000, 1). Based on the figures from the Office International de la Vigne et du Vin, Community wine production accounted for around 63 per cent of total world output of wine in the late 1990s (Agricultural situation in the European Union, 2000 Report).

The EU is also the world's foremost exporter and importer of wine. Five EU member states, Italy, France, Spain, Germany and Portugal, account for 70 per cent of world's wine exports. The principal destinations are the United States, Switzerland, Canada and Japan. In 1999 wine exported from the EU amounted to 11.5 million hectolitres, down from 12.9 million hectolitres exported in 1998. Imports from non-member countries rose to 6.3 million hectolitres in 1999, which is 8 per cent more than in 1998. In 1999 wine imports came mainly from Australia, Chile, the United States, South Africa and Bulgaria (Agricultural situation in the European Union, 2000 Report).

For the year 2002 as much as 44,505 million euro is allocated to agricultural support from the EU budget. This is 45.2 per cent of the EU budget. In the market year 2001/2002 altogether 1,392 million euro was budgeted for the wine sector, half of this for the distillation measures and one third for the restructuring measures. The budget for the market year 2000/2001 was 1,153 million euro, while in the preceding year it was only 765 million euro. The large difference in the budget expenditure is due to the increased need for distillation caused by the growth in the production and the application of the structural measures introduced by the reform of the market organisation in 1999.

In 1999 the Community contributed for the first time to the financing of sales promotion campaigns for wine directed at third countries under Council regulation 2702/1999. According to Commission regulation 2879/2000, measures to promote agricultural products may in the case of alcoholic beverages apply to quality wines produced in a specified region, table wines with a geographical indication as well as spirit drinks with a geographical indication or a reserved traditional description. Altogether five campaigns in the wine and alcohol sector were approved, two of these concerned only wines. The EU covered 60 per cent of the costs of the campaigns, and the Community funds granted for this purpose total a little under 3 million euro to be used within three years.

Promotion actions for agricultural products on the internal market may be taken under Council regulation 2826/2000 and Commission regulation 94/2002. Of the alcoholic beverages such actions may concern quality wines produced in a specified region and table wines with geographical indication. Funding for the campaigns totals 6 million euro during three years and this amount has been budgeted specifically for the promotion campaigns of wine.

The common wine policy

The common market organisation of the EU in the wine sector dates back to the early 1960s. This organisation has been adapted to gradually allow the wine sector to respond to changes in production techniques and market trends in an attempt to reach a balance between the wine supply and demand. The basic aims of the common wine policy have been to secure the survival of small family wine farms and to ensure a fair standard of living to wine farmers as well as to guarantee the supply of wine to the consumers at reasonable prices. The common market organisation for wine has been among the most complex and broadest within the common agricultural policy. In addition to the traditional measures within the common agricultural policy it has also covered other more technical matters which are specific to the wine sector only.

Council regulations 816/70 and 817/70 came into force on June 1, 1970. Regulation 816 laid down the common rules for the EC wine market and regulation 817 served as a material basis for stricter legislation on production and marketing of quality wines (Spahni, 1988). The aims of these wine market regulations coincided largely with the aims of the common agricultural policy.

The regulation of the wine market consisted of a system of price controls and intervention procedures, a common organisation of trade in wine with third countries, provisions on the production and planting of vines and provisions on the classification of wines and areas under viticulture within the EC (Kortteinen, 1984; 1990). The framework for the legislation was further developed by Council regulation 822/87 on the common organisation of the market in wine to respond to the persistent wine surpluses throughout the 1980s (cf. Spahni, 1988, 65).

Distillation of wine has been the main instrument used for intervention in the wine market. The objective of distillation was to withdraw wine surpluses at a guaranteed minimum price for wine, with the surplus later distilled into ethyl alcohol, both for the potable alcohol market and for the fuel market. The two main measures within the common market organisation to control wine production potential were a ban on new plantings and limiting the interval of the right to replant vineyards to eight years, and a premium system for permanent vineyard abandonment.

The Uruguay Round Agreement, which is one of the General Agreement on Tariffs and Trade (GATT) treaties, came into force on July 1, 1995, and changed radically the EU's trading system of wine, making it possible to import into the EU low-price wine from third countries. Before July 1995, wine produced in the EU member states was protected by a minimum price for imported wine and the enforcement of customs duties, and, if necessary, by introducing compensatory taxes.

The regulation establishing a new common organisation for the wine market was adopted by the Agricultural Council as part of the Agenda 2000 reform on May 17, 1999, and it came into force on August 1, 2000 (Council regulation 1493/1999). The aim of the reform was to improve competitiveness and make full use of the new opportunities on the world market. In order to achieve these aims production is being directed from table wines to quality wines by compensating for the income losses and material costs caused by the change in the grape varieties as well as supporting the relocation of old vineyards and development of the production methods. According to the market reform, the restrictions on the planting of vines will stay in force until 2010, but 68,000 hectares of new planting rights were granted to the member states for the production of wines in the case the demand clearly exceeds the production. The market organisation also set out support measures to control the production, such as support for private storage, distillation measures as well as support for alternative use of wine production, for instance making grape juice.

The Agenda 2000 reform resulted in considerable simplification of the legislation concerning the regulation of the wine market as 23 earlier Council regulations were replaced by a single one (Report from the Commission to the European Parliament and the Council on simplification of agricultural legislation, 2001). The following main implementing regulations have been introduced to lay down the detailed rules based on Council Regulation 1493/1999 and to replace 36 earlier Commission regulations:

- Commission regulation 1227/2000 of May 31, 2000, laying down detailed rules on the common organisation of the market in wine with regard to production potential of wine including prohibition of new plantings, rules on planting and replanting rights, abandonment of wine-growing areas, aid for conversion and restructuring of vineyards.
- Commission regulation 1623/2000 of July 25, 2000, laying down detailed rules on the common organisation of the market in wine with regard to market mechanisms including storage aid, distillation measures, aid for the use of grape must, and disposal of alcohol of vinous origin which authorised the motor fuel sector inside the Community as a new outlet.
- Commission regulation 1622/2000 of July 24, 2000, laying down certain detailed rules on the common organisation of the market in wine and establishing a community code of oenological practices and processes.
- Commission regulation 1607/2000 of July 24, 2000, laying down detailed rules on the common organisation of the market in wine, in particular the title relating to quality wine produced in specified regions.
- Commission regulation 883/2001 of April 24, 2001, laying down detailed rules on the common organisation of the market in wine as regards trade with third countries in products in the wine sector.

- Commission regulation 884/2001 of April 24, 2001, laying down detailed rules on the common organisation of the market in wine concerning the documents accompanying the carriage of wine products and the records to be kept in the wine sector.
- Commission regulation 753/2002 of April 29, 2002, laying down detailed rules on the common market organisation of the market in wine for applying the chapter on the description, designation and protection of certain products.

As already noted, the Uruguay Round Agreement has opened up the single European market also to low-price wine imports from third countries. Future challenges that the EU has to face are, for instance, negotiations with the World Trade Organization (WTO) and the eventual enlargement of the EU. Because of the increased market liberalisation, it is no longer possible to provide price support through withdrawal mechanisms. The open market also draws additional imports of inexpensive wines from abroad, which means that the prices of wines produced in the EU member states cannot be too high in comparison with the prices of imported wines.

At the beginning of the new millennium the prospects for the wine sector in the EU were markedly different from those which prevailed until the beginning of the 1990s. Since the beginning of the 1990s market imbalances had returned to sustainable limits, which was also predicted to continue for the next five to ten years. It was estimated that in the coming years wine production would stabilise at around 158 million hectolitres in an average year. However, in the past few years there has been an imbalance in the wine sector due to high yields, which have increased the wine stocks, lowered the price level and led to a need to apply distillation measures. It will probably take some years before the structural measures applied in the reform will have a positive impact on the market.

Although wine is the only commodity included in the common agricultural policy that in itself is an alcoholic beverage, also other agricultural products figure in the alcoholic beverage industry. Among them are hops which are the only one used virtually solely for the purpose of producing alcoholic beverages as an ingredient in brewing beer. Besides growing grapes and hops, there are, however, several other agricultural products used as a component in producing alcoholic beverages and affected by the common agricultural policy of the EU. For instance, cereals, the largest product group of the agricultural sector, are partly used for producing distilled alcoholic beverages and beer. Also fruits and berries are used for producing alcoholic beverages.

Discriminatory taxation as barrier to trade

The Treaty of Rome outlined the rules for free market competition and for building up an integrated common market as one of the most important targets for the future. As the EC has evolved to the EU with its single internal market, much of the crucial work in establishing this outcome has been accomplished by the Court of Justice of the European Communities in applying the fundamental treaties and secondary legislation to specific cases. In case the member states have been unable to implement practices and rules treating domestic and imported products alike on their domestic market, the European Commission has in many instances used its powers to open the market or to remove different kinds of barriers to competition by applying relevant articles in the treaties establishing the EC to take member states or certain enterprises in the member states to the Court of Justice.

The motives for imposing excise duties in the EU member states have been complex in general and especially complex with regard to alcoholic beverages. Therefore, as the economic integration deepened and broadened in the 1970s, it is no surprise that excise duties on alcoholic beverages became the focus of legal controversies. One key battleground with regard to alcohol in the Court of Justice has been in the area of discriminatory taxation prohibited by article 90 (ex article 95) of the EC Treaty. According to this article, no member state shall impose, directly or indirectly, on the products of other member states internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products. Furthermore, no member state shall impose on the products of other member states any internal taxation of such a nature as to afford indirect protection to other products.

In the late 1970s four individual cases dealing with the issue of discriminatory taxes on alcoholic beverages were brought to the Court of Justice of the European Communities by the Commission. Case 168/78, *Commission versus France*, dealt with the French rules of taxing whisky and other grain-based alcoholic beverages heavier than cognac and other grape-based alcoholic beverages. In this case, the French defence rested basically on two arguments. For the first the French government argued that, cognac and whisky were not similar as they were classified under different categories in the common custom tariff codes. The second argument was that cognac and whisky did not compete for the same market as they were made of different raw materials and were manufactured by different processes, resulting in products that tasted distinctly different, whisky being an aperitif and cognac a digestive. However, the ruling of the Court of Justice was that it was impossible to deny the protective nature of the French tax system within article 90 (ex article 95) (for more details, see Lubkin, 1996).

Case 169/78, *Commission versus Italy*, dealt with the Italian tax system that was favouring domestic grape-based distilled spirits over imported distilled beverages made from grain or sugar cane. Case 171/78, *Commission versus Denmark*, dealt with the Danish rules according to which the excise duty on Danish aquavit was 35 per cent lower than the excise duty on other distilled spirits like gin and whisky. The Italian and Danish governments used similar defending arguments that were used in the French case, and also the ruling of the Court of Justice was similar to the French case (for more details, see Germer, 1990; Lubkin, 1996).

Case 170/78, *Commission versus the United Kingdom*, differed from its three companions which had dealt with different taxation on domestic and imported alcoholic beverages within a certain beverage category, i.e. distilled spirits. In this case the question was, could the United Kingdom tax wine at a much higher rate than beer, which according to the Commission was a protective measure for domestic beer against imported wine. The government of the United Kingdom denied the existence of a competitive relationship between wine and beer, and thus the possibility of substitution, whereas the Commission argued that wine and beer were at least potential substitutes for each other because both could be used for thirst-quenching and to accompany meals, and as both also belonged to the same category of alcoholic beverages as products of natural fermentation. Although the government of the United Kingdom emphasised further differences between wine and beer, the Court of Justice stated that the argument of the Commission was well-founded. It, furthermore, stated that “the tax policy of a member state must not crystallise existing consumer habits so as to be biased in favour of the relevant national industries” (Germer, 1990, 485). On the other hand, the Court of Justice did not go with the Commission’s proposal for accepting a single criteria for comparison in setting beer and wine excise duty rates. However, it stated that no matter which guideline was used for comparison, the tax system in the United Kingdom protected domestic beer against imported wines (Germer, 1990, 486; cf. Lubkin, 1996).

The Court of Justice has also proceeded to expand the application of the principles in the four alcoholic beverage cases with regard to value added taxes. In Case 319/81, *Commission versus Italy*, the Court of Justice rejected Italy’s imposition of a higher value added tax rate for certain imported distilled spirits that had designations of origin or provenance. The defence of the Italian government in this case was that distilled spirits bearing a designation of origin belong to luxury goods (Lubkin, 1996). It is interesting to note that in Case 365/85, *Commission versus Belgium*, the Court of Justice did not accept the view of the Commission that a value added tax rate of 25 per cent for wine and 19 per cent for beer constituted a protecting measure for beer, mostly produced in Belgium, against wine which was mostly imported (Germer, 1990, 486–487).

Even if the Court of Justice has not been hesitant to reaffirm the principles of the four alcoholic beverage cases, there are also some other cases where the Court of Justice seems not to have maintained consistency within its alcoholic beverage jurisprudence, either. These include Case 140/79, *Chemical Farmaceuti versus DAF*, dealing with an Italian tax on synthetic alcohol that seemed to be discriminatory, and Case 234/84, *John Walker & Sons versus Ministeriet for Skatter og Afgifter*. In this latter case, a Scotch whisky distiller challenged the Danish law which put heavier tax on whisky than on domestically produced fruit liqueurs. In this case the Court of Justice accepted the Danish tax system (for more details, see Lubkin, 1996).

State imposed standards as barriers to trade

According to articles 28 (ex article 30) and 29 (ex article 34) of the EC Treaty, all kinds of quantitative restrictions on imports and exports and all measures having equivalent effect are prohibited among member states. There are several cases in the Court of Justice of the European Communities which have dealt with these provisions. As a matter of curiosity, the famous *Dassonville* case in 1974, which defined the general basic principle for testing whether a measure falls under the prohibition of article 28 (ex article 30) also dealt with alcohol. In this case criminal proceedings had been taken in Belgium against a father and a son who were wholesale selling Scotch whisky imported into Belgium from France without possessing the British certificate of origin required under the Belgian law. According to the judgement of the Court of Justice in the *Dassonville* case, all measures enacted by the EU member states which are capable of hindering, actually or potentially, directly or indirectly, intra-community trade are to be considered measures having an effect equivalent to quantitative restrictions (Savia, 1993, 5, 97–98).

Perhaps the most famous alcohol case concerning state imposed standards as barriers to trade is Case 120/78, *Rewe-Zentral AG versus Bundesmonopolverwaltung für Branntwein*, known as the *Cassis de Dijon* case. This case concerned a German importer intending to import into Germany a blackcurrant liqueur labelled *Cassis de Dijon*, originating in France and having an alcohol content between 15 and 20 per cent by volume. The German Federal Monopoly for Spirits informed the importer that because of its insufficient alcohol content the said fruit liqueur could not be marketed in Germany. At that time the prevailing rule in Germany required a minimum alcohol content of 25 per cent by volume for fruit liquors like *Cassis de Dijon*. The German government argued to the Court of Justice that such a rule was justified for protection of the public and for protection of consumers against unfair competition (for more details, see Germer,

1990, 489–491). The outcome was that the Court of Justice did not accept these justifications. Later this ruling of the Court of Justice has led to the general interpretation that a beverage lawfully marketed in some EU member state can be lawfully marketed also in other EU member states.

Other cases in the Court of Justice have dealt with Dutch rules concerning minimum prices for marketing of Hollands, a kind of gin, in the Netherlands, which the Court of Justice found as a measure having an effect equivalent to a quantitative restriction on imports. This rule was applicable without distinction as to where the Hollands was produced. Therefore, the Court of Justice argued that it might place imported products at a disadvantage in relation to identical domestic products because the importers could not use the competitive advantage stemming from the possible lower production costs of the imported beverages. The same logic could be used against fixed profit margins imposed by national authorities.

In Case 178/84, *Commission versus Germany*, the Court of Justice considered the German purity requirements for beer production. In short the question was, could also beer not meeting the German purity requirements be marketed in Germany as beer at all. In its judgement the Court of Justice held that by prohibiting the marketing of beer lawfully manufactured and marketed in another member state because they did not comply with the German purity requirements was against the Treaty of Rome (see Germer, 1990, 491–495).

State monopolies as barriers to trade

According to article 31 (ex article 37) of the EC Treaty, the EU member states shall adjust any state monopolies of a commercial character so as to ensure that no discrimination regarding the conditions under which goods are produced and marketed exists between nationals of the EU member states. This has meant that there has been several cases with monopolies in the Court of Justice before the question of the existence of the Nordic comprehensive alcohol monopoly system became actual in the EU context (see e.g. Savia, 1993).

When Norway in 1970 applied for membership in the EC it submitted to the Commission a memorandum concerning the Norwegian state alcohol monopoly (Germer, 1990). This memorandum stressed that Norwegian alcohol legislation was based on social policy considerations and that one of the most important elements of the Norwegian alcohol policy was a state monopoly on production, import, export, wholesale and off-premise retail sale of alcoholic beverages. The response of the Commission did not contain any objections to the views stated in the Norwegian memorandum.

In a referendum Norway chose not to become a member of the EC. Therefore, it is impossible to know what the outcome with regard to the comprehensive state alcohol monopoly system would really have been in the case of Norwegian membership. On the other hand, at the beginning of the 1990s the prevailing interpretation in the Nordic countries was that Norway could have kept its comprehensive alcohol monopoly system as an EC member if the monopoly operations were not discriminatory against products originating from other EC member states (Germer, 1990, 483).

When the countries belonging to the European Free Trade Association (EFTA) negotiated the European Economic Area (EEA) agreement, and especially when Finland, Norway and Sweden applied for EU membership in the early 1990s, things began to change. In the opinions of the Commission regarding the applications of Finland, Norway and Sweden, it was clearly stated that there were severe causes of concern with regard to the alcohol monopoly arrangements. In this connection the Commission also stressed that especially quantitative restrictions and all measures having an equivalent effect in restricting the trade of alcoholic beverages were prohibited according to the EC Treaty (Österberg, 1993). The EEA agreement came into force in January 1, 1994, and despite the opinions of the Commission all four Nordic EFTA countries kept up their old alcohol legislation and old alcohol monopoly systems.

One line of action used by actors in the alcohol field has been to deliberately challenge the national alcohol control systems by breaking the prevailing national alcohol acts or otherwise bringing alcohol political questions to the court. In total, the EFTA Court and the Court of Justice of the European Communities have so far had four cases originating from such actions. The first one was the Restamark case, Case E-1/94, Ravintoloitsijoiden liiton kustannus Restamark, followed by the Wilhelmsen case, E-6/96, Tore Wilhelmsen versus Oslo Kommune, and the Gundersen case, Case E-1/97, Fridtjof Frank Gundersen versus Oslo Kommune. These three cases were tried in the EFTA Court. The fourth case the so-called Franzén case, Case C 189/95, Allmänna Åklagaren versus Harry Franzén, was tried in the Court of Justice of the European Communities. The decision on the Franzén case was given October 23, 1997, about six weeks earlier than the decision on the Gundersen case which was delivered on December 3, 1997.

It is worth pointing out that even before the EEA agreement came into force and before these cases were brought to the court, the Finnish government was quite ready to gradually abolish production, import, export and wholesale monopolies in the alcohol field (see e.g. Alavaikko & Österberg, 2000). On the other hand, the Swedish and especially the Norwegian government did not see any reasons for these kind of actions, neither because of the EEA agreement nor the possible EU membership (see e.g. Holder et al., 1998).

The Restamark case proved to be very important in the processes leading to the partial abolishment of the comprehensive alcohol monopoly system in Finland, Norway and Sweden (Holder et al., 1998; Lund, 1997; Ugland, 1996). The background for this case is that a Finnish enterprise, Restamark, owned by the Finnish Restaurant and Cafeteria Association, in January 1994 tried to import a shipment of alcoholic beverages into Finland. This was not allowed, as it was against the prevailing Finnish Alcohol Act. The importer, however, claimed that the EEA agreement, in force since the beginning of 1994, justified his acting. In this controversial situation the case was brought to the EFTA Court.

In December 1994, the EFTA Court concluded that the Finnish import monopoly on alcoholic beverages was not compatible with the EEA agreement, and had to be abolished (Alavaikko & Österberg, 2000). In practice this ruling meant that also the Icelandic, Norwegian and Swedish alcohol import monopolies were doomed.

In the EEA agreement and in the EC Treaty the obligations with regard to restrictions on import are similar to restrictions on export. Consequently, if alcohol import monopolies were doomed so were also alcohol export monopolies. Furthermore, the freedom to import alcoholic beverages would not have any real meaning if there still existed a wholesale monopoly. Therefore, the final outcome was that Finland and Sweden abolished their monopolies on production, import, export and wholesale of alcoholic beverages in January 1995, and Iceland and Norway followed suit in January 1996 (Holder et al., 1998). Still remaining were the off-premise retail monopolies, and even their position was at risk.

In May 1995, a Norwegian shopkeeper, Tore Wilhelmsen, applied to Oslo municipality for a licence to sell strong beer. According to the prevailing Norwegian Alcohol Act, strong beer could only be sold off the premises in the stores of the Norwegian alcohol retail monopoly, Vinmonopolet. When Wilhelmsen's application was turned down, he brought the case to the EFTA Court. The EFTA Court in this case found that the Norwegian alcohol control system was in accordance with the EEA regulations.

Also in the Gundersen case, the EFTA Court's judgement was in favour of Norway and the Nordic alcohol control system. This case originated from December 1994, when Fridtjof Frank Gundersen applied for a municipal off-premise retail sale licence for wine. When this was denied, he brought the case to the EFTA Court on the grounds of differential treatment of wine and beer. The EFTA Court, however, found that the Norwegian system of selling wine off the premises through the alcohol monopoly outlets, and beer also through grocery stores, was not in conflict with the regulations of the EEA agreement.

The Franzén case goes back to January 1, 1994, when a Swedish shopkeeper, Harry Franzén, tried to sell wine in his grocery store. He had bought this wine from the Swedish alcohol retail monopoly, Systembolaget. In a chaotic situation

Franzén merely donated the bottles to his customers without being able to collect the pay for them. As Franzén's target was to be prosecuted, he tried to break the law again in April 7, 1994, and January 1, 1995. On these two occasions Franzén sold wine in his grocery store, was stopped by the police, and was prosecuted in the Landskrona district court.

In the Landskrona district court Franzén claimed that he could not be convicted because the prevailing Swedish Alcohol Act was contrary to the EC Treaty. Consequently, the Landskrona district court asked the Court of Justice of the European Communities for a preliminary ruling. In this case the Court of Justice found in October 23, 1997 that the operations of the Swedish off-premise alcohol retail monopoly, Systembolaget, were organised in a non-discriminatory manner and that they were not against the EC Treaty. The outcome of the Franzén case was very important to the Nordic alcohol control system in two ways. For the first, as such it also guaranteed the existence of the Finnish alcohol retail monopoly, Alko, and the Norwegian alcohol retail monopoly, Vinmonopolet as well as the Icelandic alcohol retail monopoly, Áfengis – og tóbaksverslun ríkisins, ÁTVR. Secondly, it also ended the legal struggle trying to prove that the existence of off-premise alcohol retail monopolies is in conflict with the EC Treaty (see e.g. Lund, Alavaikko & Österberg, 2000).

Ensuring free movement of television broadcasts

At the EU level the content in television broadcasts is regulated by the Council directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in member states concerning the pursuit of television broadcasting activities, also called Television without frontiers. The main objective of this directive approved in October 1989, was to create the necessary conditions for free movement of TV broadcasts within the single market, to guarantee certain general interest, such as the promotion of cultural diversity, and to protect the consumers and especially minors. The directive was partially amended in June 1997 by the directive 97/36/EC of the European Parliament and of the Council. The revised directive lays down a firm legal framework allowing television operators to develop their activities in the EU.

The directive ensuring free movement of television broadcasts also includes some restrictions concerning alcohol advertising in broadcast media. Article 15 in the 1989 directive states that advertising for alcoholic beverages shall comply with the following criteria:

- it may not be aimed specifically at minors or, in particular, depict minors consuming these beverages,
- it shall not link the consumption of alcohol to enhanced physical performance or to driving,
- it shall not create the impression that the consumption of alcohol contributes towards social or sexual success,
- it shall not claim that alcohol has therapeutic qualities or that it is a stimulant, a sedative or a means of resolving personal conflicts,
- it shall not encourage immoderate consumption of alcohol or present abstinence or moderation in a negative light, and
- it shall not place emphasis on high alcoholic content as being a positive quality of the beverages.

Other EU principles concerning alcohol advertising

In addition to the criteria for television advertising included in the directive ensuring free movement of television broadcasts there are also other principles concerning alcohol advertising affecting the EU member states. In Cases C-1/90 and C-176/90, *Aragonesa de publicidad exterior SA et al. versus Seguridad social de la generalitat de Catalunya*, the Court of Justice dealt with the Catalanian legislation banning advertising of alcoholic beverages over 23 per cent by volume in certain places like along streets and routes, movie theatres and public transport. The court observed on the one hand that such a law could constitute an obstacle to imports, and on the other hand the law contributed to the protection of public health. As the law did not include total prohibition on alcohol advertising but simply prohibited advertising in specific places, some of which were notably frequented by drivers and youngsters, the law was not found to be disproportional to its objective and was thus granted derogation under article 30 (ex article 36) of the EC Treaty.

In Case C-405/98, *Konsumentombudsmannen versus Gourmet International Products AB*, the Stockholm district court asked the Court of Justice of the European Communities for a precedent on the case of advertising for alcoholic beverages in magazines. According to the Swedish law, advertising may not be used to market distilled spirits, wine or strong beer in periodicals. This prohibition did not, however, apply to advertisements in periodicals aimed at alcohol traders or manufacturers or restaurateurs. Case C-405/98 was initiated as one issue of the magazine *Gourmet* had contained three pages of alcohol

advertisements, and 10 per cent of the 9,300 subscribers were private individuals. Those three pages did not appear in the edition sold to public in shops. Was the Swedish law violated? The ruling of the Court of Justice was that the EC Treaty does not preclude a prohibition on the advertising of alcoholic beverages such as laid down in the Swedish law unless it is apparent that the protection of public health against the harmful effects of alcohol can be ensured by measures having less effect on intra-community trade. Consequently the national court has to determine whether the Swedish prohibition of alcohol advertising meets the conditions of proportionality and whether it is justified or not.

The restrictive alcohol advertising regulations in France, which were introduced with the *Loi Évin* in 1993, were at the time the most restrictive measures against alcohol advertising in the EU. The *Loi Évin*, which banned direct and indirect alcohol advertising with some exceptions, has from the beginning been regarded as an infringement of the single market rules by the alcohol industry. According to the Commission the health aspects behind the legislation have outweighed the single market considerations. The Internal Market Commissioner has, however, had an opposite view to the standpoint of the Commission, and in March 2000, the Internal Market Commissioner declared his intention to pursue the Commission's investigation of the French advertising legislation. In order to try to resolve the dispute the Commission made it explicit that the law will only be applicable in France. In 2000, the *Loi Évin* was, however, referred to the Court of Justice of the European Communities by the High Court of Justice of the United Kingdom (Case C-318/00). This court case considered whether the French ban on broadcasting sporting events with visible alcohol advertisements in other member states was compatible with the EC Treaty. In the actual case two drinks firms were told to remove their advertisement billboards from a football match because the game was to be broadcast in France, even though the advertisements were legal under prevailing law in the United Kingdom. The case has not yet been decided, and currently the European Court of Justice is seeking comments from member states on the case (Ugland, forthcoming).

Harmonisation of alcohol excise duties

One important element in the overall strategy of creating the common European market has been articles 93 (ex article 99) and 94 (ex article 100) of the EC Treaty concerning the harmonisation of indirect taxes such as turnover taxes or value added taxes, excise duties and other forms of indirect taxation. The purpose of the harmonisation of indirect taxation within the Community has been to assist the establishment and functioning of the common internal market as differences

in indirect taxation create tax frontiers between member states and thus make border control necessary.

In the attempts to harmonise indirect taxation, the harmonisation of excise duties on alcoholic beverages is not a special case in itself. However, alcoholic beverages have become to be seen as a kind of special case because of the wide variation in alcohol excise duty rates in different member states, as well as the different motives for the implementation of special alcohol taxes. For instance, in some countries low alcohol taxation has been motivated by agricultural policy, while in some other countries high alcohol taxes have been motivated by social and health policy considerations or just by the state's need for tax revenues. Behind these differences is also the fact that alcohol has a very different place in the social matrix in different EU member states.

The first proposal for harmonisation of excise duties on alcoholic beverages in the EC was put forward in 1972 (COM(72)225). The essence of this proposal was that excise duty harmonisation should take place in two phases. First, the tax structures should be harmonised within three years, followed later by the coordination of tax rates. The first stage would resolve the confusion surrounding the tax base, while the second step would include negotiations of the appropriate levels of excise duties (Maynard & O'Brien, 1982). By 1974, however, this attempt was suspended because of the differences in opinions between the EC member states.

The discussions concerning harmonisation of alcohol taxes were re-opened in the late 1970s, encouraged by the decisions of the Court of Justice of the European Communities with regard to the four alcoholic beverage cases dealt with earlier in this chapter. These discussions did not, however, lead to any concrete results in harmonising alcohol excise duties (Maynard & O'Brien, 1982).

In the first half of the 1980s the EC began to show new signs for realising the idea of the common European market. The operative program for these new initiatives was spelled out in the White Book, published in 1985 and including detailed plans in the form of almost 300 directives for the transformation of the EC into a single market.. In the second half of the 1980s also detailed plans for the harmonisation of value added taxes and excise duties were again discussed in the EC (see e.g. Tigerstedt, 1990).

In August 1987, the Commission issued a new proposal for the harmonisation of excise duties on alcoholic beverages (COM(87)325). The 1987 proposal was based on the idea of centralised and administrative implementation of unified alcohol excise duties in all member states. The proposed rates were either an average or an adjusted weighted average of the rates prevailing in the EC member states for four different categories of alcoholic beverages: distilled spirits, intermediate products, wine, and beer. Accepting this proposal would have meant dramatic reductions of alcohol excise duties in three EC member states, Denmark,

Ireland and the United Kingdom, and small or substantial increases in the other EC member states (see e.g., Hibell, 1989; 1990; Tigerstedt, 1990; Lubkin, 1996).

After the 1987 proposal had received sharp criticism, the Commission submitted a new proposal in autumn 1989, including minimum rates and target rates for different categories of alcoholic beverages (COM(89)527). The proposed target rates were the 1987 proposed uniform rates increased with 10 per cent for all beverage categories. The proposed minimum rates for beer and wine were half of the proposed target rates. For distilled spirits the 1989 proposed minimum rate was about 90 per cent of the uniform rate for distilled spirits proposed in 1987. Even this more flexible proposal was not accepted by the Council (Österberg, 1993; see also Lubkin, 1996).

In autumn 1992 the Commission submitted one more proposal for harmonisation of excise duties of alcoholic beverages, and this proposal was finally accepted. It included directive 92/83/EEC harmonising the alcohol excise duty structures in the member states, and directive 92/84/EEC leading to approximation of prevailing alcohol excise duty rates in four different alcoholic beverage categories in the member states.

The directive on the approximation of alcohol excise duty structures instructs member states how to define the products and product categories to be taxed. It also defines the principles and the basis of how to set the excise duty rates for them. The product classification scheme is based on customs tariff categories, i.e. the combined nomenclature (CN) codes (Lubkin, 1996).

According to the directive 92/84/EEC, there is a minimum excise duty rate for distilled spirits of 550 euro per hectolitre of pure alcohol in the finished product, which is half of the minimum rate in the 1989 proposal. Every member state has to apply at least this rate. The target rate is set at 1,000 euro. Countries below this target rate cannot reduce their excise duty rates for distilled spirits, and countries exceeding the target rate cannot go below the target rate. Depending on the member state, distilleries with a yearly production of at most 10 hectolitres may get a reduced rate, which however shall not be set more than 50 per cent below the standard national excise duty rate for distilled spirits. Products belonging to distilled spirits with an alcohol content less than 10 per cent by volume may also be taxed with reduced rates. There are also some other exceptions and derogations; for instance, with regard to rum imported from overseas departments in France, or ouzo in Greece.

According to the directive 92/84/EEC there are no target rates for excise duties on beer, wine and intermediate products. Intermediate products are taxed on the basis of the volume of the product, and the minimum excise duty rate for intermediate products is set at 45 euro per hectolitre. Basically, intermediate

products are those having an alcohol content of 1.2 to 22 per cent by volume where alcohol has been produced in some way that go beyond fermentation, i.e. where distilled alcohol has been added to these products. The excise duty rate for intermediate products not exceeding 15 per cent alcohol by volume can be set lower than for those between 15 and 22 per cent alcohol by volume, but not lower than 40 per cent below the national standard excise duty rate for intermediate products, and it cannot be set below the standard excise duty rate for still wines.

In the directive 92/84/EEC the minimum excise duty rate for wine, as well as for fermented beverages other than wine and beer is set at zero. The directive 92/83/EEC bifurcates the wine category between still and sparkling wine with alcohol content between 1.2 to 15 per cent. Excise duties on wine have to be set on the basis of the volume of the product. The directive does permit a lower than standard excise duty rates for wines with an alcohol content under 8.5 per cent by volume.

Beer is taxed either on the basis of special gravity or alcohol content, and the member states may divide beer into rate bands based on a specific gravity³. The minimum excise duty rate is applied to all beers with an alcohol content of 0.5 per cent by volume or over. In the directive 92/84/EEC the minimum excise duty rate for beer is set at 1.87 euro per hectolitre per degree of alcohol in the finished product, or alternatively at 0.748 euro per hectolitre per degree Plato in the finished product. These excise duty rates for beer are the same as the minimum excise duty rates in the 1989 proposal (Österberg, 1993). A member state may apply a reduced excise duty rate for breweries whose production does not exceed 200,000 hectolitres a year. The reduction may be at most 50 per cent of the standard excise duty rate for beer. Member states may also put a lower excise duty rate for beer with an alcohol content less than 2.8 per cent by volume, or even put the excise duty on this kind of beer to zero.

³ On the one hand, beer can be classified by its alcohol content either in per cent by weight or in per cent by volume. On the other hand, beer can also be classified by its potential alcohol content. There are also different ways to measure the potential alcohol content. For instance, in Great Britain the measure used is the original gravity whereas in most continental European countries the potential alcohol content is measured in degrees Plato. The measurement of Plato is used to determine the amount of dissolved sugar in the wort. One degree Plato indicates that one per cent of the weight of the liquid is sugar. Degrees Plato roughly correspond to the last two digits of the original gravity divided by four. Consequently, a British 1.056 original gravity beer would be a beer of 14 degree Plato in Germany. Furthermore, this beer will most likely end up being around 5.6 per cent alcohol by volume, assuming the yeast does not give out before its job is done.

Travellers' duty free alcohol import allowances

The 1992 directives for approximation of alcohol excise duty rates and structures are a watered-down version of the very simple and consistent 1987 proposal. Here we should not, however, forget that as part of the harmonisation process the Commission began in the late 1980s to encourage neighbouring countries to negotiate bilaterally of their alcohol excise duty rates and to stress travellers' rights to take with them goods duty free across the borders (Tigerstedt, 1990).

The basic principle in the EU is that excise duties are paid in the country where goods are bought, and travellers need not pay again excise duties when entering another EU member state. As the Commission had earlier wanted to extend the possibilities for private imports, it adopted in the beginning of the 1990s the abolition of all restrictions on travellers' imports as its goal. The idea was that market forces should contribute to the process of harmonising excise duty rates for alcoholic beverages and perhaps to manage to take care of the harmonisation the Commission was unable to do administratively.

In connection with the creation of the single European market in 1993 the quantities of alcoholic beverages a traveller or a person just crossing the border between two EU member states could take with him or her without paying any duties in the home country were redefined. From January 1, 1993, the minimum indicative quantities of alcoholic beverages one could take from one EU member state to another have been 10 litres of distilled spirits, 20 litres of intermediate products, 90 litres of wine and 110 litres of beer. If the traveller, however, is able to prove that there is a need for greater quantities of imported alcoholic beverages for his or hers personal consumption, these indicative amounts can be exceeded. Therefore, in principle there are no limits for travellers' duty-free alcohol imports from other EU member states as long as alcoholic beverages have been imported personally and they are for traveller's own use, not for commercial purposes.

When Finland and Sweden joined the EU in 1995 they had negotiated a derogation to the quantities of travellers' duty-free allowances from other EU member states with regard to alcohol and tobacco. According to this derogation, which should originally have lasted to December 31, 1996, travellers returning to Finland or Sweden from other EU member states could take duty free one litre of distilled spirits or three litres of intermediate products, five litres of wine and 15 litres of beer (Österberg & Pehkonen, 1996; see Tables 2.1. and 2.2).

TABLE 2.1. Travellers' duty-free import allowances of alcoholic beverages from other EU member states in Finland from 1995 in litres of the product

From	Distilled spirits	Intermediate products	Wine	Beer
1 January 1995	1	or 3	5	15
1 January 1998	1	3	5	15
1 November 2000	1	3	5	32
1 January 2003	1	3	5	64
1 January 2004	10	20	90	110

Source: Leppänen & Österberg, 2002.

TABLE 2.2. Travellers duty-free import allowances of alcoholic beverages from other EU member states in Sweden from 1995 in litres of the product

From	Distilled spirits	Intermediate products	Wine	Beer
1 January 1995	1	or 3	5	15
1 July 2000	1	3	20	24
1 January 2001	1	6	26	32
1 January 2002	2	6	26	32
1 January 2003	5	6	52	64
1 January 2004	10	20	90	110

Source: Bergqvist, Falkenhäll & Sellgren, 2002.

During the second half of 1996 the Finnish and Swedish derogations on travellers' alcohol import allowances were renegotiated. For Finland the new derogation was to last to the end of 2003 but the amounts were to be gradually adjusted. For Sweden the derogation was to continue until 30 June, 2000, and then to be negotiated once more (Holder et al., 1998). The outcome in 2000 was that the new Swedish derogation with fixed increases in travellers' import allowances was to continue to the end of 2003 (see Table 2.2). Since 1993 Denmark has applied the general indicative quantities to all alcoholic beverages except distilled spirits. The Danish derogation for distilled spirits continues until 2004.

Tax-free sale of alcoholic beverages

At the same time as the indicative amounts of alcoholic beverages a traveller or a person just crossing the border between two EU member states from 1993 on were decided, it was also decided that tax-free sale of alcoholic beverages in the traffic between the EU member states was to be discontinued from July 1, 1999. Despite much lobbying against it, this decision actually became the reality from July 1, 1999. Tax-free sale, however, continued to exist in the traffic between the EU member states and third countries, and the quantities of alcoholic beverages one could take tax free from third countries are one litre of distilled spirits or two litres of intermediate products and two litres of wine independently if they have been bought in tax-free stores or ordinary stores in the third countries. These quantities are the same as were those allowed to an intra-community traveller to buy tax free aboard or at international airports.

There are no quantitative restrictions in litres on travellers' beer imports from third countries into the EU. The value of privately imported beer could not, however, exceed the general limit of the value on private imports from third countries.

EU's competence in public health and social policy issues

The evolution of a public health commitment in the EU can be traced through the founding treaties and their amendments. The Treaty of Rome in 1957 did not mention health or public health explicitly. A direct mandate for public health was not included either in the Single European Act of 1986, although it did stress that the Commission should seek a high level of protection of health and safety, environmental issues and consumer protection in relation to the founding of the single European market.

One indicator of public health expansion during the late 1980s was the establishment of a public health unit within the Commission. However, its work in the area of public health could not be justified for its own sake, but strictly in terms of economic considerations related to the single European market (Sutton & Nylander, 1999).

The adoption of the Maastricht Treaty in 1993 awarded the EU a new competence in the area of public health through article 129 (nowadays article 152). This competence was, however, limited to promoting health and encouraging inter-state cooperation as the Maastricht Treaty explicitly excluded

the harmonisation of laws or regulations regarding public health. Community activity on public health area was to be directed at preventing illnesses, including drug addiction, through research, health information and education.

The Amsterdam Treaty of May 1, 1999, expanded the scope of EU activities for improving public health. Article 152 (ex article 129) of the EC Treaty is viewed as the first legislative instrument to be given to public health policy makers since it provides a basis for introducing a public health impact assessment of other policy areas in the EU. As article 152 states: "A high level of human protection shall be ensured in the definition and implementation of all Community policies and activities. Community action, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education." (Consolidated version of the Treaty establishing the European Community, article 152). On the other hand, the Amsterdam Treaty still excludes any harmonisation of public health laws and regulations of the EU member states: "Community action in the field of public health shall fully respect the responsibilities of the Member States for the organisation and delivery of health services and medical care". (Consolidated version of the Treaty establishing the European Community, article 152). In a strict sense, public health activities at the Community level still lack a real legal base.

Preventive alcohol policy

Even today the EU does not practise of any coherent preventive alcohol policy. Given that a public health mandate was not explicit until 1993 one should not even expect to find traces of preventive alcohol policy developments before the 1990s. One can, however, locate other frames of reference to the harmful effects of alcohol consumption even earlier (Sutton & Nylander, 1999).

Before the 1980s, alcohol was regarded at the EU level as a normal commodity without any considerations of its public health consequences, and alcohol was mostly discussed from the perspective of the common agricultural policy or as a tax harmonisation issue (Sulkunen, 1981; Tigerstedt, 1990; Österberg, 1993; van Iwaarden, 1994). The first time alcohol was treated as a potential target of regulation motivated by public health aims was in 1981 in a Council resolution that adopted the second programme of the EEC for consumer protection and information (Sutton & Nylander, 1999, 78).

This document called the Commission to carry out studies on measures taken or planned by the EEC member states with regard to alcohol and tobacco. It further called the Commission to assess how divergences in measures taken by the member states with regard to alcohol and tobacco affected the Community market, and to make appropriate proposals. Moreover, the Commission was requested to take initiatives in support of actions undertaken in the member states with regard to alcohol-related problems. In practice, however, this programme did not lead to any political action (Sutton & Nylander, 1999).

Alcohol abuse was referred to in its own right for the first time in a Council resolution in 1986, which stated that the increase in alcohol abuse is causing serious concern for public health and social welfare (Official Journal C 184/02, 29.05.1986). On the other hand, it also highlighted the economic importance of alcoholic beverages and hence concluded that a joint initiative is advisable in the field of prevention of alcohol abuse. In providing a precedent for action in this area, the Council referred to the second programme for consumer protection and information mentioned above and to the Commission-sponsored study by Davies and Walsh (1983).

Beyond the Council resolution, attempts were made in the 1980s to establish a unified blood alcohol concentration limit for drunk driving under the auspices of traffic safety policy, coordinated under DG VII. This issue was first taken up in a 1981 European Parliament resolution on road safety, and reiterated again in 1984. The resolution and call for action sought a common blood alcohol concentration limit, and a Commission proposal for a Council directive was presented in 1988 but it was stalemated in the Council (Sutton & Nylander, 1999, 79).

Alcohol-related problems were also dealt within the context of the Europe Against Cancer programme initiated in 1987. In a ten-point code, it was noted that certain cancers might be avoided by moderating one's alcohol consumption. Even if the role of alcohol in the cancer programme was not given a high priority, it is important to note that in this programme alcohol was for the first time discussed squarely within a public health framework (Sutton & Nylander, 1999, 79).

In addition to political actions, the trend towards a greater recognition of alcohol-related problems after the Maastricht Treaty in 1993 included increased attention to producing information about alcohol and alcohol-related problems. The programme for community action on health promotion, information, education and training for the 1996-2000 period included the promotion of the examination, assessment and exchange of experience and the support for actions concerning measures to prevent alcohol abuse and related social and health problems. As a step in this direction, the European Commission invested nearly 1.5 billion euro to co-fund 12 alcohol projects during 1995-1998. In 1996 the

Commission also established a working group on alcohol as a forum for sharing experiences on alcohol-related problems and preventive alcohol policy (Sutton & Nylander, 1999, 79).

EU policies are not simply the outcome of bargaining between member states. The EU institutions themselves play an important part in shaping the type and content of policy. Until the late 1990s public health policy was addressed within DG V, dealing with employment, industrial relations and social affairs. The public health unit of the EU was located here and this unit, Public Health and Safety at Work, was a sub-directorate containing five units. Alcohol was largely handled within the unit of health promotion, health monitoring and injury prevention. In 1999 the Commission decided to transfer public health affairs from DG V to the newly created DG Health and Consumer Protection (SANCO). In the SANCO alcohol is mostly handled in Unit G 3 Health promotion, health monitoring and injury prevention.

The nature of policy intervention of the EU is determined in part through the legal basis for action as well as earlier precedents in the same area. Health and public health interventions fall almost exclusively under inter-state cooperation. It can further be observed that SANCO, and DG V before it, has been engaged almost exclusively in the production of recommendations, and its opinions set goals in relation to issues but they are not binding in any way. Although the legal basis for making public health policy set out in the treaties is largely restricted to encouraging trans-state cooperation, the Commission's public health sector has identified alternative venues for political action. Sutton & Nylander (1999) identified four venues that are common within the public health sector: the construction of European phenomena through supporting the accumulation of European knowledge, the support to developing interest groups, the building of public opinion, and the construction of practical competence.

Council recommendation on adolescent drinking

The first case of alcohol policy being processed as public health policy in the EU is the case of so-called alcopops, or designer drinks, as they are also called. In the summer of 1995 these types of beverages hit the market in the United Kingdom, and shortly thereafter found their way into other European markets. The fact that these very sweet drinks with curious names and fancy labels seemed to be aimed at a very youthful market resulted in demands for action at the European level by interest organisations and the European Parliament, and the alcopops issue was also raised within the Council. A declaration by the European Parliament called upon the Commission to introduce European-wide guidelines for the promotion,

marketing and retailing of alcopops and designer drinks, to enforce regulatory control of the promotion, marketing and retailing of these products, and to examine ways of taxing such drinks at the same rate as distilled spirits.

During the process, the subject of discussion shifted away from alcopops towards alcohol consumption by youth and children, and later on even the concepts of alcopops and designer drinks disappeared from the draft of the Council recommendation. The final Council recommendation, accepted in June 5, 2001, dealt with the drinking of alcohol by young people, in particular children and adolescents, and encouraged member states to foster a multi-sectoral approach to educating young people about alcohol and to increase young people's involvement in health-related policies and actions (Council Recommendation 2001/458/EC). It was also recommended to take action against illegal sale of alcohol to minors and that proof of age be required. It furthermore included codes of conduct for the alcohol industry and trade with the recommendation not to target alcoholic beverages in marketing, advertising and sponsoring specifically on children and adolescents (for details, see Appendix 2.1).

On that day the Council recommendation on the drinking of alcohol by the young people, in particular children and adolescents, was accepted, the Council also made a Conclusion on a Community strategy to reduce alcohol-related harm (Council Conclusion 2001/C 175/01). In this conclusion the Council "underlines the desirability to develop a comprehensive Community strategy aimed at reducing alcohol-related harm comprising, in particular, the following elements:

- further development of comparative and comprehensive information together with relevant high-quality research, and an effective monitoring system of alcohol consumption, alcohol-related harm, and policy measures and their effects in the European Community,
- a coordinated range of Community activities in all relevant policy areas; a high level of health protection shall be ensured in the definition and implementation of Community activities, in fields such as research, consumer protection, transport, advertising, marketing, sponsoring, excise duties and other internal market issues, while fully respecting Member States' competencies,
- strengthened co-operation and exchange of knowledge between Member States, and
- international co-operation, in particular with and within the World Health Organization" (Council Conclusion 2001/C 175/01).

Summary

Former as well as current alcohol policies at the EU level can be said to have dealt with four different questions. The most important one has dealt with wine as an agricultural product. The second question has concerned different kinds of barriers to the trade in alcoholic beverages. Alcoholic beverages have also got special attention in attempts to harmonise excise duties and value added taxes in the Community area. Along its development the Community has also become more interested in alcohol in the contexts of social policy and public health.

The common wine policy of the EU has certainly affected the member states and their citizens in many ways. It is mostly felt in everyday life of wine farmers, in their possibilities to earn their living and to continue earning their living by growing grapes and making wine. It is also reflected in the volume of wine production and in the acreage under viticulture as well as in the price and quality of the wines produced which again is felt in everyday life of many EU citizens as consumers. In the country reports that follow this chapter these effects of EU's alcohol policies on the member states are not especially highlighted. It is, however, important to bear in mind that in many countries a good number of the population regards alcoholic beverages mostly as their source of livelihood or as ordinary consumer goods. All this, of course, affects their attitudes towards alcohol policy questions.

The building up of an integrated single European market has meant that the EU has in many ways acted for lifting up different kinds of barriers to trade. As a consequence, it is nowadays a must to treat domestic products and products coming from another EU member state alike. This has not been the case earlier. For instance, it was a common practice in many, if not in all EU member countries to impose different kinds of alcohol taxes on domestic and imported alcoholic beverages. As the cases in the Court of Justice of the European Communities have shown, this is not any more possible inside certain beverage categories like distilled spirits. Furthermore, this practice have also affected the setting of excise duty rates for two different beverage categories, wine and beer. Other court cases had led to the general practice that a beverage lawfully marketed in some EU member state can be lawfully marketed also in the other EU member states.

The interpretation of article 31 (ex article 37) of the EC Treaty dealing with the adjustment of commercial state monopolies in order to abandon all discrimination with regard to production and marketing have affected alcohol control policy especially in the Nordic countries. In practice this has meant that Finland and Sweden were forced to give up their state monopolies on the production, import, export and wholesale of alcoholic beverages in January 1, 1995. Article 31 (ex article 37) also means that it is impossible in the future to build up a system of comprehensive state alcohol monopolies in any of the EU's

member states. On the other hand, several cases both in the Court of Justice of the European Communities and in the EFTA court dealing with off-premise alcohol retail monopolies have led to the conclusion that these kinds of arrangements are not in conflict with the Community law.

The harmonisation of alcohol excise duties has been one important element in the overall strategy to harmonise indirect taxation in creating the single European market. Thus far the EU has been successful in harmonising excise duty structures on alcoholic beverages. This has had its effects in many countries with regard to the level of excise duties of different alcohol labels inside a certain beverage category. This has also had the practical consequence that it is nowadays quite easy to compare the levels of alcohol excise duty rates in EU's member states. The harmonisation of excise duty rates for alcoholic beverages has proceeded quite slowly. To be sure, also the current minimum excise duty rates for alcoholic beverages have forced some member states to increase their excise duty level of beer, intermediate products and distilled spirits. In broad terms, however, the very low or quite low minimum excise duty rates for all alcoholic beverage categories and the target rate only for distilled spirits mean that the EU member states have been and still are quite free to set their excise duty rates for all alcoholic beverages or at least for beer, wine and intermediate products. On the other hand, the single European market with free flow of goods combined with small possibilities to restrict cross-border trade has affected and will affect the level of alcohol excise duties in many member states having a neighbouring EU member state with low alcohol taxes and low alcohol prices.

Preventive alcohol policy has gained in importance in the EU especially during the last decade. However, the EU is still basically an economic union and its to affect alcohol consumption, alcohol abuse, drinking habits or alcohol-related problems from public health or social policy point of view is very restricted. There are, for instance, no directives affecting or guiding alcohol control measures in the member states. Still, as will be shown in the country reports, one may find some EU induced public health or social policy motivated activity in many member states concerning the control of alcohol advertising, drunk driving and drinking by adolescents in particular.

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Appendix 2.1. Recommendations in Council recommendation on the drinking of alcohol by young people, in particular children and adolescents adopted June 5, 2001

Council recommendation of 5 June 2001 on the drinking of alcohol by young people, in particular children and adolescents includes following specific recommendations:

“I. In formulating their strategies and taking regulatory or other action appropriate to their individual circumstances, in the framework of a common approach across the Community, with respect to young people and alcohol, and with particular regard to children and adolescents, Member States, with the support as appropriate of the Commission, should:

1. promote research into all the different aspects of problems associated with alcohol consumption by young people and, in particular, children and adolescents, in order better to identify and evaluate measures to deal with these problems;
2. ensure that the development, implementation and evaluation of comprehensive health promotion policies and programmes targeted at children, adolescents, their parents, teachers and carers, at local, regional, national and European level, should appropriately include the alcohol issue, with a particular emphasis on settings such as youth organisations, sporting organisations and schools, and taking into account existing experiences, for instance the “health-promoting school”;
3. produce and disseminate to interested parties evidence-based information on the factors which motivate young people, in particular children and adolescents, to start drinking;
4. foster a multi-sectoral approach to educating young people about alcohol, in order to help prevent the negative consequences of its consumption, involving as appropriate, the education, health and youth services, law enforcement agencies, relevant non-governmental organisations and the media;
5. support measures to raise awareness of the effects of alcohol drinking, in particular on children and adolescents, and of the consequences for the individual and the society;
6. increase young people’s involvement in youth health-related policies and actions, making full use of the contributions which they can make, especially in the field of information, and encourage specific activities which are initiated, planned, implemented and evaluated by young people;

7. encourage the production of advisory materials for parents to help them discuss alcohol issues with their children, and promote their dissemination via local networks such as schools, health care services, libraries, community centres as well as via the Internet;
 8. further develop specific initiatives addressed to young people on the dangers of drink-driving, with a specific reference to settings such as leisure and entertainment venues, schools and driving schools;
 9. take action as a matter of priority against the illegal sale of alcohol to underage consumers and, where appropriate, require a proof of age;
 10. support notably the development of specific approaches on early detection and consequent interventions aimed at preventing young people becoming alcohol dependent.
- II. Member States should, having regard to their different legal, regulatory, or self-regulatory environments, as appropriate:
1. encourage, in co-operation with the producers and the retailers of alcoholic beverages and relevant non-governmental organisations, the establishment of effective mechanisms in the fields of promotion, marketing and retailing:
 - (a) to ensure that producers do not produce alcoholic beverages specifically targeted at children and adolescents;
 - (b) to ensure that alcoholic beverages are not designed or promoted to appeal to children and adolescents, and paying particular attention to, inter alia, the following elements:
 - the use of styles (such as characters, motifs or colours) associated with youth culture,
 - featuring children, adolescents, or other young looking models, in promotion campaigns,
 - allusions to, or images associated with, the consumption of drugs and of other harmful substances, such as tobacco,
 - links with violence or anti-social behaviour,
 - implications of social, sexual or sporting success,
 - encouragement of children and adolescents to drink, including low-price selling to adolescents of alcoholic drinks,
 - advertising during, or sponsorship of, sporting, musical or other special events which a significant number of children and adolescents attend as actors or spectators,
 - advertising in media targeted at children and adolescents or reaching a significant number of children and adolescents,
 - free distribution of alcoholic drinks to children and adolescents, as well as sale or free distribution of products which are used to promote alcoholic drinks and which may appeal in particular to children and adolescents,

- to develop, as appropriate, specific training for servers and sales persons with regard to the protection of children and adolescents and with regard to existing licensing restrictions on the sale of alcohol to young people,
 - to allow manufacturers to get pre-launch advice, in advance of marketing a product or investing in a product, as well as on marketing campaigns before their actual launch, and
 - to ensure that complaints against products which are not being promoted, marketed or retailed in accordance with the principles set out in (a) and (b) can be effectively handled, and that, if appropriate, such products can be removed from sale and the relevant inappropriate marketing or promotional practices can be brought to an end;
2. urge the representative producer and trade organisations of alcoholic beverages to commit themselves to observe the principles described above.

III. The Member States, with a view to contributing to the follow-up of this recommendation at Community level, and acting as appropriate in the context of the programme of action in the field of public health, should report upon request to the Commission on the implementation of the recommended measures.”

Furthermore, the Council recommendation on the drinking of alcohol by young people, in particular children and adolescents, invites the Commission in cooperation with the member states in order

- “1. to support the Member States in their efforts to implement these recommendations, especially by collecting and providing relevant comparable data, and by facilitating the exchange of information and best practices.
2. to promote further research at Community level into the attitudes and motivations of young people, in particular children and adolescents, in regard of alcohol consumption and monitoring of ongoing developments.
3. to follow-up, assess and monitor the developments and measures undertaken in the Member States and at Community level, and to ensure in this context a continuous, constructive and structured dialogue with all interested parties.
4. to report on the implementation of the proposed measures, on the basis of the information provided by Member States, no later than the end of the fourth year after the date of adoption of this recommendation and then regularly thereafter, to consider the extent to which the proposed measures are working effectively, and to consider the need for revision or further action.
5. to make full use of all Community policies, particularly of the programme of action in the field of public health, in order to address the matters covered in this recommendation.”

Chapter 3

Austria

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The country

In 1867 the empire of Austria, ruled by Habsburgs for several centuries, became the Austro-Hungarian monarchy. The Republic of Austria was founded in 1918 after the First World War. The so-called First Republic was ended by a civil war in 1934. Between 1934 and 1938 Austria was ruled by the so-called Austro-Fascists, and in 1938 Austria became part of the Third Reich. The Second Republic was founded in 1945 after the Second World War.

Austria is bordered on the north by Germany and the Czech Republic, on the east by Slovakia and Hungary, on the south by Slovenia and Italy, and on the west by Switzerland and Liechtenstein. The total area of Austria is 83,858 km². With a population of 8.1 million the population density is 97 inhabitants per km². The capital, and the largest city, is Vienna with 1.6 million inhabitants. If the surrounding regions are included, more than one quarter of all Austrians live in the capital area. The urban population accounts for about 56 per cent of the total population.

Austria is a country of great cultural homogeneity. The official language is German. There used to be only few and small ethnic minorities in Austria. However, since the end of the 1960s numerous migrant workers have been attracted to the country. They have primarily come from the former Yugoslavia and Turkey. Presently, about 10 per cent of the people living in Austria are non-Austrian citizens. About 80 per cent of the Austrian population belong to the Roman Catholic Church, 5 per cent to the Lutheran Church, and about 9 per cent are of no religious denomination. The percentage of those without any religious denomination is continuously growing.

The Austrian economy has been based on both private and public enterprises. All the basic industries were nationalised in 1946. In the late 1980s and early 1990s government control was, however, reduced through privatisation efforts. By Western European standards, Austria has a rather uneven distribution of income and a highly developed welfare system. The inflation rate during the last years has

been low and the official unemployment rate is about 4 per cent. Estimates of the real unemployment rate are, however, much higher. In the mid-1990s about 32 per cent of the population worked in the industrial sector, approximately 7 per cent in the agriculture and about 61 per cent in the service sector.

The principal manufactured products in the early 1990s were machinery, metals and metal products, chemical and food products, and wood and paper products. Of the total Austrian land area, 17 per cent is cultivated. About half of the farms are under 10 hectares in size. Austria is one of the world's top tourist destinations. In 1998 some 17 million foreigners visited Austria. More than half of these tourists came from Germany.

Austria is a federal republic consisting of nine states, one of which is the capital city. Executive power in Austria is exercised by the president, who is elected by popular vote every six years, and by the Council of Ministers, or cabinet, which is headed by the chancellor. The chancellor is appointed by the president for a term not exceeding four years. Federal legislative power is vested in the National Council (Nationalrat), the lower house of the bicameral Federal Assembly. The National Council is composed of 183 members elected for four years. The Federal Council (Bundesrat), the upper house, consists of 64 members chosen by the provincial legislatures in proportion to the amount of population for terms ranging from four to six years.

Each of the nine states has a unicameral legislature elected on the same basis as the National Council. The legislature chooses the provincial governor. All state legislation must be submitted by the governor to the federal ministry for approval. The provincial legislature, however, may override a ministerial veto by majority vote. Cities and villages are administered by elected communal councils, which in turn elect mayors.

Alcohol production and trade

Austria can be defined as self-sufficient in alcoholic beverages. The production of wine, beer and distilled spirits is large enough to cover and partly exceed the domestic consumption. Until today, Austrians have preferred domestic alcoholic beverages. In this regard Austrians can be considered very conservative.

Austrian wine became internationally famous in 1985 when the Austrian wine scandal occurred. Antifreeze had been added to wine and thus a more expensive ice-wine had been produced. The scandal became a turning point in the Austrian wine production. Until the mid-1980s the state had promoted the increase of wine production, but after 1985 only quality wines were promoted. Until the 1980s areas for wine cultivation had increased, but they started to decrease

after 1985. Accordingly, harvests have become smaller after the mid-1980s. In the early 1950s the yearly wine production was about 1.1 million hectolitres. By the early 1970s it had increased to about 2.5 million hectolitres (International statistics, 1977). During the 1980s the yearly wine production amounted to 2.8 million hectolitres on average, with a fluctuation from 1.1 to 4.9 million hectolitres. During the 1990s, the average amount of wine produced dropped to 2.5 million hectolitres.

In the first half of the 1990s, some 6 per cent of the wine production was exported and some 8 per cent of the domestic wine consumption consisted of imported beverages. In the first half of the 1980s, especially wine exports but also wine imports were clearly higher than a decade later (Hurst, Gregory & Gussman, 1997). Usually red wine is imported, because the soil and climate in Austria is better suited for the production of white wine than red wine. With the exception of the first half of the 1980s, annual wine imports have been higher than wine exports. Before Austria joined the European Union (EU) in 1995, the amount of imported wine was determined by the Ministry of Agriculture on the basis of the domestic harvest.

Beer production was highly concentrated at the time of the Austro-Hungarian monarchy. The degree of concentration has decreased since the First World War but it is still relatively high. After the Second World War beer production increased continuously until the 1990s. In the mid-1950s the yearly beer production was about 4.5 million hectolitres. In the late 1960s it reached 7.5 million hectolitres and in the early 1990s about 10 million hectolitres. Since then beer production has levelled off and even decreased. More than half of the beer produced is relatively strong lager beer. Nearly 70 per cent is packaged beer and a good 30 per cent draught beer.

Both in a national and an international perspective, brewing is the most successful branch of Austrian alcohol production. The degree of self-sufficiency has traditionally been higher than 95 per cent. In 1994, 7 per cent of Austrian beer production was exported and 3 per cent of the beer consumed in Austria was of foreign origin. The level of beer imports has been about the same during the two last decades. Exports of beer, on the other hand, have clearly increased since the mid-1970s. The main export countries are Italy and Hungary. Most imported beer comes from Germany.

Spirits production was regulated by a monopoly until Austria joined the EU in 1995. The Austrian Spirits Monopoly (Branntweinmonopol) was an incomplete production and trade monopoly introduced during the Third Reich in the 1940s. It was kept after 1945 because it protected agrarian spirits production better than the former Austrian regulations. The fact that Austria was almost self-sufficient with regard to distilled spirits was thus mainly due to state regulations. The degree of self-sufficiency has been between 80 and 90 per cent during the last

two decades. Counted in pure alcohol, Austrian spirits production was about 100,000 hectolitres at the beginning of the 1980s. In 1994 the corresponding figure was 87,000 hectolitres (Hurst, Gregory & Gussman, 1997). This figure was a little higher than the amount of distilled spirits produced in the late 1950s and about the same as the amount of distilled spirits produced in the late 1960s (International statistics, 1977).

Alcohol consumption

During the last century, the development of per capita alcohol consumption in Austria has roughly paralleled the overall economic development. Alcohol consumption dropped sharply during the two world wars and during the great depression at the end of the 1920s, and more or less slowly recovered after the wars. But there has also been at least two major changes in alcohol consumption not related to the overall economic situation. The first of them was the decrease in alcohol consumption in Austria at the beginning of the twentieth century when Austria still was part of the Austro-Hungarian monarchy. This decrease is very likely related to the rise of the temperance movement (Eisenbach-Stangl, 1991a; 1994). The second change started at the beginning of the 1970s. The per capita consumption of pure alcohol has since then stopped growing, and at the beginning of the 1990s it started to slowly decrease. The economic development has not, however, shown any remarkable decline during the last three decades (Eisenbach-Stangl, 1991b).

The consumption data in table 3.1 are presented in litres per capita by beverage categories and calculated by the respective producers themselves or on their behalf. Per capita consumption of beer has been calculated since 1956 by the Austrian Brewery Association (Verband der Brauereien Österreichs). Until 1955 the figures can be found in the publication of the Austrian Statistical Bureau. Per capita consumption of wine is calculated by the Austrian Statistical Bureau, and the consumption figures of distilled spirits are calculated by the Austrian Association of Distilleries (Verband der Spirituosenindustrie). Though it is also the producers who provide figures for international statistics such as the World Drink Trends, collected by the Productschap voor Gedistilleerde Dranken, the data officially available in Austria on beer and wine consumption differ from those in international statistics. For mysterious reasons the figures in international statistics are sometimes higher and sometimes lower than those officially available in Austria.

TABLE 3.1. Consumption of alcoholic beverages by beverage categories in Austria in litres of the product per capita in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Consumption of distilled spirits	5.1	5.8	5.3	4.3	4.4
Consumption of wines	13.8	26.4	35.9	35.0	31.4
Consumption of beer	61.5	94.0	105.0	112.2	115.2

Sources: Austrian Association of Distilleries; Austrian Brewery Association; Austrian Statistical Bureau.

Agrarian production of distilled spirits and wine, and thus the per capita alcohol consumption, is presumably underestimated by the respective figures. Furthermore, an increasing amount of alcoholic beverages has presumably been privately imported from neighbouring countries since Austria joined the EU in 1995. On the other hand, the fact that Austria has a big tourist sector means that part of the alcoholic beverages consumed in Austria are consumed by tourists. According to Leifman (2001), the per capita unrecorded alcohol consumption in Austria was roughly one litre in the 1990s (Leifman, 2001, 61; see also Trollidal, 2001, 74–77).

The basic source of the data depicted in table 3.2 is the international survey of alcoholic beverage taxation and control policies conducted by the Brewers Association of Canada (Hurst, Gregory & Gussman, 1997). It was chosen for reasons of comparison. However, as mentioned earlier, the data on alcohol consumption available in Austria differ from those depicted in international statistics. One explanation to this discrepancy is that Austrian wine has a lower alcohol content than the 12 per cent assumed by Hurst, Gregory and Gussman (1997). According to the Institute of Drinks Analysis (Institut für Getränkeanalytik) it is about 11 per cent at the present time. On the other hand, the alcohol content of 4.8 per cent for beer assumed by Hurst, Gregory and Gussman (1997) is a bit too low. According to the Institute of Drinks Analysis it should be calculated at 5 per cent. It also has to be considered that the average alcohol content of certain alcoholic beverage categories has changed during the 1950–2000 period. It presumably has increased with beer and wine. Therefore, for several reasons the figures depicted in table 3.2 are rough measures, suited mostly for comparisons and to assess developments over time.

TABLE 3.2. Consumption of alcoholic beverages by beverage categories in Austria in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995*
Total alcohol consumption	6.77	9.95	11.20	11.10	10.87
Consumption of distilled spirits	1.78	2.05	1.86	1.52	1.48
Consumption of wines	1.98	3.40	4.31	4.20	3.86
Consumption of beer	3.01	4.50	5.03	5.38	5.53
Percentage of distilled spirits	26	21	17	14	14
Percentage of wines	29	34	38	38	35
Percentage of beer	45	45	45	48	51

* The figures for 1995 have been calculated by taking the per capita consumption figures for beer and wine from the World Drink Trends (2002) and using the same alcohol contents for beer and wine, 4.6 per cent and 11 per cent respectively, as Hurst, Gregory & Gussman (1997). According to World Drink Trends (2002, 30), the total alcohol consumption per capita in 1995 is 9.8 litres.

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

Total alcohol consumption grew from 5 litres per capita in a year in the beginning of the 1950s to over 10 litres by the mid-1960s. The peak figure, 12 litres of pure alcohol per capita, was reached in 1973. Since the mid-1970s total alcohol consumption has been on the decline. Nowadays about 9.4 litres of pure alcohol is consumed per capita in a year (World Drink Trends, 2002).

At first sight Austria is a beer country, as about one half of the pure alcohol consumed is drunk as beer. Beer has been the most popular alcoholic beverage during the last century and its popularity seems to have increased somewhat during the last decades. Counted in pure alcohol, the consumption of beer has increased from 2 litres per capita in a year in 1950 to about 4 litres in the early 1960s and to nearly 6 litres in 1991. Counted in litres of the product, the consumption of beer reached in the early 1990s a figure of 124 litres per capita in a year. Since then beer consumption has slightly decreased to about 108 litres per capita in 2000 (World Drink Trends, 2002).

About one third of all alcohol consumed in Austria is drunk in the form of wine. In the beginning of the 1950s, wine consumption was nearly 2 litres in terms of pure alcohol per capita in a year. It increased very rapidly in the 1960s from 2.5 litres in 1960 to 4.2 litres in 1970. After a stable period of one and half decades wine consumption began to decrease in the mid-1980s. Counted in litres of the product per capita, wine consumption reached its highest level, 37 litres, in 1983. In 2000 the per capita wine consumption was 32 litres (World Drink Trends, 2002).

In 1950 the consumption of distilled spirits in terms of pure alcohol was 1.1 litres per capita. In 1960 the corresponding figure was 2.4 litres. Since then the popularity of distilled spirits has continuously decreased (Eisenbach-Stangl, 1991a). In 2000 the consumption of distilled spirits was 1.4 litres in terms of pure alcohol per capita (World Drink Trends, 2002).

At the state level, Austria consists of beer and wine states. The population of the wine-producing eastern regions of Austria, i.e. Vienna, Lower Austria and Burgenland, presumably drink more wine than beer, while beer-drinking dominates in the western regions. Wine is traditionally preferred by women, and beer by men, by younger people and by unskilled labourers.

Austria was and still is a so-called wet country, and the Austrian temperance movement has never been as large and influential as the temperance movements in the United States and in the Nordic countries. However, according to Middle European standards it was quite strong and demanded stricter alcohol controls, even prohibition. Nevertheless, moderate alcohol consumption, and under special circumstances also excessive drinking, were and are accepted as important elements of Austrian culture. Alcohol plays an important part in everyday social life and at many festivities, a tradition mirrored and reinforced by songs, novels, films and other kinds of cultural expressions.

Alcohol-related problems, for instance alcoholism or alcohol-related diseases, are usually perceived in Austria as quite distinct from socially accepted patterns of alcohol consumption. In public opinion moderate consumption of alcoholic beverages is not assumed to be bad for health, though in a broader historical perspective alcoholic beverages have lost their meaning as food and medicine (Eisenbach-Stangl, 1991a).

In the mid-1980s the consumption of alcoholic beverages was 150 litres per capita in a year. At the same time the consumption of commercial non-alcoholic beverages was 275 litres per capita per year. Plain water is not included in these figures. By 2000 the per capita consumption of alcoholic beverages per capita had slightly decreased to 144 litres, and the consumption of commercial non-alcoholic beverages had increased to 526 litres. This consumption consisted of 166 litres of coffee, 83 litres of soft drinks, 80 litres of bottled waters, 74 litres of tea, 65 litres of milk and 58 litres of juices. During the last one and half decades, the per capita consumption of juices has increased by 43 litres, that of soft drinks by 31 litres, that of bottled waters by 23 litres, that of coffee by 14 litres and that of milk by 9 litres (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

In Austria, the association between violence and drinking alcohol is not thought to be very strong. Since Austrian drinking patterns are characterised rather as integrative than as explosive, most Austrians do not perceive violence and drinking alcoholic beverages as related phenomena (Eisenbach-Stangl, 1991a). Since the beginning of the nineteenth century the penal law has considered intoxication a mitigating circumstance, though the mildness of the state towards drunkenness has been continuously decreasing in the twentieth century. Alcohol abuse tends to be attributed to special groups, such as women, children and adolescents, i.e. to social groups with relatively low alcohol consumption.

Getting severely drunk is not a primary goal, or at least not a conscious primary goal, for most Austrians consuming alcohol. As long as an intoxicated person has neither officially been classified as an alcoholic, nor as somebody drinking in excess, for instance, at work or driving a motor vehicle while intoxicated, the intoxication is most often perceived as an entertaining anecdote and not as an inappropriate or frightening incident.

Alcohol consumption in connection with special activities endangering others increasingly seems to be perceived as problematic, especially if driving is concerned. In the first half of the 1990s, less than 2 per cent of Austrian adults regarded driving a motor vehicle with a blood alcohol concentration (BAC) level beyond the legal limit as acceptable. In the same survey, however, more than a third of those who own a car admitted that they had violated the regulations concerning drunk driving (Uhl & Springer, 1996).

In Austria a lot of laws, regulations and measures concerning alcohol production, distribution and consumption have been established during the last century. The majority of them were predominantly developed to serve economic and fiscal interests. They were not introduced to deal with alcohol-related social or health problems. Alcohol-related measures were set up largely independently from each other by different administrative bodies and sectors for a variety of reasons, and they were never coordinated under the rubric of alcohol policy. The term alcohol policy was neither officially nor informally perceived to be a meaningful term.

The federal structure of Austria puts many health, safety, welfare and education issues into the responsibility of the nine states. Some issues, such as opening and closing hours for restaurants and pubs have been put into the responsibility of the communities. The horizontal dispersal with regard to measures concerning alcohol-related issues is thus complemented by a vertical dispersal.

In 1955 an advisory board on alcohol issues (Beirat für Alkoholfragen) was founded at the Ministry of Social Affairs, which at that time was also responsible for health affairs. The board was established on the request of the professional union of psychiatrists and the workers' abstainers union, the main branch of the Austrian temperance movement, which was reorganised in 1948. Besides delegates of these two organisations, the board consisted of delegates of the nine state governments, of the Ministry of Social Affairs and the Ministry of Education, of the Health Insurance System and of the so-called Sozialpartner, that is of representatives of worker and employee organisations on the one hand and of representatives of employer and farmer organisations on the other.

The main aim of the advisory board in the 1955–1962 period was the re-establishment of outpatient and inpatient treatment for alcoholics, which had been introduced in the First Republic but had been abolished during the Second World War. Prevention, which was the main topic of the temperance movement in the years following the First World War, became a subordinated aim. In the 1962–1970 period, the advisory board concentrated, in addition to treatment for alcoholics, on safety on the road (Eisenbach-Stangl, 1991a).

The advisory board was reorganised in 1970. Since then it has also had to deal with illegal drugs, and therefore it was called the Advisory Board for the Combat Against Abuse of Alcohol and Other Addictive Substances (Beirat zur Bekämpfung des Missbrauchs von Alkohol und anderen Suchtmitteln). As had been foreseen during the discussion about the reorganisation of the advisory board and the integration of illegal drugs in its activities, the illegal drugs quickly displaced the legal ones, and until its dissolution in the beginning of the 1990s the advisory board concentrated on issues related to opiates, cannabis and psychoactive drugs.

The Advisory Board for the Combat Against Abuse of Alcohol and Other Addictive Substances presumably was dissolved because a new administration was established. The new administration until today concentrates on illegal drugs and it consists of state drug coordinators with their offices, on the one hand, and of an inter-ministerial working group, on the other. At first it developed the vertical structure and later on combined it with a horizontal one. Prevention is a major aim among its activities. In the first half of the 1990s, prevention centres were established in every state. In addition to illegal drugs, these prevention centres also deal with alcohol and its consequences. According to the Austrian tradition they regard themselves as agencies dealing with addictions. Youth is one of the target groups of the prevention centres (Uhl & Springer, 2000).

Alcohol prevention thus at first became overshadowed by alcohol treatment, a process which had already started in the First Republic and was completed in the 1950s and 1960s (Eisenbach-Stangl, 1999a). Later on alcohol prevention also became overshadowed by illegal drug issues. Alcohol prevention only became

somewhat resuscitated by the activities of the Regional Office for Europe of the World Health Organisation (WHO-EURO) and by the integration of Austria in the EU. Since the mid-1990s, some efforts by federal authorities can be observed to realise the aims defined by the WHO-EURO in the Health for All for 2000 Plan and in the first European Alcohol Action Plan. As a response to these activities, the Ministry of Work, Health and Social Affairs published a handbook on alcohol consumption, alcohol-related problems and controls in 1999 (Uhl et al., 1999; see also Uhl et al., 2001). The same ministry also developed plans to finance an alcohol coordination and information centre at the oldest and largest treatment centre for alcoholics and drug addicts located in Vienna. The centre is supposed to collect and distribute relevant information about alcohol and to organise an advisory board for alcohol-related policy decisions. The Ministry of Social Security and Generations has also considered establishing an inter-ministerial working group responsible for alcohol issues and attacking alcohol problems at the workplace (Fritz, 2000).

The planned prevention structure bears similarities to and differences from the former one. The main organisation putting forward alcohol policy is still the ministry responsible for health affairs. Consequently, medical doctors, especially psychiatrists, are the main profession involved in alcohol control measures. In other words, since the beginning of the Second Republic the Ministry of Health is the main organisation putting forward alcohol-related measures, and psychiatrists are the main profession defining the alcohol question. Prevention efforts are consequently understood as prevention of addiction, and prevention efforts are mainly directed at individuals and they are strongly determined by treatment as the main and ultimate measure.

The main difference between the planned prevention structure and the former one is that the former one was a state structure based on the integration of conflict-prone social forces, the farmers and employers on the one hand and the workers and employees on the other hand. The planned prevention structure is a state structure based on state-financed private, professional expertise. It remains to be seen if the planned structure is better suited to deal with controversial social, economic and regional interests, and especially with the interests of strong alcohol production and trade sector. In any case, traditional non-governmental organisations interested in the public health or social policy issues with regard to alcohol, such as the temperance movement, have lost their influence more or less completely during the period after the Second World War, and no new similar groups have developed.

Administrative structure of treatment for alcoholism

Treatment has played an important part in alcohol-related controls in Austria. The establishment of treatment facilities has traditionally been the most visible, most accepted and most extended alcohol-related measure. Treatment for alcoholics has been and still is a part of the psychiatric system. Residential treatment is carried out in special facilities or in departments of psychiatric hospitals. Today Austria has about 800 beds for alcoholics, or alcohol-ill persons as they are officially called. The process of specialisation within psychiatry is still going on (Eisenbach-Stangl, 1999a).

The first special treatment centre for alcoholics was founded in 1922. It was a department for voluntarily and involuntarily admitted alcoholics at the mental asylum in Vienna. This so-called *Trinkerheilstätte* was closed in 1939 with the beginning of the Second World War. In 1961 the first so-called open clinic (*Offene Anstalt*), with about 60 beds, was established in Wien-Kalksburg at the edge of Vienna, according to the psychiatric ideology of this time. The term open refers here to the fact that only alcoholics voluntarily seeking treatment could be admitted. Involuntary admissions and compulsory treatment were carried out by psychiatric hospitals. The first open clinic grew continuously and after 1970 five more but smaller open clinics were founded. Additionally, also special departments were established at the psychiatric hospitals. Treatment in these specialised institutions usually lasted from six to eight weeks.

Parallel to this development also outpatient facilities were established, partly directly organised by the inpatient facilities and in any case often in close cooperation with them. The outpatient facilities prepare and motivate patients for inpatient treatment, organise the admissions into inpatient clinics, carry out aftercare, do crisis interventions and, since the 1970s, increasingly carry out treatment themselves.

For alcoholics who have been employed prior to treatment, the health insurance companies cover the treatment costs, as alcoholism was acknowledged as a disease in 1956. If persons without health insurance need treatment, the costs are covered by the welfare system. The insurance companies also pay for several treatments, but during the last decade the number of relapses accepted has decreased. Since the 1950s the definition of alcoholism has changed considerably. Today many more severe cases, but also many less severe cases, are treated than a few decades ago. The latter development could also be interpreted as a movement of treatment in the direction of prevention.

Drunk driving

The area where the most of preventive activities have usually taken place is drunk driving, an area where behaviour under the influence of alcohol also has consequences for others than the drunk person him- or herself. In 1960, a law on drunk driving came into force in Austria, prohibiting the driving of a motor vehicle if the BAC level was more than 0.08 per cent. In 1960 the legal threshold was also a much discussed topic. For instance, the socialist party demanded the BAC level to be set at 0.05 per cent.

In the 1990s, some pressure groups were formed demanding a change in the legal BAC threshold. After a serious car accident in which children died, caused by a drunk driver, the public pressure increased, and the law was amended in 1998 prohibiting the driving of a motor vehicle with a higher BAC than 0.05 per cent. The largest alcohol-related public media campaign, jointly organised by the federal Ministry of Traffic, a large private institute for traffic safety (Kuratorium für Verkehrssicherheit) and the national radio and television company, focused on the slogan Don't Drink and Drive. This campaign and continuous media work over many years by the Kuratorium für Verkehrssicherheit are thought to have prepared the Austrian population to accept the reduction of the legal BAC limit.

In 1998 also a lower BAC limit of 0.01 per cent was imposed on persons younger than 20 years, on novice drivers, i.e. drivers within two years after acquisition of the driving licence, on bus and truck drivers driving vehicles over 7.5 tons, on driving school students and on persons who train or assist others in learning how to drive. The penalties for drunk driving increase proportionally with the degree of intoxication. The critical thresholds are BAC levels of 0.01, 0.05, 0.08, 0.12 and 0.16 per cent. It is also prohibited to drive motor vehicles in an impaired condition. This includes emotional stress, tiredness, acute illnesses and any form of substance intoxication including alcohol intoxication, even if the BAC limit falls below the legal BAC thresholds.

The procedural regulations related to the law of drunk driving, and related laws such as the law regulating the acquisition of driving licences, have been tightened up repeatedly since 1960. Between 1960 and 1994, blood testing without suspicion was not allowed and tests via breathalyser, which was introduced in 1988, had to be verified by blood tests. In 1994 random blood testing without suspicion was allowed and a regulation enforced that breathalyser results do not have to be verified by blood tests.

Also the penalties for drunk driving have increased considerably since 1969. Today offenders exceeding the BAC limits face fines ranging from 36 euro to 3,634 euro, depending on the BAC level and severity of the case. First offenders face suspension of their driving licence if their BAC exceeds 0.08 per cent, and all

second offenders lose their licence. The minimal suspension time of driving licence varies from three weeks to four months depending on the BAC level. A longer suspension is possible in case of repeated offences within one year or if there are other aggravating circumstances. Driver improvement courses are mandatory for offenders who have a novice driving licence and for anybody exceeding the BAC level of 0.12 per cent. Prison terms are considered only in case of serious or fatal accidents. The laws and regulations concerning drunk driving and the respective sanctions have thus been tightened up continuously in the period after the Second World War. Consequently, general prevention or general deterrence as well as special prevention or individual deterrence have been increased by legal means.

Drinking at the workplace

The second special area where visible preventive measures have been undertaken in Austria is the workplace. Alcohol consumption at the workplace has been increasingly regulated and prohibited since the 1950s, though the measures are much less severe than those concerning drunk driving. The development of legal regulations has been accompanied by the development of informal regulations established by companies, who have increasingly decided to reduce the availability of alcoholic beverages in their canteens. This presumably has resulted in a slow change in the population's attitudes towards drinking at work.

The penalties for minor violations with regard to regulations concerning drinking at the workplace are mild, and many companies still allow alcoholic beverages in their canteens and tolerate their employees drinking moderately at breaks or even while working. Many companies are still eager not to be associated with alcohol-related measures, since they fear that taking measures indicates severe alcohol problems within the organisation. In the last years more and more companies have sought external help by prevention experts or have installed specific programmes to prevent alcohol problems among their employees.

Restricting overall availability of alcoholic beverages

Contrary to alcohol-related measures directed at individuals, structural alcohol control measures are rare in Austria. In general, alcoholic beverages are mostly treated like all other beverages. Thus a lot of licences are required for the distribution and for the serving of alcoholic beverages, but they are not alcohol-specific measures. For instance, standard licences for grocery stores, restaurants, coffee houses, inns, hotels etc. include the right to sell or serve alcoholic beverages. There are some restrictions for food shops concerning the right to serve food and beverages to be consumed on the premises. These regulations among others restrict the number of eating places in certain shops and say in detail what types of food these shops are allowed to serve to customers and how they are allowed to serve it. The rationale behind these regulations is that shops are not restaurants. Likewise, petrol stations are only allowed to sell a restricted number of food and beverage items, because they are neither shops nor restaurants. Owners of food shops can apply for a restaurant licence and owners of petrol stations can apply for a food shop licence or a restaurant licence, given they fulfil all legal requirements to do so. As a matter of fact, many petrol station owners have food shop or restaurant licences and are entitled to sell and serve a full range of alcoholic beverages.

Licences have a monetary price, but they are also related to public order and to public health. For instance, persons with a criminal record may not get licences to run restaurants or shops, and persons who purposely or repeatedly produce products with dangerous ingredients, or restaurant owners not keeping minimal hygienic standards may lose their licences. The idea behind these regulations, again, is not to restrict alcohol consumption for public health or public order reasons.

Production of alcoholic beverages mostly does not require any licence. Everyone in Austria has a right to produce alcoholic beverages for his or her own private use. For distillation, a registration with the authorities is mandatory, but there is no licence required. Prior to joining the EU, the distillation of spirits was regulated by a state monopoly, but this monopoly has been abolished.

The decisions on opening and closing hours are in the hands of the nine state governors, and communities can adapt the closing times to their specific needs. If, for instance, citizens are bothered by noise of neighbouring restaurants or bars, or feel threatened by suspicious activities going on within them, the community is required to adapt opening and closing hours accordingly.

Austria used to have relatively restricted shop and restaurant closing hours before joining the EU. Most shops could not keep open later than 6 p.m., and had to close on Saturday at noon and keep closed on Sundays. Most restaurants and

bars had to close no later than midnight. The closing hours are controlled by the police. Closing hours in the case of shops were predominantly interpreted as protection of smaller shops, which could not afford to hire additional staff, and as protection of employees, allowing them to spend weekends and evenings with their families. In the case of restaurants and bars, closing hours were predominately interpreted as protection of neighbours from late night noise.

Representatives of small trades and shops, the labour unions and the churches consequently formed an informal coalition to support the restricted closing hours. After joining the EU and facing international pressure to promote competition, the closing hours have been liberalised. Today more and more shops are open in the weekday evenings and also on Saturday afternoons, and many restaurants and bars are open to 2 or 3 a.m.

There are very few regulations restricting the serving of alcoholic beverages in public. Until 1979 the on-premise sale of alcoholic beverages was forbidden on days before elections and on election days until the elections were finished. Today it might not be possible to serve alcoholic beverages at special sports events or other events where a lot of people gather. But this decision would be a voluntary one of the organiser.

Restricting alcohol availability for special groups

Alcoholic beverages can be consumed almost everywhere where food and beverages are sold or served, at almost any time and by almost everybody. There are only two social groups who have attracted special preventive attention during the last decades, namely youth and drunken customers of bars and restaurants.

Restrictions concerning the availability of alcoholic beverages to youth belong to the oldest alcohol-related measures in Austria (Eisenbach-Stangl, 1991a; 1993). In 1922 a law came into force criminalising bar operators serving alcoholic beverages to youth under 14 years of age, and submitting those serving alcohol drinks to youth between 14 and 16 years of age to an administrative sentence, arrest or fine. The main forces behind the law were the youth movements of the main political parties.

These regulations have remained almost unchanged since then. The states have also implemented the so-called youth protection regulations (Jugendschutzbestimmungen), restricting alcohol use among children and youth further. With a few exceptions, youth is defined by these regulations as those under 16 years of age. For those who are 16 years or older, public consumption of alcoholic beverages is allowed, with the exception of distilled spirits. Consumption of distilled spirits is allowed after reaching the age of 18. The youth protection regulations have been tightened up a number of times. Some states also intervene

in the private sphere, and prohibit alcohol consumption among children and youth completely, or they prohibit youth to drink to the point of intoxication.

In the 1990s a regulation came into force which required restaurants and bars to sell at least one beverage to a lower price than alcoholic beverages, beer and wine having usually been the cheapest drinks served. Though this regulation does not only concern youth, the idea behind it was especially to protect youth.

The first regulations concerning the serving of alcoholic beverages to drunken customers of bars and inns were put into force in the First Republic. Bar operators were allowed to turn away customers if they disturbed peace and order because of drunkenness and to call the police if necessary. In the state of Tyrol, a further law provided that drunkards could be prohibited to visit inns in a certain district for a certain period (Wirtshausverbot). During the Third Reich, a similar law was set into force in the whole of Austria, and this law has remained in force since then. In 1973 a law called general measures against alcohol abuse was implemented, according to which bar operators had to stop serving alcoholic beverages to customers who were disturbing peace and order.

The assignment of bar operators to contribute to the maintaining of public peace and order is presumably as weakly enforced as their assignment to protect the health of youth. Public drunkenness in general has never been an offence as such.

Alcohol taxation

There are nowadays four types of taxes on alcoholic beverages in Austria: a fixed percentage of price, a fixed rate per hectolitre of product, a fixed rate per hectolitre of pure alcohol in the finished product, and a fixed rate per hectolitre per grade of original gravity in the finished product. These types of taxes vary according to the product, the producer and the quantity produced. For instance, small farmers that sell their products themselves pay 10 per cent value added tax (VAT), while the others are taxed at 20 per cent VAT.

Beer is taxed per hectolitre per degree of Plato (Table 3.3). There is a lower rate for small independent breweries. If they produce less than 12,500 hectolitres per year they pay 17.22 shillings per hectolitre per degree of Plato. The corresponding rate for breweries producing less than 25,000 hectolitres is 20.09 shillings. For breweries producing less than 37,500 hectolitres the rate is 22.96 shillings, and for breweries producing at most 50,000 hectolitres the rate is 25.83 shilling per hectolitre per degree of Plato. Wines and intermediate products are taxed at a fixed rate per hectolitre of the product. For grape wines this excise duty rate has been set at zero (Uhl et al., 2001).

Distilled spirits are taxed on the basis of pure alcohol in the finished products. However, small commercial distilleries producing at most 400 litres of pure alcohol per year pay 7,452 shillings per hectolitre of pure alcohol, and farmers using products originating from their own farms pay even less for the first 100 litres. The distillation of spirits for private use is not subjected to taxation up to a certain amount, but only farmers using their own stocks of fruits have the right to distil spirits for private use. The maximum tax-free quantity is 15 litres of pure alcohol per year. Most states allow three more tax-free litres per employee or adult in the family. Tyrol and Vorarlberg, however, allow six more litres. In most states the overall tax-free maximum per farm is 27 litres. In Tyrol and Vorarlberg it is 51 litres.

TABLE 3.3. Excise duty rates for alcoholic beverages in Austria in 2000 in Austrian shillings and in euro

Alcoholic beverage category*	OS	EUR
Beer per hectolitre and degree of Plato in the finished product	28.70	2.09
Non-fortified grape wine, per hectolitre of the product	0.00	0.00
<i>Sparkling wine, per hectolitre of the product:</i>		
From grapes, not exceeding 8.5% alcohol by volume	1,000.00	72.67
From grapes, exceeding 8.5% alcohol by volume	2,000.00	145.35
From other fruits, regardless of alcohol content	1,000.00	72.67
<i>Intermediate products (alcoholic beverages other than beer, non fortified grape wine, sparkling wine and distilled spirits), per hectolitre of the product:</i>		
Still	1,000.00	72.67
Similar to sparkling wines	2,000.00	145.35
Distilled beverages and liqueurs exceeding 15.0% alcohol by volume, per hectolitre of pure alcohol in the finished product	13,800.00	1,002.89

*For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: Uhl et al., 2001.

In the 1970–1991 period, the special tax on beer was kept constant at 83 shillings per hectolitre for beer below 14 degrees of Plato and 166 shillings for beer between 14 and 20 degrees of Plato. In 1992, a flat rate of 240 shillings per hectolitre was introduced. In 1995, again a new system was introduced, setting the beer excise duty rate at 20 shillings per hectolitre per degree of Plato in the finished product which meant that the excise duty rate for beer containing 12 degrees of Plato did not change. Lower rates of 60 to 90 per cent of the standard rate for smaller breweries were also introduced (Hurst, Gregory & Gussman, 1997). The current excise duty rate of 28.70 shillings per hectolitre per degree of Plato in the finished product was reached in the year 2000 (Table 3.3).

A special wine tax was abolished in 1970 for still grape wines. However, in the year 1992 a special tax on bottled wine was introduced, but was again set at zero in 1995. In 1970, the special tax on sparkling wines was either 600 or 1,200 shillings per hectolitre. It was 1,200 shillings per hectolitre for grape-based sparkling wines with more than 8.5 per cent alcohol by volume, and 600 shillings per hectolitre for all fruit-based sparkling wines as well as for grape-based sparkling wines with less than 8.5 per cent alcohol by volume. This relation was held when the tax rate for fruit-based sparkling wines was increased to 1,200 shillings per hectolitre in January 1984 and to 1,800 shillings per hectolitre in January 1992. In January 1995 the tax rate for fruit-based sparkling wines was reduced to 1,000 shillings per hectolitre and the current level was reached (Hurst, Gregory & Gussman, 1997; Table 3.3).

Distilled spirits were already in the 1970s taxed on the basis of hectolitres of pure alcohol in the finished product. The 1970 rate of 4,350 shillings per hectolitre of pure alcohol was increased to 10,000 shillings in January 1992, and this rate was also kept in 1995. The excise duty rate of 13,800 shillings per hectolitre of pure alcohol in the finished product was reached in the year 2000 (Table 3.3).

There have also been other special taxes on alcoholic beverages in Austria besides excise duties. Until 1992 a special federal sales tax (Alkoholabgabe) of 10 per cent was paid on the retail price before VAT for alcoholic beverages. This special federal tax had been introduced in 1968 as a temporary tax. In 1992 it was integrated into other alcohol-specific excise duties. Secondly, municipalities levied the so-called beverage tax of 10 per cent at the retail level on all beverages, both alcoholic and non-alcoholic beverages as well as on ice cream. Until 1974 beer was exempt from this tax. In 1992 the beverage tax was reduced to 5 per cent for non-alcoholic beverages and ice cream but remained at 10 per cent for all alcoholic beverages. In 2000 the beverage tax was abolished due to EU requirements.

In 1972 the VAT rate was 16 per cent. It increased to 18 per cent in January 1976 and to 20 per cent in January 1984. Since then the VAT has been on the same level. The VAT rate is the same for most consumer goods except food which bears a 10 per cent VAT rate. This lower rate also applies to wine made and sold by the farmers directly to the consumers.

For distilled spirits, the beverage tax of 10 per cent and the VAT of 20 per cent covered 43 per cent and the excise duty 57 per cent of the total tax burden in the late 1990s. At the same time, the excise duty accounted for about one third of all taxes on beer (Hurst, Gregory & Gussman, 1997). In the mid-1970s the excise duty was 29 per cent of all taxes on beer, and for distilled spirits the excise duty covered around 40 per cent of all taxes (Brown, 1978).

Counted on a pure alcohol basis, the relation of the excise duties on table wine, beer and distilled spirits in the 1990s was zero to one to two. When taking

the beverage and value added taxes into account, this relation was 0.3 to 1.0 to 1.2 (Hurst, Gregory & Gussman, 1997). In the mid-1970s the relation of the excise duties between wine, beer and distilled spirits was 0.0 to 1.0 to 2.6, and the relation of total taxes between wine, beer and distilled spirits was 0.9 to 1.0 to 1.6 (Brown, 1978).

In the late 1990s about 24 per cent of wine prices consisted of taxes. The corresponding rates for beer and distilled spirits were 37 per cent and 57 per cent (Hurst, Gregory & Gussman, 1997). In the mid-1980s the corresponding figures were 31 per cent, 39 per cent and 43 per cent (Horgan, Sparrow & Brazeau, 1986). In the mid-1970s about 40 per cent of beer prices constituted of local or federal taxes (Brown, 1978).

The abolition of the beverage tax in the year 2000 and the corresponding increase in alcohol-related excise duties on beer and distilled spirits increased the prices of very cheap beer and distilled spirits. Wines and sparkling wines, as well as more expensive beer and distilled spirits, became cheaper (Uhl et al., 2001).

Changes in excise duty levels referred to above are given in nominal values. During the 1950-2000 period the value of the Austrian currency has decreased because of inflation. The increase in general price level in Austria in the 1960-2000 period as described by the consumer price index (CPI) are given in table 3.4.

TABLE 3.4. Consumer price index in Austria, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	23.3	28.2	33.1	50.1	60.3	76.6	85.3	100.0	106.8

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

The excise duty rates for beer and distilled spirits were kept constant in the 1970–1991 period, which means that in real terms their values in 1991 were less than 40 per cent of their value in 1970. Since then the excise duty rates for beer and distilled spirits have increased faster than inflation, which means that in 2000 the excise duty on distilled spirits in real terms is on about the same level as it was in 1970 and the excise duty on beer is some 30 per cent higher than it was in 1970. Compared to the early 1990s, excise duty rates for distilled spirits and beer are currently twice or three times heavier in real terms.

According to the price data collected in the ECAS project, real prices of alcoholic beverages in Austria were more or less constant in the second half of the 1960s and in the early 1970s. By the early 1980s they had decreased by a fourth. After a 10 per cent increase in the mid-1980s real prices of alcoholic beverages did again decrease by a tenth by the mid-1990s (Leppänen, 1999).

Alcohol advertising

Advertising of alcoholic beverages is in Austria mostly restricted by a voluntary code. The most important body in this context is the Austrian Advertisement Council, an organisation dealing with all kinds of advertisements. Legal restrictions on alcohol advertising only apply to radio and television. According to the Austrian Advertisement Council it is illegal on television and radio

- to advertise distilled spirits,
- to advertise any alcoholic beverage in connection with children, youth, motor vehicle drivers and sports,
- to encourage alcohol consumption or alcohol abuse,
- to have sponsors who are active primarily in alcohol production, and
- to use subliminal advertising.

These regulations, with the exception of the ban on advertising of distilled spirits, are also valid across the borders according to a multinational agreement in 1998. The voluntary code of the Austrian Advertisement Council furthermore requires that advertisements should adhere to the following criteria:

- no images or statements encouraging excessive alcohol consumption or abuse,
- no messages aiming at children or adolescents,
- no messages playing down the risks of alcohol consumption, e.g. when driving a motor vehicle,
- no allusion to health promoting or success, nor to stimulating or healing effects of alcohol,
- no representation of the drinking act itself,
- no representation of drunk persons,
- no representation of alcohol-drinking adolescents, and
- no reference to popular idols, sports events etc.

The Austrian Advertisement Council has no legal means to sanction violators, but since the advertisement industry, the media and the clients of the advertisement industry are involved in the organisation, the threat to be excluded from the council and the possibility to lose clients seems to be somewhat effective.

Education and information

Education and information about alcohol is primarily carried out through brochures, campaigns and prevention programmes produced at the federal and state level. The media mostly deal with illicit drugs. They dramatise the drug problem and deal with alcohol in the commercial section. Negative consequences of drinking are usually related to drunk driving and alcoholism.

At the beginning of the 1980s the Ministry of Health produced a brochure on alcohol-related problems. This brochure is going to be revised and adapted in the near future. Parallel to this brochure, a shorter one was produced for circulation to medical doctors and another one to the public (Erlacher, 2001a; 2001b). These three brochures will be distributed as part of a scheduled information campaign on alcohol-related problems.

An important area of alcohol prevention programmes is the schools. In the context of prevention of illegal drugs, alcohol along with prescription drugs became a prevention issue. Presently school-based substance abuse prevention programmes put much emphasis on unspecific approaches to improve life skills in the context of health promotion. This concept, at least in theory, is aiming at a reduction of alcohol-specific problems as well.

Since the 1990s, alcohol prevention in schools is increasingly carried out by a new profession and new organisations (Uhl & Springer, 2000). As mentioned above, in the first half of the 1990s addiction prevention centres have been established on the state level. These new organisations focus on an indirect approach, assisting mediators and multipliers of information rather than working directly with the target groups, and they are also active in developing prevention concepts. Their work is based on a wide concept of addiction, including abuse of illicit drugs, prescription drugs, licit drugs and non-substance-related dependencies.

Summary

Restrictions of alcohol availability were vividly discussed by the Austrian temperance movement between the First and the Second World Wars. The temperance movement also demanded the introduction of the Swiss *Alkoholzehntel*, that is 10 per cent of the tax revenues on alcoholic beverages should be spent on alcohol information, treatment and temperance unions. Prohibition at the best was an aim for the distant future. Rationing or price regulations have never been popular in the Austrian temperance movement. Opening and closing hours were tightened up in some states, but it is to be assumed that the main reason for these measures was the socially conflictual climate between the wars and not to combat alcohol-related problems.

The temperance movement was not very strong, and it split soon after the beginning of the 1920s along party political lines. Treatment from the start was an important aim of the strongest of the temperance unions, the Workers' League of Abstainers, and it became the major alcohol-related measure established between the wars. Presumably this did happen because all could at least agree that treatment was an adequate measure against alcohol-related problems. In other words, alcoholism treatment was established instead of preventive measures because it was politically more feasible (Eisenbach-Stangl, 1991b; 1999b).

It was again alcoholism treatment that stimulated alcohol political actions soon after the Second World War. Consequently, Austrians have until today considered alcoholism to be the major alcohol-related problem. Alcoholism is conceived in psychiatric terms, i.e. it is perceived as a symptom of an underlying psychiatric disease. The idea of alcoholism as a disease *sui generis* has gained some footing during the last decades, not least due to Alcoholics Anonymous becoming visible at the end of the 1960s and in the early 1970s. In addition to alcoholism, only drunk driving gained public attention. But the attitudes towards the enforcement of harsher controls have always been quite ambivalent. Austrians like to drink and they like to drive and it is not easy to get these activities separated from each other.

Moderate alcohol consumption and occasional alcohol intoxication on the one hand and alcoholism on the other hand are perceived as distinct phenomena. As a result of this, one has to expect that any control measures aiming at alcohol consumption in general will face public resistance.

Today there are no alcohol-related pressure groups in Austria, neither those in favour of harsher controls nor those in favour of more liberalised controls. The alcohol industry is not a uniform political block, since alcohol is produced mostly on the one hand by small farmers who are producing wine or wine and distilled spirits, and on the other hand by relatively big industrial firms producing beer and distilled spirits. Alcohol producers and the catering, tourism and leisure-

time industries are of course interested in moderate alcohol controls. Their traditional official opinion is against harmful drinking and supports responsible alcohol use.

After joining the EU, Austria had to change some laws touching alcohol issues but not too many. If the EU should decide to issue a legal restriction on advertising of alcoholic beverages, health warnings or related regulations, Austria would probably go along, but it is very unlikely that the Austrian administration would go ahead with such regulations independently. Another aspect of internationalisation is that Austria signed the European Alcohol Action Plan of the WHO-EURO in 1995 and this was an incentive to the administration to restart some alcohol-related activities.

Since the prices of alcoholic beverages in Austria are at around the European average, it is realistic to expect that private imports from cheaper countries and private exports into more expensive countries compensate for each other to a large degree. The legal opportunity to import and export alcoholic beverages within the single European market has had an influence on the origin of alcoholic beverages. Foreign products are relatively cheaper now, but this has not had any dramatic influence on the average level of the prices of alcohol beverages or the overall consumption of alcoholic beverages. However, a major problem associated with the increasing unrecorded cross-border trade in alcoholic beverages is that consumption estimates based on official production, import and export statistics are becoming more unreliable for a new reason.

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Chapter 4

Belgium

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The country

Belgium is located in north-western Europe, south of the Netherlands, west of Germany and Luxembourg, and north of France. From the west, Belgium is bordered by the North Sea. Belgium has a total area of 30,528 km² and a little over 10 million inhabitants. The population density is 330 inhabitants per km². Some 97 per cent of the population live in urban areas. About 80 per cent of the Belgian population are Roman Catholic.

From 1830 Belgium has been an independent monarchy. In 1921, it formed the Belgo-Luxembourg Economic Union with Luxembourg. In 1947 the Benelux Customs Union was established between Belgium, Luxembourg and the Netherlands. In 1958 this customs union was extended into an agreement for full economic integration, and in 1960 the Benelux Economic Union became operative.

Belgium is one of the most industrialised countries in Europe. With about three-quarters of exports going to other European countries, Belgium has been a strong proponent of integrating European economies. The country has one of the world's highest gross domestic product (GDP) per capita, fostered by a prosperous manufacturing industry, concentrated on basic metals and metal products, engineering and motor vehicle assembly, processed food and beverages, textiles and glass, and chemicals, petroleum and coal. However, nowadays the most important sector of the Belgian economy is the service sector. In the mid-1990s, about 28 per cent of the population worked in the industrial sector, approximately 3 per cent in the agriculture and about 69 per cent in the service sector.

Belgium has a bicameral parliament consisting of the Senate, and the Chamber of Deputies, elected for four-year terms. In recent decades, Belgium has evolved into a federal structure via four sets of institutional reforms in 1970,

⁴ We would like to thank Marijs Geirnaert, Else De Donder, and Luk van Baelen from Vereniging voor Alcohol- en andere Drugproblemen (VAD), and Luc Bils from Comité de Concertation Alcool-Drogues (CCAD) for assisting us to write this chapter. The ECAS Alcohol Policy Questionnaire (ECAS APQ) for Belgium was filled in by Luk van Baelen.

1980, 1988–1989 and 1993. The federal state, however, retains important areas of competence including: foreign affairs, defence, justice, finances, social security as well as important areas of public health and domestic affairs.

Tensions with regard to language question have pushed Belgium towards the federal state structure. These tensions stem from the fact that Belgians descend from three cultural groups, the Flemings (Dutch), the Walloons (French) and the Germans. The Flemish provinces are situated in the north and are called Flanders. The Walloon provinces are situated in the south and are called Wallonia. The German province is situated in the eastern part of Belgium. The capital city, Brussels, is an enclave within Flanders.

In 1963 three official languages, Dutch, French, and German, were established by law in Belgium. Nearly 58 per cent of Belgians speak Dutch as their mother tongue, 32 per cent speak French, and about 10 per cent are bilingual or speak German or some other language. The language division is also reflected in Belgium's political and social institutions. Flanders, Wallonia, and Brussels nowadays each elect a council responsible for territorial matters such as planning, transportation, and energy. Furthermore, independent linguistic councils for the Dutch-, French- and German-speaking communities are in charge of education, health care, and communications.

Alcohol production and trade

At the beginning of the twentieth century there were almost 3,400 breweries in Belgium (Hurst, Gregory & Gussman, 1997). In 1998 the corresponding figure was 110. Despite the substantial decrease in the number of small breweries, the methods of craftsman brewing are still practised, and Belgium is famous for its unique and special beers. Pils is the most popular beer, accounting for over two-thirds of the beer market. In the 1950s, some 10 million hectolitres of beer was produced yearly (International Statistics, 1977). In the second half of the 1990s the yearly beer production was over 14 million hectolitres. More packaged than draught beer was produced, and in 1995 packaged beer accounted for 61 per cent of total beer production.

In 1995, nearly one third of the beer produced in Belgium was exported, mainly to the neighbouring countries. During the last five decades beer exports have increased. In the late 1950s the yearly exports of beer were under 0.2 million hectolitres, in 1970 they were about one million hectolitres, in 1980 over two million hectolitres, in 1990 nearly three million hectolitres and in 1995 beer exports reached the amount of 4.8 million hectolitres. Beer imports have decreased from 1.2 million hectolitres in 1975 to 0.7 million hectolitres in 1998. In the late

1990s, imported beer accounted for about 5 per cent of the total beer consumption in Belgium (Hurst, Gregory & Gussman, 1997).

Because of the climate, growing of grapes is practically impossible in Belgium. Although there is some domestic wine production, imported wines account for almost all of the wine consumed in Belgium. French wines alone account for about 80 per cent of the wine sales. Still wines account for 90 per cent of the wine market. The rest consists of sparkling wines and champagne. Red wines cover about 70 per cent of the wine sales, although white wines have been increasing in popularity in recent years (Hurst, Gregory & Gussman, 1997).

The production of distilled spirits in Belgium in the 1950-1972 period was on the average 0.1 million hectolitres per year, and the imports of distilled spirits were in the beginning of the 1970s about 0.2 million hectolitres per year (International Statistics, 1977). The figures for Belgium's production of distilled spirits in terms of pure alcohol given by Hurst, Gregory and Gussman (1997) are 0.2 million hectolitres for 1975 and less than 0.1 million hectolitres for 1989. The corresponding figures for imports of distilled spirits are 0.1 million and 0.2 million hectolitres. In both of these sources the figures for production, export and import do not, however, match with the figures for consumption. One confounding factor may be that both export and import figures refer rather to Belgium and Luxembourg than only to Belgium (Hurst, Gregory & Gussman, 1997). According to the data delivered to us by our Belgian informants the production of distilled spirits decreased between 1995 and 1998 from 0.6 million hectolitres to 0.1 million hectolitres. At the same time the yearly imports of distilled spirits were about 0.4 million hectolitres. Our vague conclusion, therefore, is that most of the distilled spirits consumed in Belgium are imported.

Alcohol consumption

At the beginning of the twentieth century the consumption of both distilled spirits and beer was high in Belgium. In 1900, the per capita consumption of distilled spirits was 4.7 litres of pure alcohol per capita and beer consumption, counted in litres of the product, 220 litres per capita. The total per capita consumption of alcoholic beverages in terms of pure alcohol was 12.5 litres. Since then the level and structure of alcohol consumption have changed dramatically in Belgium. Due to harsh government measures, the consumption of distilled spirits dropped to 0.6 litres of pure alcohol per capita by 1939. These measures included sharp increases in excise duties on distilled spirits and the Vandervelde Law, which for a brief period in 1918 prohibited distilled spirits. The Vandervelde Law was modified in 1919 to allow the sale of distilled spirits for

home consumption from licensed premises, provided that the sale amounted to at least two litres. This rule was in force until 1983, when it was abolished by the law of licences and supply of distilled spirits. Between 1900 and 1939 beer consumption fell by 30 per cent and it continued to decrease between 1939 and 1950 while the consumption of distilled spirits and wine rose slightly at the same time. The total alcohol consumption continued on a downward trend in the years before the Second World War (Hurst, Gregory & Gussman, 1997).

In the 1950s the trend in total alcohol consumption turned, and per capita alcohol consumption doubled between 1950 and the mid-1980s (Table 4.1). It peaked in 1983 at 10.8 litres of pure alcohol per capita. Since then alcohol consumption has again decreased, falling to 8.4 litres per capita by 2000 (World Drink Trends, 2002). This is the lowest level since 1969.

TABLE 4.1. Consumption of alcoholic beverages by beverage categories in Belgium in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	5.93	7.24	10.04	10.60	9.20
Consumption of distilled spirits	0.67	0.98	1.94	2.07	1.18
Consumption of wines	0.86	1.14	2.03	2.69	2.99
Consumption of beer	4.40	5.12	6.08	5.85	5.03
Percentage of distilled spirits	11	13	19	20	13
Percentage of wines	15	16	20	25	32
Percentage of beer	74	71	61	55	55

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

Beer consumption increased in Belgium in the 1950s and 1960s, with the peak at 143 litres per capita in 1973. Since the mid-1970s beer consumption has declined to 98 litres per capita in 2000, which is the lowest level since the 1940s, and in fact also the lowest level since the beginning of the twentieth century (World Drink Trends, 2002).

Wine consumption has increased since the 1950s. Counted in litres of the product, wine consumption reached a level of 25.6 litres per capita in 1993, which is almost five times the 1950 level. In 2000 the per capita consumption of wine was about 25 litres (World Drink Trends, 2002).

The consumption of distilled spirits peaked in 1980 at 2.4 litres of pure alcohol per capita. From 1981 to 1987, the consumption of distilled spirits fluctuated between 1.9 and 2.2 litres in terms of pure alcohol in a year, and then dropped to 1.5 litres in 1988 and further to 1.2 litres of pure alcohol in 1990. In

the 1990s the consumption of distilled spirits has been quite stable. In 2000 it was 1.2 litres in terms of pure alcohol per capita (World Drink Trends, 2002).

The proportion of beer of the total alcohol consumption has eroded since the late 1950s, going from a high of 76 per cent in 1959 to a low of 54 per cent in 1985. Since then, the proportion of beer of the total alcohol consumption has fluctuated, and in 2000 it stood at 58 per cent. The proportion of distilled spirits of the total alcohol consumption peaked in 1978 at 23 per cent. By 1990 it had decreased to 12 per cent and then stayed at about this level. The proportion of wines of the total alcohol consumption has increased the most, from 13 per cent in 1950 to 28 per cent in 2000 (World Drink Trends, 2002).

Beer is typically consumed daily and wine on weekends or on special occasions. While wine and distilled spirits tend to be consumed with meals at home, beer is consumed more often on the premises (Hurst, Gregory & Gussman, 1997; see also Simpura & Karlsson, 2001). Most of the 60,000 places in Belgium that retail alcoholic beverages are very popular, and it is also possible to obtain alcoholic beverages, excluding distilled spirits, in youth clubs, as well as in sports centres and arenas.

It has been argued that official per capita consumption figures for wine and distilled spirits may understate the true consumption because of cross-border shopping. Furthermore, it has been claimed that the cross-border trade in alcoholic beverages is not restricted to individual travellers only, as many licensed premises also purchase alcoholic beverages outside Belgium because of lower prices. According to Hurst, Gregory and Gussman (1997) it has been estimated that up to 40 per cent of the wine consumption is made up of unrecorded purchases from neighbouring countries (Hurst, Gregory & Gussman, 1997, 52). The same problem is said to exist for distilled spirits, although to a lesser degree. Our Belgian informants were not able to show any exact numbers on cross-border trade with alcoholic beverages, but they thought that the above figures looked far too high. In the ECAS project, Leifman (2001) has concluded that it is possible that unrecorded alcohol consumption in Belgium is of the same magnitude as it is in the Netherlands, in other words about 0.5 litres of pure alcohol per capita. The explanation for this figure is that Belgium shows a rather similar tax burden on alcoholic beverages as the Netherlands, and a similar tourist surplus and duty-free purchases (Trolldal, 2001). Belgium also partly shares the same experiences as the Netherlands with regard to illegal spirits production (Leifman, 2001).

While the per capita consumption of alcoholic beverages is nowadays about 120 litres in a year, the consumption of commercial non-alcoholic beverages goes up to nearly 440 litres per capita. The per capita consumption of non-alcoholic beverages includes 130 litres of coffee, 124 litres of bottled waters, 94 litres of soft drinks, 60 litres of milk and 30 litres of juices in a year. Since the mid-1980s the yearly consumption of bottled waters has increased by 66 litres

per capita, that of soft drinks by 28 litres, and that of juices by 20 litres. During the last decade the consumption of both milk and coffee has remained almost stable (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

There is no explicit, comprehensive alcohol policy in Belgium, although some elements could be interpreted as such (see Moser, 1992). The existing preventive alcohol policy measures in Belgium are linked to the state structure. Apart from the federal government, each linguistic community, the Flemish, French and German community as well as the capital, Brussels, have their own government. The division of competencies between these different levels is not always very clear.

Primary prevention of alcohol-related problems is mainly a matter for the linguistic communities. However, security problems like public order, problems related to traffic like drunk driving, as well as the financing of treatment are within the competency of the federal government, as well as the legislation, taxing policy and licensing with regard to alcoholic beverages. As all these aspects are part of a global approach of alcohol prevention, cooperation between the different levels is necessary (ECAS APQ, 1999).

Changes in the administrative structure of preventive alcohol policies have occurred as part of general changes in the state structure of Belgium. Before 1980, for instance, alcohol prevention was a federal matter. There was only one coordinating agency in the whole of Belgium and it was mainly focused on the primary prevention of alcohol problems. In 1982, the regions and linguistic communities were given larger responsibilities in the formation of the preventive alcohol policies, and coordinating agencies were established in each linguistic community. Since the 1990s these agencies have been also involved in prevention of drug problems, and, as of today, the illegal drug problems are attracting much more attention and financial resources than alcohol prevention (ECAS APQ, 1999).

At present, each linguistic community, as well as Brussels, supports a coordinating agency that is responsible for the implementation of alcohol and drug prevention. The coordinating agency for the Flemish Community is Vereniging voor Alcohol en andere Drugproblemen (VAD), for the French Community Comité de Concertation sur l'Alcool et les autres Drogues (CCAD), for the German Community Arbeitsgemeinschaft für Suchtvorbeugung und

Ledensbewaltigung (ASL) and for Brussels Overleg Drugs Brussel/Concentration Toxicomanie Bruxelles (ODB/CTB).

At the community level, prevention is structured according to the policy of each linguistic community and coordinating agency. For the Flemish community, there are coordinating structures at the level of each province. They aim at bringing together the field workers and organisations financed by federal, Flemish and local authorities to coordinate their actions at the local level. They have a global approach on alcohol and drug misuse in all sectors of the society, i.e. education, youth work, workplace, health care, welfare and leisure sector. Prevention activities are aimed at key persons in the different sectors who are trained and supported to develop a local alcohol and drug policy. The French Community has in its actions sponsored educational programmes in schools and at the workplace trying to promote responsible consumption of alcoholic beverages. The small German Community, with only approximately 60,000 inhabitants, has also developed a global approach on alcohol and drug misuse at the local level. Their actions are supported and coordinated by ASL. Brussels has a complex structure with, on the one hand, a bilingual coordinating structure, organised by the region of Brussels, and, on the other hand, a Flemish coordinating structure, sponsored by the Flemish Community (ECAS APQ, 1999).

Licensing policy

In Belgium licensing policy is a federal matter. Therefore, the same kind of licensing policy is implemented in the whole country. Alcohol producers as well as alcohol importers and wholesalers need a licence, which is granted to them by the federal Ministry of Finance. The licence has to be renewed annually. The overall regulations of alcohol production, import and wholesaling are linked to the general legislation on taxation and import in Belgium. The regulations are supervised and controlled at the local level.

Also on- and off-premise retailers of alcoholic beverages need a licence to operate. The licence is granted to them by the federal Ministry of Finance. The retail licence, the fee for which depends on the type of establishment, has to be renewed annually (ECAS APQ, 1999). An additional licence is needed for on-premise retail sale of alcoholic beverages with an alcohol content over 22 per cent by volume.

Restrictions of availability

Restrictions on alcohol availability are within the federal competence and thus apply for the whole country. The liquor legislation from November 1918, known as the Vandervelde Law, prohibited the consumption of distilled spirits for a short period. This law was modified in 1919 to allow the off-premise sale of distilled spirits. There was, however, a limit of a minimum purchase of two litres. This minimum purchase was aimed preventing persons of modest income from buying distilled spirits. The prohibition of the consumption of any alcoholic beverages over 22 per cent alcohol by volume in a café or any other on-premise public place was continued (Brown, 1972). This law was repealed as late as in 1983 after which it was legal to buy all kinds of alcoholic beverages both off and on the premises. Although this legislation was very restrictive, it was never seriously enforced and therefore had little effect on consumption of distilled spirits.

According to the law from 1939 concerning the control of drunkenness, it is forbidden for people selling alcoholic beverages on the premises to serve them to children under 16 years of age. In addition, the law from 1983 concerning licences and the supply of distilled spirits prohibits to sell distilled spirits to minors under 18 years of age for on-premise consumption. This law also prohibits selling and offering distilled spirits to minors for off-premise consumption. There are no legal age limits for selling or buying beer or wine for off-premise consumption.

The 1939 law also prohibits serving alcoholic beverages to someone who is manifestly drunk. Furthermore, those serving alcoholic beverages can be held responsible for accidents or damage caused by alcohol misuse. In practice, however, this is very rarely enforced. Furthermore, the law concerning the moral protection of youth from July 15, 1960, and amended in 1973, states that youngsters under 16 years of age cannot enter a dancehall or a licenced premise while there are people dancing, unless they are accompanied by a legal guardian.

Local authorities generally regulate hours of sale and usually no special regulations for the retail sales of alcoholic beverages are prescribed (Hurst, Gregory & Gussman, 1997). Usual business hours for ordinary shops are from 8 a.m. to 8 p.m. and on Fridays to 9 p.m. Special night shops have the permission to keep their shops open from 6 p.m. to 7 a.m. (ECAS APQ, 1999). All this means that in practice alcohol is available in Belgium at all times, because night shops, located mainly in cities, are open during the closing hours of ordinary shops.

The on-premise retailers, as long as they have a valid licence, can sell alcoholic beverages during the time their shop or establishment is open. The closing hours of cafés and bars depend on the locality but they are usually open rather late. In cities, cafés and bars are usually open until 1 a.m. or even to 3 a.m., and they can exceed their time regulation by paying an extra tax per hour. Also in

the morning some cafés open before 7 a.m., for instance, in the vicinity of railway stations.

In addition to the above mentioned regulations from 1952, the consumption of fermented and distilled beverages containing over six per cent alcohol by volume is prohibited in factories, and offices or any other place of work. According to the law 28/12/1983 concerning the distribution of distilled spirits, it is illegal to serve distilled spirits in establishments built on public roads or on the property of a highway with the exception of café terraces built on pavements which are part of establishments that have a licence to serve distilled spirits. It is also forbidden to serve distilled spirits in locations for public events like sports, cultural or political events without acquired authorisation. Furthermore, it is forbidden to serve distilled spirits in hospitals, schools and places to which minors have access (ECAS APQ, 1999).

Alcohol taxation

The current method of alcohol taxation varies depending on the beverage category (Table 4.2). For beer, excise duties are levied on the basis of hectolitre per degree of Plato in the finished product, and they are applicable to beer with an alcohol content over 0.5 per cent by volume. Reduced rates of excise duties on beer are given to small independent breweries, whose total annual production does not exceed 200,000 hectolitres. At its lowest this rate is 13 per cent lower than the standard rate, or 60 Belgian francs per hectolitre per degree of Plato for breweries whose yearly production is not exceeding 12,500 hectolitres. For fermented still and sparkling wines, the excise duties are applied on the basis of hectolitres of the product. For wines with an alcohol content less than 8.5 per cent by volume, the excise duty is set at 600 francs. Higher rates are applied to stronger wines, and there are also different rates for still and sparkling wines. Like wines, the excise duties on intermediate products are also applied on the basis of hectolitres of the product. The excise duty on distilled spirits is levied per hectolitre of pure alcohol in the finished product.

TABLE 4.2. Excise duty rates for alcoholic beverages in Belgium in 2000 in Belgian francs and in euro

Alcoholic beverage category*	BFR	EUR
Beer, per hectolitre per degree of Plato in the finished product	69.00	1.71
<i>Wine, and fermented beverages other than wine or beer, per hectolitre of the product:</i>		
Not exceeding 8.5% alcohol by volume	600.00	14.87
Over 8.5 to 15% alcohol by volume, still	1,900.00	47.10
Over 8.5 to 15% alcohol by volume, sparkling	6,500.00	161.13
<i>Intermediate products, per hectolitre of the product :</i>		
Not exceeding 15% alcohol by volume	3,000.00	74.37
Over 15% alcohol by volume, still	4,000.00	99.16
Over 15% alcohol by volume, sparkling	5,149.00	127.64
Distilled beverages, per hectolitre of pure alcohol in the finished product	67,000.00	1,660.89

*For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

The economic union between Belgium and Luxembourg have amongst others meant that the structure of alcohol excise duties was harmonised in these countries. In Belgium and Luxembourg two excise duty rates were levied on alcoholic beverages, one of which was common to both countries and one of which was individually applied.

In the early 1970s the excise duty levied on beer was calculated per hectolitre of pure alcohol in the finished product. This excise duty rate for beer was progressive on the basis of the yearly beer production of the breweries (see Table 4.3). The excise duty on distilled spirits was levied at a certain rate per degree of alcohol in the finished product plus a specific consumption tax per hectolitre at 50 per cent alcohol by volume. There was a basic excise duty per hectolitre of product on wine up to 12 per cent alcohol by volume. For wine with a higher alcohol content there was an additional tax about twice the basic rate for each degree of alcohol over 12 per cent by volume (see Brown, 1972).

After 1972 and before 1993 the excise duties on beer were adjusted in the years 1975, 1981 and 1990 (Table 4.3). The increases in excise duty rates were about 35 per cent, 55 per cent and 45 per cent, respectively. This means that the excise duty rate for beer in 1990 was about three times the rate in 1972. In the 1980s the part of the excise duty payable both in Belgium and Luxembourg was about the same as the part payable only in Belgium (Brown, Dewar & Wallace, 1982; Horgan, Sparrow & Brazeau, 1986; Sparrow et al., 1989). In 1990 the part of the excise duty on beer payable both in Belgium and Luxembourg was about

one third of the total excise duty on beer payable in Belgium (Brazeau et al., 1992).

TABLE 4.3. Excise duty rates for beer in Belgium from 1972 to 1993 in Belgian francs per hectolitre per degree of alcohol according to the yearly production of breweries

From (year/month)	First 10,000 hectolitres	10,001– 50,000 hectolitres	50,000– 300,000 hectolitres	50,001– 1,250,000 hectolitres	300,001– 1,250,000 hectolitres	Over 1,250,000 hectolitres
1972	37.10	41.30		46.70		50.90
1975	43.80	52.30	63.30		64.50	69.00
1981 / 6	68.00	81.30	98.30		100.20	107.20
1990 / 4	116.00	129.30		147.80		155.20

Source: Hurst, Gregory & Gussman, 1997, 61.

As a part of the move towards the single European market, the beer excise duty system based on hectolitre of pure alcohol in the finished product was replaced in 1993 with one based on hectolitre per degree of Plato in the finished product (Table 4.4). The change from defining and calculating the excise duty on the basis of degree of alcohol to degree of Plato did not, however, affect the level of excise duty on beer (see Table 4.5). In 1993 basic excise and special excise duty rates were set at 32 francs and 27 francs, respectively, giving a total standard rate of 59 francs per hectolitre for each degree of Plato. In November 1966, the total standard rate was increased by 17 per cent to 69 francs. Thus the current basic excise duty rate of 32 francs and a special excise duty rate of 37 francs were reached (Hurst, Gregory & Gussman, 1997).

TABLE 4.4. Excise duty rates for beer in Belgium effective in January 1993 and in November 1996 per hectolitre per degree Plato in Belgian francs according to the yearly production of breweries

From (year/month)	At most 12,500 hectolitres	At most 25,00 hectolitres	At most 50,000 hectolitres	At most 75,000 hectolitres	At most 200,000 hectolitres	Over 200,000 hectolitres
1993/1	50.00	52.00	54.00	56.00	58.00	59.00
1996/11	60.00	62.00	64.00	66.00	68.00	69.00

Sources: Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, January 1997.

In 1993 also the categories concerning the amount of production according to which the excise rates were differentiated changed. In tables 4.3 and 4.4 it can be noted that the difference between the excise duty rates in the lowest and highest production categories has decreased during the last three decades.

Table 4.5 summarises the changes in alcohol excise duty rates since the early 1970s. Excise duty rates for distilled spirits have been calculated on the basis of hectolitre of pure alcohol in the finished product irrespective of the formal system of levying the excise duty on distilled spirits. Excise duty rate for wine containing 12 per cent alcohol by volume represents all wine in table 4.5, and excise duty rates for beer are estimates for beer with an alcohol content of five per cent by volume.

Table 4.5. Excise duty rates for distilled spirits per hectolitre of pure alcohol in the finished product, for table wine with 12 per cent alcohol by volume per hectolitre of the product and for beer containing five per cent alcohol by volume per hectolitre of the product, 1972–1986, Belgian francs

From (year/month)	Distilled spirits	Table wine	Beer
1972	22,000	600	255
1975	26,000	600	345
1976/1	30,500	1,200	345
1980/7	42,500	1,200	345
1981/7	56,500	1,200	536
1982/3	56,500	1,300	536
1984/1	56,500	1,471	536
1989/1	63,500	1,471	536
1990/4	63,500	1,471	776
1993/1	63,500	1,471	767
1996/1	67,000	1,900	897

Sources: Brown, 1972; Brown, 1976; Brown, 1978; Brown, Dewar & Wallace, 1982; Sparrow et al., 1989; Brazeau et al., 1992; Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, January 1997.

As table 4.5 shows, excise duty rate for distilled beverages has changed in six instances since 1972, i.e. in the years 1975, 1976, 1980, 1981, 1989 and 1996. The increases have been 18 per cent, 17 per cent, 39 per cent, 33 per cent, 12 per cent and 6 per cent, respectively. In the year 2000, the excise duty rate for distilled spirits was nearly three times the rate in 1972. Since 1972 excise duty rate for wine has increased in 1976, 1982, 1984 and 1996. The increases have been 100

per cent, 8 per cent, 13 per cent and 29 per cent, respectively. It means that in the year 2000 excise duty rate for wine was little over three times the rate in 1972. In the year 2000 the excise duty rate for beer was 3.5 times the rate in 1972.

Changes in excise duty levels in table 4.5 are given in nominal values. During the 1950–2000 period the value of the Belgian currency has decreased because of inflation. The increasing price level in the Belgium in the 1960–2000 period as described by the consumer price index (CPI) are given in table 4.6.

TABLE 4.6. Consumer price index in Belgium, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	20.8	23.6	28.0	41.8	56.8	79.8	88.6	100.0	108.6

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When comparing the excise duty rates for different alcoholic beverages with the CPI it can be noted that in the year 2000 the real value of the excise duty rate for distilled spirits was about 15 per cent and that for table wine about 10 per cent lower than they were in 1972. The real excise duty rate for beer was about the same in the year 2000 as it was in 1972. It should be noted that the choice of the years affects the comparisons. For instance, if the change in the real excise duty rate for wine had been counted for the period 1975–2000, the result would have been an increase of 22 per cent. Therefore, a reasonably fair conclusion is that in Belgium the real burden of excise duties on alcoholic beverages has stayed about the same during the last three decades.

Nowadays the value added tax (VAT) of 21 per cent is levied on all alcoholic beverages. This has not always been the case (Table 4.7). In the early 1970s a VAT of 6 per cent was levied on beer and wine, and a VAT of 25 per cent on distilled spirits. In the mid-1970s a 6 per cent VAT was applied only on on-premise sale of beer while in the late 1970s the VAT put on all beer, 16 per cent, was clearly lower than the 25 per cent VAT put on wine and distilled spirits. From 1992 on, the VAT rate has been the same for all alcoholic beverages. In the 1990s the VAT has been around 20 per cent on all alcoholic beverages. This means that during the last three decades the total burden of excise duties and VAT has increased somewhat for beer and decreased somewhat for distilled spirits.

TABLE 4.7. Rates of value added taxes on alcoholic beverages by beverage categories in Belgium, 1972–1996, per cent

From (year)	Beer		Wine	Distilled spirits
	On-premise	Off-premise		
1972	6.0	6.0	6.0	25.0
1975	6.0	14.0	14.0	25.0
1977	14.0	14.0	25.0	25.0
1978	16.0	16.0	25.0	25.0
1981	17.0	17.0	25.0	25.0
1983	17.0	19.0	25.0	25.0
1992	19.5	19.5	19.5	19.5
1993	20.5	20.5	20.5	20.5
1996	21.0	21.0	21.0	21.0

Source: Hurst, Gregory & Gussman, 1997.

Calculated on the basis of pure alcohol, the excise duty rate for distilled spirits is nowadays 3.7 times that for beer. The VAT reduces the relative weight of total tax burden between these beverages to 2.4 times. In 1975 alcohol in the form of distilled spirits was taxed three times the alcohol in beer, and in the mid-1980s four times the alcohol included in beer. For still wine, the excise duty is 0.9 times that of beer. After taking into account the VAT, the total tax burden on alcohol in the form of wine is about the same as in the form of beer. In 1975 the corresponding figure was 0.7. Between 1976 and 1992 this figure fluctuated between 1.5 and 2.3. The relative weight of tax burden on sparkling wine compared to beer, VAT included, is 2.4 times (Hurst, Gregory & Gussman, 1997).

Nowadays some 31 per cent of beer prices consist of taxes. The corresponding figures for distilled spirits and table wines are 55 per cent and 28 per cent. These figures have decreased since the mid-1980s by about 5 percentage points for each alcohol beverage category (Sparrow et al., 1989; Brazeau et al., 1992; Hurst, Gregory & Gussman, 1997). Against this background it is somewhat surprising that according to the price data produced in the ECAS project, the real price of alcoholic beverages decreased in Belgium in the 1970–1985 period by some 25 per cent, increased somewhat in the beginning of the 1990s and decreased by nearly 15 per cent from 1992 to 1996 (Leppänen, 1999). In the 1950s and 1960s the real price of alcoholic beverages stayed nearly constant or decreased somewhat (Sulkunen, 1978, 199).

Alcohol advertising

In Belgium alcohol advertising is regulated by the Law on Commercial Practices, from July 11, 1991, and by voluntary guidelines. Since 1989 the Francophone National Broadcasting Company has not accepted advertising for products containing more than 10 per cent alcohol by volume, and the Flemish National Broadcasting Company will only accept advertising for alcohol after 6 p.m. (ECAS APQ, 1999).

According to a decree from July 1991, radio stations that send advertisements for medicines or medical treatment, as well as for alcoholic beverages, have to give free transmission time to the government. The free transmission time is used by the government to promote health education campaigns.

In January 1993 the Advertising Council adopted an advertising code for alcoholic beverages. The code was drawn up in collaboration with the Belgian Federation of Wines and Spirits and applies to all alcoholic beverages over 1.2 per cent alcohol by volume, except for beer. In July 1993, a similar code for the advertising of beer was put together by the Arnoldus Group, a Belgian social aspect organisation funded by beer industry.

The following restrictions imposed by the Flemish Government in 1995 are applied to advertising of alcoholic beverages on both radio and television (Judgement of the Flemish Government 25/1/1995):

- Advertising of beer, wine and distilled spirits may not be specifically addressed to minors and cannot show minors who are drinking alcoholic beverages.
- Advertising of alcoholic beverages may not connect the consumption of alcohol and improvement of physical performance or driving behaviour.
- Advertising of alcoholic beverages may not suggest that the consumption of alcohol leads to social or sexual success.
- Advertising of alcoholic beverages may not suggest that alcoholic beverages have therapeutic value or have a stimulating or calming effect or decrease tension.
- Advertising of alcoholic beverages may not give a negative picture of abstinence or of moderate consumption of alcohol.
- Advertising of alcoholic beverages may not stress a high alcohol concentration as a positive quality of drinks.

Education and information

Until the late 1970s, the Belgian government supported a national committee for the study and prevention of alcoholism. The efforts of this committee were aimed at informing students of the dangers of alcohol misuse. This committee was later replaced by three government-funded organisations from the different linguistic communities in Belgium, whose mandates were to reduce alcohol misuse. The organisations operate independently and meet on a regular basis and collaborate on various programmes (Hurst, Gregory & Gussman, 1997).

In the field of drunk driving there is an annual information campaign, namely the BOB campaign. The campaign is an initiative by the Belgian Institute of Traffic Safety in close collaboration with the Arnoldus Group. The BOB campaign encourages persons to have fun without having to drink alcohol. In the campaign, a designated driver, the BOB person, voluntarily drives people in a sober state home from the pub. The BOB campaign is repeated yearly and it has proven to be very successful. The campaign is advertised on television and radio as well as on billboards along the roads. The campaign is supplemented by increased controls on drunk driving by police. The BOB campaign seems to have had a positive effect regarding the number of drunk driving offences.

In Flanders, the Health Promotion School Network was set up in 1992. Alcohol is one of the topics which can be dealt with by schools. Different educational materials are developed for schools to support health promotion in general. Since 1992 a general concept of drug policy at schools has been developed. The drug policy at schools is a comprehensive concept in which the use of drugs and alcohol are tackled as addictive behaviour. The programme consists of three different components: development of a plan including school policy, tasks, rules and regulations, alcohol and drug education including school and class climate and curriculum, and intervention including early detection of signs of alcohol and drug use and misuse, and how to handle and counsel in the case of alcohol and drug problems.

In addition to publishing information and educational material on alcohol and drugs, VAD supports enterprises and local governments in the development of an alcohol policy at the workplace consisting of regulation, intervention and information. An education training pack has been developed to be introduced in socio-cultural organisations, giving adults and parents information about alcohol use and misuse. Materials are developed to implement a local alcohol and drug policy. In addition to these materials, different training courses are carried out. There is also the drug help line (Druglijn), which gives information about risks and harms of alcohol and drugs.

Drunk driving

Blood testing for drivers was introduced in 1958, the maximum permissible blood alcohol concentration (BAC) level being set to 0.15 per cent. The BAC level was reduced to 0.08 per cent in 1968. The same year breathalyser tests were introduced.

Since December 1994 the legislation with regard to the maximum BAC in traffic was changed. The maximum BAC level decreased from 0.08 per cent to 0.05 per cent. At the same time, the fines increased and more offences than before were followed up with the suspension of the driving licence.

The BAC limit is fairly effectively enforced in Belgium. Especially during the Christmas period, but also along the rest of the year random breath controls are performed. When a person is caught and convicted of driving with a BAC over the legal limit, the penalty for a first offender is usually suspension of his or her driving licence. For a recidivist the penalty is a fine and imprisonment. The fine for drunk driving is currently from 5,000 to 400,000 francs or from 125 to 9,920 euro and an imprisonment from 15 days to six months. The suspension of the driving licence is from eight days to five years (ECAS APQ, 1999).

Administrative structure of treatment for alcoholism

A variety of services are available for treatment, and general practitioners more and more often refer people who have alcohol problems to treatment at an early stage for brief interventions. Increasing attention is also paid to the families of alcoholics through the helping professions and legal provisions. The law of 1965 on the protection of youth permits the deprivation of parental rights from an alcoholic and the provision of educational assistance to children of neglectful parents or to young people having alcohol problems themselves (Moser, 1992).

At the community level, there are many voluntary organisations like Alcoholics Anonymous (AA), Al-Anon, and Al-Ateen that take care of a considerable part of the support and help in the management of alcohol problems. On the primary health care level, general practitioners and other health care professionals in the social and welfare sector have an important role in the early detection and treatment of alcoholism and alcohol-related problems. Especially brief intervention has grown in importance during the last five years.

There is a good network of inpatient and outpatient treatment centres with a variety of different treatment programmes. First, there are the centres for mental

health, which are organised at a regional level, Flemish, Walloon and Brussels. Secondly, there are the psychiatric hospitals, which are subsidised by the federal government. Finally, there are the therapeutic communities, which are subsidised by the federal government, but are mainly involved in the treatment of illegal drug problems. Detoxification service is also provided, mostly in general hospitals, but also in psychiatric hospitals. The AA as well as outpatient services in the mental health sector are mainly in charge of the aftercare.

Summary

Both the level and the structure of total alcohol consumption have changed greatly in Belgium during the 1950-2000 period. The total alcohol consumption first doubled from the early 1950s to the mid-1980s. At the same time, the proportion of beer of the total alcohol consumption decreased from about 75 per cent to about 55 per cent. Since the mid-1980s the total alcohol consumption has decreased by nearly a fifth while the consumption of wine has been on the increase. Despite the growth in wine consumption, Belgium is still a beer drinking country even if the proportion of wine consumption has grown to a third of total alcohol consumption by the end of the 1990s.

There is a variety of alcohol control measures in Belgium. These measures are rather diverse, and preventive alcohol control measures vary according to the linguistic communities and regions. In very general terms they include, for instance, licensing of alcohol production and trade, age limits on on-premise retailing, prohibition of consumption of distilled spirits and wine at workplace, restrictions on serving distilled spirits along highways or certain public leisure events, a legal BAC limit for drunk driving and special excise duties on alcoholic beverages. On the other hand, it is totally clear that alcohol control measures and changes in them are not able to explain changes in total alcohol consumption and its structure.

Compared to the early 1950s, regulations on drunk driving or alcohol advertising are nowadays stricter than fifty years ago. There are also more alcohol education and information available in Belgium than there were fifty years ago. On the other hand, still today Belgium is one of the few ECAS countries that does not have legal age limits on selling or buying beer or wine for consumption off-premise.

Against this background the strict alcohol control measures in the first decades of the twentieth century, including the Vandervelde Law prohibiting sales of distilled spirits in the late 1910s, may be a surprise. Without a closer analysis of these earlier decades of the twentieth century it is not possible the

explain the rise of these measures. We can, however, conclude that the imposed strict alcohol control measures go hand in hand with decreases in total alcohol consumption during the first decades of the twentieth century. The Vandervelde Law is also a good example of how certain regulations may officially stay in force for a very long time, and at the same lose their efficacy. The prohibition of serving distilled spirits for consumption on the premises as well as the rule of selling distilled spirits for consumption off the premises only in containers of two litres or over were abolished as late as in 1983. In practice, however, these regulations were not efficiently enforced during the last decades they were officially in force. This is also reflected in consumption statistics. In 1983 and in the following years the total alcohol consumption and the consumption of distilled spirits were stable or even slightly on the decrease.

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Chapter 5

Denmark

THOMAS KARLSSON AND ESA ÖSTERBERG⁵

The country

Denmark is the southernmost of the Scandinavian countries, occupying the peninsula of Jylland and the islands of Bornholm, Falster, Fyn, Langeland, Lolland, Møn and Sjælland in the Baltic Sea as well as several smaller islands. It is bounded on the west by the North Sea, on the north by the Skagerrak, on the east by the Kattegat and the Øresund strait, and on the south by the Baltic Sea. On the south Denmark is also bordered by Germany. Since decades there has been a lively ferry traffic between Denmark and Sweden, but nowadays Denmark is also connected to Sweden with a bridge between Copenhagen and Malmö. The Faroe Islands and Greenland are autonomous regions of Denmark. Excluding these islands, Denmark has an area of 43,094 km². Copenhagen is the capital and the largest city.

Denmark has 5.3 million inhabitants, and the overall population density is 125 persons per km². Approximately 85 per cent of the Danish population lives in urban areas. The official language is Danish. Lutheranism, the established religion of Denmark, is adhered to by 95 per cent of the Danes.

Denmark has traditionally been an agrarian country. Especially since the end of the Second World War manufacturing and services have gained in importance. Germany is Denmark's leading export and import partner. Also the United Kingdom is one of the largest importers of Danish products. In the mid-1990s about 27 per cent of the Danish population worked in the industrial sector, approximately 4 per cent in the agriculture and about 69 per cent in the service sector.

Denmark is a constitutional and hereditary monarchy. National executive power is nominally vested in the Danish sovereign, but the real head of the government is the prime minister. Legislative power in Denmark is vested jointly in the sovereign and in a unicameral parliament, called Folketinget. The

⁵ We would like to thank Thorkil Thorsen from the Central Research Unit of General Practice for letting us to use his manuscript Country report Denmark in drafting this chapter. The manuscript is a short, but updated version of the book *Dansk alkoholpolitik efter 1950* by Thorkil Thorsen published in 1993.

legislative term is four years. The parliament has 179 popularly elected members. The Faroe Islands and Greenland are each represented by two members. For administrative purposes, Denmark is divided into 16 regional counties and 275 municipalities.

Alcohol production and trade

Beer and distilled spirits belong to the traditionally produced alcoholic beverages in Denmark whereas wine has not been produced at all with the exception of fruit wines. During the last century beer was produced both in breweries and on a household basis. The number of households producing beer decreased, however, very rapidly at the beginning of the twentieth century (Thorsen, 1995). Nowadays, home production of any alcoholic beverages is uncommon.

The Danish brewing industry has been and indeed still is of importance to the Danish economy. Domestic beer market has throughout the study period been dominated by two companies, Tuborg and Carlsberg, which merged in 1970. After several additional mergers and company acquisitions, especially during the 1990s, the Carlsberg Breweries in the year 2000 included 85 breweries in 46 countries, with a total beer production of 60 million hectolitres. Carlsberg Breweries, which is among the five biggest brewing companies in the world, employed 23,600 people world-wide in 2000 (Report and accounts 1999/2000, 2001).

In 1995 total beer production in Denmark was 10 million hectolitres. At the beginning of the 1950s the corresponding figure was 3.5 million hectolitres, in the mid-1960s about 5 million hectolitres and in the mid-1970s about 9 million hectolitres (International statistics, 1977). In the mid-1960s about 1 million hectolitres of beer was exported annually. By 1975 this figure had grown to 2.2 million hectolitres. After a downward swing in the 1980s, the exports of beer have begun to grow again, and in 1995 they reached the amount of 3.1 million hectolitres (Hurst, Gregory & Gussman, 1997). At that time about 30 per cent of the Danish beer production was exported, Germany being the most important destination. Imports of beer have been on a very low level constituting of less than half per cent of the Danish beer consumption in the 1970s and 1980s as well as in the early 1990s.

The Danish Distilleries (De Danske Spritfabrikker) had a very strong position up till 1973 when it lost its production and import monopoly status. The monopoly status was not motivated by preventive alcohol policy considerations. The foremost products of the Danish Distilleries were different kinds of schnapps or aquavits, but also different kinds of fortified wines were produced. Sales of distilled spirits

have decreased substantially in Denmark since the mid-1970s. In 1975 some 215,000 hectolitres of distilled spirits were sold in Denmark, whereas the corresponding figure in 1995 was 140,000 hectolitres. In 1975 nearly 160,000 hectolitres of distilled spirits were produced in Denmark. In 1995 the corresponding figure was 100,000 hectolitres. Since 1975 imports of distilled spirits have decreased from 58,000 hectolitres to 40,000 hectolitres. The market share of imported products has however increased from 26 per cent to 29 per cent.

As the only wines produced in Denmark are fruit wines, it is quite natural that by far the greatest amount of wine consumed in Denmark is imported. Both in 1975 and in 1995 the market share of imported wine was 91 per cent (Hurst, Gregory & Gussman, 1997).

Alcohol consumption

Up till 1917 distilled spirits were the primary kind of alcoholic beverages consumed in Denmark. Then a very heavy taxation of distilled spirits imposed during 1917 and 1918 changed the consumption pattern dramatically. The per capita consumption of alcohol decreased from 9.6 litres per inhabitant aged 15 years and above in 1916 to 2.2 litres in 1918. This decrease was mainly due to a fall in the consumption of distilled spirits. Before 1917 distilled spirits accounted for two thirds of the total alcohol consumption, while after 1918 they only accounted for less than 20 per cent. Beer had accounted for 30 per cent of the total alcohol consumption before 1917. In 1918 this figure rose to 83 per cent even if the amount of beer consumed declined by a third because also the taxes on beer were increased although to a much lower degree than the taxes on distilled spirits. Before 1917 wine represented some 3 to 4 per cent of total alcohol consumption. In the late 1920s the corresponding rate was about 6 per cent.

The overall level of alcohol consumption had had a decreasing trend from the second half of the nineteenth century, and what happened in 1917 and after reinforced this trend (Thorsen, 1990). The very heavy taxes on alcoholic beverages, later known as the Danish System, was not initially an alcohol control measure implemented to prevent alcohol-related problems. It was a measure taken during the wartime for securing sparse raw materials for food and heating instead for the production of alcoholic beverages. When the very heavy taxes on distilled spirits were introduced, the political decision-makers promised that the taxes would be lowered later on. This, however, never happened.

Since 1950 total alcohol consumption has increased substantially in Denmark. In 1983 the per capita consumption of alcohol was nearly three times

as high as in 1950. After 1983 alcohol consumption decreased slightly. Since 1990 it has stayed more or less on the same level (Table 5.1; World Drink Trends, 2002).

TABLE 5.1. Consumption of alcoholic beverages by beverage categories in Denmark in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995*
Total alcohol consumption	3.75	5.21	8.83	10.10	10.29
Consumption of distilled spirits	0.44	0.91	1.71	1.55	1.09
Consumption of wines	0.41	0.59	1.50	2.37	3.28
Consumption of beer	2.90	3.71	5.62	6.18	5.92
Percentage of distilled spirits	12	18	19	15	11
Percentage of wines	11	11	17	24	32
Percentage of beer	77	71	64	61	57

* The figures for the consumption of beer, and consequently for total alcohol consumption are slightly different in Hurst, Gregory & Gussman (1997, 102) and in World Drink Trends (2002, 52). According to World Drink Trends the 1995 figure for total alcohol consumption per capita is 9.9 litres.

Sources: Hurst, Gregory and Gussman, 1997; World Drink Trends, 2002.

Also the consumption of beer increased from the early 1950s to 1983 when nearly 140 litres of beer was consumed per capita. Since then beer consumption has decreased and nowadays it is approximately 100 litres per capita a year. The proportion of beer consumption of total alcohol consumption has been on the decrease. In the mid-1950s beer accounted for 77 per cent of the total alcohol consumption. In the late 1990s the corresponding figure was 51 per cent.

During the 1950s the consumption of distilled spirits stayed about the same. It was on the increase in the 1960s and in the first half of the 1970s, reaching a figure of 1.9 litres of pure alcohol per capita in 1976. In the mid-1980s some 1.6 litres of distilled spirits was consumed per capita, but by the late 1990s the consumption of distilled spirits had decreased to 1.1 litres of pure alcohol per capita a year (World Drink Trends, 2002).

The consumption of wine has increased in Denmark almost constantly since the early 1950s. This means that the proportion of wine of total alcohol consumption has also been on the increase. In the 1950s the consumption of wine accounted for one tenth of the total alcohol consumption. In the late 1990s the corresponding rate was one third. In 2000 wine consumption in Denmark was 30 litres per capita (World Drink Trends, 2002).

Official Danish figures for alcohol consumption are affected to some extent by purchases of alcoholic beverages by visitors from other Scandinavian countries,

especially from Sweden. This has become more common after Sweden joined the EU in 1995. It is estimated by the Ministry of Finance that in 2000 some 30 million litres of beer was purchased in Denmark by Swedes. In the same year the Danish cross-border shoppers purchased some 120 million litres of beer and approximately 30 million litres of wine from Germany. These figures indicate that nearly 20 per cent of the beer and wine consumption in Denmark constituted of private alcohol imports (see also Bygvrå, 2000). Consequently, the total amount of unrecorded alcohol consumption was approximately 2 litres per capita (see also Leifman, 2001; Trolldal 2001). Private imports of beer and wine from Germany by Danes became more common from the mid-1980s on when the allowances for Danish travellers to import beer and wine from Germany on short trips without paying taxes on them in Denmark increased markedly (for more details see Bygvrå & Hansen, 1987; Thorsen, 1988; Bygvrå 1992; Milhøj, 1993).

In the late 1970s, 10 per cent of women and 3 per cent of men over 16 years of age said that they never drank alcoholic beverages, whereas the respective figures in mid-1980 were 3 per cent for men and 7 per cent for women. A significant proportion of drinkers consume alcohol every day (Simpura & Karlsson, 2001). In 1996, 26 per cent of adult Danish men and 11 per cent of women said that they drank usually 4 times or more per week. Women's share of alcohol consumption has varied around 30 per cent (Mäkelä et al., 1999).

Approximately two thirds of the consumption of alcoholic beverages occurs with meals, although this varies according to type of beverage. About 60 per cent of all beer consumption takes place at meals. The corresponding figures for wine and distilled spirits are 70 per cent and 45 per cent, respectively. Off-premise consumption accounts for about 85 per cent of the consumption of distilled spirits and wine. The corresponding figure for beer is 75 per cent (Hurst, Gregory & Gussman, 1997).

In the late 1980s consumption of alcoholic beverages was 146 litres per capita and year. At the same time the consumption of commercial non-alcoholic beverages was 416 litres per capita a year. Plain water is not included in these figures. By 2000 the consumption of alcoholic beverages had slightly decreased to 134 litres and the consumption of commercial non-alcoholic beverages had increased to 496 litres. The consumption of commercial non-alcoholic beverages consisted of 173 litres of coffee, 108 litres of milk, 85 litres of soft drinks, 74 litres of juices, 45 litres of tea and 11 litres of bottled waters. During the last decade the consumption of juices has increased by 53 litres, that of soft drinks by 39 litres, that of milk by 7 litres and that of waters by 2 litres. The consumption of coffee has decreased by 15 litres and that of tea by 6 litres (World Drink Trends, 2002).

Administrative structure of the alcohol control system

In Denmark public attitudes towards alcoholic beverages focus on the need for individual self-control and responsibility in drinking. Consequently, the alcohol issue is not a big public or political issue, and has not been since the first couple of decades of the twentieth century.

Danish temperance movement, which had had a rather strong footing at the turn of the nineteenth to the twentieth century, strongly diminished after the First World War. Its *raison d'être* seems to have disappeared as the amount of alcohol-related problems fell sharply after the sharp increases in taxes on distilled spirits in 1917–1918. Having had 193,000 members, approximately 7 per cent of the population, in 1915 the corresponding figure had decreased to 159,000 by 1925 and further to 84,000 or 2.2 per cent of the population in 1935. Since then the temperance movement has played a minor part in Denmark. At the beginning of the 1990s there were only approximately 11,000 persons organised in the temperance movement, equalling 0.2 per cent of the total population.

At the beginning of the twentieth century alcohol policies seem not to have been of big importance. There were laws, of course, that had alcohol control implications, e.g. the laws regulating on-premise sales, and there were a couple of ad hoc commissions on the alcohol issue. As many other countries Denmark also had a local option. From 1924 the municipalities in the countryside could each choose to run their own public referendum allowing or disallowing off-premise and on-premise sales of alcoholic beverages. This option, however, was seldom used. In 1925 there were 43 referendums. In 1943 the corresponding figure was 15. When the local option was abolished by law in 1970 it had not been used for years.

As mentioned earlier, alcohol policies did not have a very strong standing in the Danish society at the beginning of the twentieth century. During the 1930s and 1940s the prevention of alcohol problems was seen in terms of imposing disciplinary measures or punishing the heavy drinkers or the drunkards in order to keep them away from the bottle, and thereby restricting the damages they could impose on themselves and others. People known to be addicted to alcohol could have their civil rights taken away by the authorities. Punishments like these might be seen as some kind of general prevention as well, functioning as a threat to others who otherwise might turn to heavy drinking. But the prevention of alcohol problems was not part of the political discourse in the 1950s.

The Ministry of Education had an adviser on alcohol issues for the schools during the years 1969–1984, and in the first half of the 1970s the ministry had eight local consultants. In 1963 the Ministry of the Interior, being responsible for health services and health-related policies, established a position of an adviser

on alcohol issues, including the prevention of alcohol problems. The budget, however, was low and the advice given was seldom implemented. In 1971 the adviser resigned. Four years later alcohol was brought into the terms of reference of an advisory council that had been established earlier for combating drug abuse among young people. Since then there have also been other central councils and non-permanent committees dealing with different aspects of preventive activities.

According to law, prevention of several kinds of problems, alcohol-related problems amongst them, can be considered especially the task of the 275 municipalities. Also counties, as well as the central authorities, take part in the preventive activities, having special committees, employing personnel, making reports, plans, running campaigns, and coordinating activities across sectors and counties.

Laws that have provisions aimed at preventing alcohol problems are the Restaurant and Hotel Law, the Road Traffic Act and the Primary Education Act. The Ministry of Health has during the last 10 to 15 years prepared comprehensive programmes for prevention of different problems, including alcohol problems. For instance, in 1988 a subcommittee on alcohol-related problems and policies was established. In 1989 the sub-committee suggested the maintenance of high alcohol taxation, it supported health education and health promotion efforts on national and sub-national level and it spoke for limitations on alcohol advertising.

In 1994 a contact committee on alcohol policy was set up. The committee administered 30 million Danish crowns for fighting alcohol misuse. The committee consisted of politicians and two representatives from private prevention organisations. An alcohol policy forum had also been established in 1992. In 1996 it was replaced by a council with representatives from different prevention organisations (Hurst, Gregory & Gussman, 1997).

The latest public health programme was launched in 1999. It stipulated different targets and means, but, as there are no financial resources earmarked for the means and measures, the programme could be regarded as a political statement more than an activity plan. In the end, it is up to the different agents in different services and administrations to act as decision-makers and to prioritise public health and the prevention of alcohol problems.

Danish memberships in different international organisations, for instance in the European Free Trade Association (EFTA) and the European Union (EU), have contributed to the way the taxation and price policies have been formed in Denmark. For instance, alcohol taxes were lowered in 1962 as a consequence of Denmark's membership in the EFTA. When Denmark joined the EU in 1973, the excise duties on wine and fortified wine were lowered. The lower taxation of Danish aquavits compared to the taxation of foreign distilled spirits was removed in 1980 due to a judgement of the European Court of Justice. Creating the internal market meant a more or less free flow of goods, including alcohol, across the

borders. In order to diminish the imports of beer and wine by the Danish cross-border traders from Germany, the government at the beginning of the 1990s lowered the excise duties on beer and wine.

The most important pressure groups in Denmark have been the temperance movement and smaller private organisations. But their influence on alcohol political decision-making has been rather weak. It might be relevant to regard the alcohol industry as well as the organisation of hotels and restaurants as pressure groups, or at least as agents in the alcohol field. During the last 50 years there have been many examples where decision-makers when dealing with alcohol policy matters have taken into account the interests of alcohol trade, industry and occupations. Preventive considerations however have yielded.

Licensing policies

In Denmark every owner of a shop needs to have a special licence from the authorities to run the business but the shop owners do not need special permits for retailing alcoholic beverages off the premises. There have not been any changes to this rule in the period since 1950. All this means that every licensed shop is allowed to sell alcoholic beverages, whatever the normal assortment might be. Consequently, one may be able to buy distilled spirits at the baker's shop or wine at the butcher's shop and so on. It is not exactly known how many off-premise outlets retailing alcoholic beverages there are in Denmark. According to an estimate of the Brewers Association of Canada there were over 20,000 licensed off-premise outlets in Denmark in the mid-1990s (Hurst, Gregory & Gussman, 1997).

Owning and running a restaurant or pub or other kind of on-premise alcohol sales outlet requires a licence from the municipal authorities. There are no separate licences for beer, wine or spirits. Without a licence outlets are permitted to sell only beer with less than 2.8 per cent alcohol by volume. Approximately 10,000 establishments hold a licence to sell alcoholic beverages. Until 1970 there was an upper limit on the number of on-premise licences in the municipalities.

To be able to get the licence the owner must fulfil certain requirements, for example having no criminal convictions. The licence is normally given for a period of 8 years, but can be granted for a shorter period if the authorities are doubtful for the applicant. Most of the municipalities have a special licensing board that issues the licences on the basis of preventive or temperance considerations and in consideration of the applicant's qualifications.

Restrictions on alcohol availability

Alcoholic beverages are in Denmark grouped into four categories. The first category includes beer with an alcohol content of 2.25 per cent alcohol by weight or more. The second category consists of wine, fruit wine and other fermented beverages containing more than 2.5 per cent alcohol by volume and the third category includes distilled spirits. The fourth category consists of beverages where beverages belonging to categories one to three have been added. This definition of alcoholic beverages is used in off- and on-premises sales of alcoholic beverages and for the purposes of taxing alcoholic beverages.

Up till 1970 the selling of alcoholic beverages in shops to persons under 18 years old was prohibited. In 1970 this rule disappeared without further notice when the law regulating off- and on-premises sale was changed (Thorsen, 1993). From July 1998 an age restriction was reintroduced. Nowadays the selling of alcoholic beverages off the premises to minors under the age of 15 years is prohibited by law. In Denmark, the serving of alcoholic beverages in restaurants and pubs is prohibited to persons under the age of 18 years. This has been the rule at least since 1939.

Selling alcoholic beverages to drunken persons both off- and on-premise is prohibited according to the law. Sale of alcoholic beverages through vending machines is also prohibited.

The number of on-premise sale outlets was restricted until 1970, when a committee revising the law on public houses argued that the hitherto allowed number in the municipalities was seldom utilised, and in those municipalities where the upper limit had been reached, the local and central authorities had granted more licences because of the importance of tourism. The number of restaurants and pubs and other on-premise outlets has had a constantly rising trend.

Permitted opening hours in restaurants and bars have been extended several times during the last half of the century. In the 1950s and onwards permitted opening hours were generally between 5 a.m. and 12 midnight, and after application some restaurants and pubs were granted a night licence, meaning that they could stay open longer. The municipal council decided how many on-premise outlets can have extended business hours, and the police decided which ones actually get the permission. In one of the latest revisions of the law on hotels and restaurants, the rule on permitted hours was extended from 5 a.m. till 2 a.m.,

and special permissions can still be granted for longer business hours. The reason for this change was the wish to make things easier and to diminish paper work of the police and the municipalities, because all the years since 1958 has witnessed an ever-increasing number of licences with extended permitted hours, both in absolute numbers and as percentage of the total number of licences.

According to a law from 1939, the police had the possibility to issue occasional licences for commercial serving of alcohol in places other than restaurants, pubs and the like, most often in connection with public meetings, festivals, feasts, fairs, and exhibitions. In 1993 it was decided to simplify the rule on occasional licences, and from then on beer and wine, but not strong beer and distilled spirits, can be served and sold at events that take place in the open air and that are arranged by organisations.

A violation of the rules against the serving of alcoholic beverages to minors may result in a fine, and the licence may be withdrawn – or not prolonged – after more violations. The same goes for serving alcoholic beverages beyond the allowed opening hours.

Drunken people in public places can be taken into police custody or detention room. This rule is not enforced very strictly. The number of persons taken into custody annually mirrors both the number of drunken persons in public places and the activity of the police. Sometimes drunkards are taken to their homes by the police. From 1991 municipal authorities can prohibit drinking of alcoholic beverages in public places like streets and parks.

Alcohol taxation

Taxation of alcoholic beverages is nowadays regulated by two laws, one on taxation of beer, wine and fruit wine, and another on taxation of distilled spirits. The excise duty on beer containing more than 2.8 per cent alcohol by volume is levied per hectolitre per degree of Plato in the finished product within certain limits of the strength of the beer (Table 5.2). Excise duties on wine and intermediate products are based on hectolitre of the product within certain limits of the alcohol content of the wine and the intermediate products. Sparkling wine has an additional excise duty rate. The excise duty on distilled spirits is calculated on the basis of hectolitres of pure alcohol in the finished product.

TABLE 5.2. Excise duty rates for alcoholic beverages in Denmark in 2000 in Danish crowns and in euro

Alcoholic beverage category*	DKR	EUR
<i>Beer, per hectolitre of the product:</i>		
From 0.5 to 2.8 per cent alcohol by volume	0.00	0.00
At most 11 degrees of Plato	268.50	36.12
Over 11 to 14 degrees of Plato	345.75	46.51
Over 14 to 18 degrees of Plato	460.75	61.98
Over 18 to 22 degrees of Plato**	510.25	68.64
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product:</i>		
From 1.2 to 6 per cent alcohol by volume, still	450.00	60.54
From 1.2 to 6 per cent alcohol by volume, sparkling	800.00	107.62
Over 6 to 15 per cent alcohol by volume, still	705.00	94.84
Over 15 to 22 per cent alcohol by volume, still	1,055.00	141.93
Over 6 to 15 per cent by alcohol by volume, sparkling	1,055.00	141.93
Over 15 to 22 per cent alcohol by volume, sparkling	1,405.00	189.01
<i>Intermediate products, per hectolitre of the product:</i>		
From 1.2 to 6 per cent alcohol by volume, still	450.00	60.54
Over 6 to 15 per cent alcohol by volume, still	750.00	94.84
Over 15 to 22 per cent alcohol by volume, still	1,055.00	141.93
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product</i>		
	27,500.00	3,699.47

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

** The excise duty rate for beer over 22 degrees of Plato is 27.00 DKR per hectolitre per degree of Plato in the finished product.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

The excise duty rate for the most popular Class I beer increased in nominal terms by 24 per cent in 1975 and by 16 per cent in 1976 (Table 5.3). From 1982 to 1986 the excise duty rate for beer rose in five instances, and at the end of 1986 the nominal excise duty rate for beer was 56 per cent higher than it had been at the beginning of 1982. Both in 1991 and 1992 beer excise duty rates were lowered. The total decrease in the excise duty rate for beer was 52 per cent. This reduction was motivated by the increase in cross-border trade in beer. As stated earlier, Danish travellers had since the mid-1980s began to import especially Danish beer from Germany in large quantities after the restrictions on private beer and wine imports had become much looser. Since 1993 the realisation of the single European market has not affected beer taxation, and despite the continuing large private beer imports from Germany, beer excise duty rate has in fact been increased by 4 per cent both in 1996 and 1997.

Table 5.3. Excise duty rates for beer in Denmark from 1972 to 2000 in Danish crowns per hectolitre of the product*

From (year/month)	Class II/ Tax free	Class I/ Class 1	Class A/ Class 2	Class B/ Class 3
1972	39.50	215.35	271.20	321.85
1975	39.50	266.70	333.20	394.55
1976/8	39.50	309.55	386.75	458.80
1982/12	39.50	361.15	451.20	535.30
1983/10	39.50	387.90	484.35	575.65
1984/5	39.50	413.70	416.85	613.20
1986/4	39.50	455.05	568.55	674.50
1986/10	41.80	481.95	602.15	714.40
1991/7	0.00	417.95	538.15	650.40
1992/10	0.00	249.95	321.80	434.05
1993/1**	0.00	249.95	321.80	429.00
1996/7	0.00	259.25	333.75	445.00
1997/5	0.00	268.50	345.75	460.75

* Until 1993 the classes were defined as follows: Class II, from 0.5 to 2.8 per cent alcohol by volume; Class I, at most 11 degrees Plato; Class A, more than 11 but at most 13.3 degrees Plato; Class B, more than 13.3 degrees Plato. From 1993 the classes are defined as follows: Tax free, from 0.5 to 2.8 per cent alcohol by volume; Class 1, at most 11 degrees Plato; Class 2, more than 11 but at most 14 degrees Plato; Class 3, more than 14 but at most 18 degrees Plato; Class 4, more than 18 but at most 22 degrees Plato; Class 5, more than 22 degrees Plato.

** From 1993 there is also Class 4 beer with the following rates: DKR 475.00 from 1993, DKR 492.75 from 1996 and DKR 510.25 from 1998 as well as Class 5 beer with the rates of DKR 25, DKR 26 and DKR 27 per hectolitre per degree of Plato in the finished product from the respective years.

Sources: Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, November 2000.

From 1975 to 1986 Danish fruit wines were taxed much lower than other light or dessert wines (Table 5.4). Changes in excise duty rate for wine have a slight different timing than changes in the excise duty rate for beer, but in the 1972-1986 period both the excise duty rate for beer and wine increased by about 110 per cent in nominal terms.

TABLE 5.4. Excise duty rates for wines in Denmark from 1972 to 1987 in Danish crowns per hectolitre of the product

From (year/month)	Light wine	Dessert wine	Light wine from Danish fruits	Dessert wine from Danish fruits
1972*	600	1,16		
1973/1	400	870		
1974/5	550	1,095	350	590
1976/8	750	1,395	485	770
1982/6	915	1,7	590	940
1982/10	1,005	1,867	648	1,032
1983/10	1,073	1,993	692	1,102
1986/4*	1,26	2,34		

* Before 1975 and after 1986 there were no differences in excise duty rates between Danish fruit wines and other wines.

Source: Hurst, Gregory & Gussman, 1997.

The decreases in the excise duty rate for wine in 1991 and 1992 was of the same magnitude as the decrease in the excise duty rate for beer (Table 5.5). Also the reason was the same, namely increased private wine imports by Danish cross-border shoppers from Germany. The excise duty rate for fortified wine decreased even more than that of beer or table wine in 1991. There are also small increases in the excise duty rate for wine in 1996 and 1997.

TABLE 5.5. Excise duty rates for still wines in Denmark from 1976 to 2000 in Danish crowns per hectolitre

From (year/month)	From 1.2 to 6% alcohol by volume	Over 6 to 15% alcohol by volume	Over 15% alcohol by volume
1987/1	815	1,26	2,34
1991/7	707	1,093	1,67
1992/10	420	655	985
1996/7	435	680	1,02
1997/5*	450	705	1,055

* Sparkling wine has in each category an additional excise duty rate of 350 DKR per hectolitre of the product

Sources: Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, November 2000.

Like with wine, Denmark also used to tax domestic aquavits with a lower rate than other distilled spirits (Table 5.6). For distilled spirits this policy ended in 1980 because of the ruling of the European Court of Justice. In 1977 the excise duty rate for distilled spirits was about twice the level in 1972. It is difficult to say what happened to the tax burden on distilled spirits in 1980 because of the change in tax bases. In any case the excise duty rate for distilled spirits increased in the 1980-1986 period, and it did not decrease in the first years of the 1990s as did the excise duty rates for beer and wine.

TABLE 5.6. Excise duty rates for distilled spirits in Denmark from 1972 to 2000 in Danish crowns per hectolitre of pure alcohol in the finished product

From (year/month)	Aquavit	Other distilled spirits	All distilled spirits
1972	8,130	12,000	
1975	10,860	15,480	
1976/8	13,030	18,575	
1977/9	16,750	25,715	
1980/7			9,500 *
1982/6			10,800 *
1982/10			11,858 *
1983/10			12,655 *
1986/4			14,300 *
1996/7			27,500

* Plus 37.5 per cent of the wholesale price.

Source: Hurst, Gregory & Gussman, 1997.

In addition to excise duties, also value added tax (VAT) affects the prices of alcoholic beverages. In 1972 the VAT rate in Denmark was 15 per cent. In 1977 it increased to 18 per cent, in 1978 to 20.25 per cent and in 1980 to 22 per cent. Since January 1992 the VAT rate has been 25 per cent.

Changes in excise duty levels in tables 5.3–5.6 are given in nominal values. During the 1950-2000 period the value of the Danish currency has decreased because of inflation. The increasing price level in Denmark in the 1960–2000 period as described by the consumer price index (CPI) is given in table 5.7.

TABLE 5.7. Consumer price index in Denmark, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	11.2	14.5	20.0	31.2	51.1	74.8	90.7	100.0	112.1

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When taking into account changes in the general price level it can be concluded that in 2000 both the excise duty rate for beer and wine is about 30 per cent of its level in the early 1970s. Also the real burden of the excise duty on distilled spirits has decreased but to a much lower degree. Nowadays, calculated on the basis of pure alcohol, excise duty rate for distilled spirits is about five times as high as for beer. In the mid-1970s it was only two times as high. The tax burden on alcohol in table wines is some 30 per cent higher than in the most popular Class 1 beer (Hurst, Gregory & Gussman, 1997).

According to Sulkunen (1978) real prices of beer and all alcoholic beverages were slightly increasing in Denmark in the 1950s, and slightly decreasing in the 1960s. The data collected in the ECAS project indicate that the real prices of all alcoholic beverages have decreased by about 50 per cent in the 1966–1995 period (Leppänen, 1999). In the late 1990s about 41 per cent of beer prices constituted of taxes. The corresponding figure for table wine was 52 per cent and for distilled spirits 76 per cent.

Alcohol advertising

There are no legal regulations in Denmark specifically on alcohol advertising apart from the rule that electronic media broadcasting from within Danish territory are not allowed to show commercials on alcohol. Advertising in other media and in other places has never been regulated by law. However, at the beginning of the 1970s the brewers' organisation made their own voluntary code, deciding that none of its members was allowed to use beer advertisements that were especially targeted on youth or that combined beer with sports or driving a car.

In 1974 there was a parliamentary debate on the banning of alcohol advertising. However, the majority of the parliament refused the ban. The arguments were that a ban probably would have no effect on the consumption level or the number of alcohol abusers, and a ban was considered to be patronising. It was also argued that a ban on alcohol advertisements would also hurt the press, which already had hard times.

Later parliamentary debates have ran along almost the same lines. But the alcohol industry itself with the help or sometimes the pressure of the consumers' ombudsman has agreed upon a voluntary agreement regulating alcohol advertising, marketing and sponsorship. The first agreement that included not only the breweries but also the distillers and the wine importers were agreed at the end of 1976 and then supplemented or slightly changed several times.

The latest version of the agreement is valid from March 1, 2000, and was agreed by the alcohol industry and importers in cooperation with the Ministry of Health, the Ministry of Industry, and the Consumers Council. The essence of the present agreement is that it concerns alcoholic beverages containing 2.8 per cent alcohol by volume or more. However, for advertising and sponsorship targeted on children and youth all beverages containing alcohol are banned, i.e. advertising directed at children and youth is not allowed at all. Advertising may not be provocative, pressing or otherwise persuading, it may not give the impression that alcohol is good for your health or contributing to your success or physical and mental capability. Advertising is not allowed in or near schools, high schools, playing grounds and youth clubs, in events or magazines targeted on children and youth. Advertising and sponsorship may not be combined with sports, sports grounds and sports magazines.

Before 1990 the agreement was signed by some of the alcohol producers and importers and thus only applied to members of these organisations. The agreements in 1990 and onwards have been signed by the consumers' ombudsman and thus should be followed by all alcohol advertisers and sponsors. Moreover, an independent enforcement committee has been set up.

Education and information

It has been a common argument during parliamentary debates that in the liberal, restriction-free Danish alcohol policy, education and information should be a cornerstone together with the taxation policy. But the political support for these measures was mostly pretence. Several special committees have criticised the low level of education and information, and the Ministry of Education's regional alcohol and drug advising positions were abolished during the 1970s and 1980s. During the last years, however, there seems to have been more interest in and emphasis on these measures. Education and information of the general population is taken care of by many authorities and private organisations and by many means, e.g. campaigns, teaching, pamphlets, and books.

Each autumn for the last 11 years the National Board of Health has launched a campaign with different themes; among other things, promoting safe drinking

limits, a maximum of 21 drinks per week for men and 14 for women. Before and during the campaign weeks much coordination and collaboration is going on between the central and the local authorities and private organisations. Warning labels on alcohol containers have not been introduced.

Drunk driving

Until 1976 there was no fixed blood alcohol concentration (BAC) limit in Denmark. Drivers of cars and motorcycles could be punished if they had so much alcohol that they could not drive safely. In 1976 it was decided that driving with a BAC above 0.08 per cent was prohibited. The punishment has since been a fine and conditional or unconditional withdrawal of the driving licence for driving with a BAC between 0.08 and 0.2 per cent (first offence); above that limit it has been imprisonment and withdrawal of the licence. For a second or third offence and under aggravating conditions, imprisonment can be imposed at lower BAC levels.

Act number 468 from July 10, 1997 changed the BAC limits which came into force on March 1, 1998. The legal BAC limit is 0.05 per cent, the secondary limit is 0.08 per cent and the tertiary limit is 1.2 per cent. Depending on the severity of the offence, a BAC between 0.05 and 0.08 per cent will be fined. A BAC between 0.08 and 0.12 per cent will also be fined, but for a second offence the driving licence will also be suspended. For a BAC above 0.12 per cent, the driving licence will be suspended in addition to a fine, with possible imprisonment. Undergoing treatment can to some extent reduce the penalty.

Administrative structure of treatment for alcoholism

During the 1930s and 1940s the treatment of alcoholics, or drunkards as they were mostly called, had long been a task of disciplinary or care authorities. Many problem drinkers were taken into custody in labour camps or asylums for skid row persons. But during the 1940s and 1950s treatment facilities began to mushroom. From the beginning of the 1960s the treatment became a task of the medical profession. This came about not because of a scientific breakthrough that should make alcoholism a disease and thus a domain of the medical doctors, but simply because medical doctors had proven to be useful in this particular endeavour, as it was mentioned in an official document.

This meant that hospitals and general practice took over the responsibility of the treatment of alcoholics, as did alcohol outpatient clinics (ambulatories). Especially in the outpatient clinics, the treatment offered to the patients was medical, in combination with psychological and social work. This mixed social and medical approach is still common today.

The counties have the responsibility for setting up and running the different treatment facilities for heavy drinkers. Administratively the treatment of alcoholics was situated in the health sector, but from the mid-1970s it became common in many counties to place it in the social sector alone or in a combined social and health sector.

An unknown part of the total provision of alcohol treatment takes place in general practice. The rest of the treatment of alcohol problems is now organised into three different types of institutions:

- Publicly established and publicly financed institutions, including outpatient clinics and specialised hospital wards.
- Institutions established by private organisations that have working agreements with counties and municipalities that can utilise some of the capacity for their respective inhabitants.
- Privately established and run institutions where counties and municipalities on an ad hoc basis can buy services.

Institutions under the first two types are called public institutions, and they cover 90–95 per cent of the treatments outside general practice. All over the country there are around 85 such institutions. The private institutions total 10–12.

The temperance movement has played a minor part in Danish alcohol policies after 1918. The number of members is relatively small. And although the movement is often represented in bodies and committees, the movement seldom sets the political agenda.

Regarding the treatment of alcohol problems, the temperance movement has, however, run some clinics. Also Blue Cross, which is not under the umbrella of the Danish temperance movement, runs treatment facilities. These contributions to the treatment activities have a long history, dating back to the first decades of the twentieth century.

All in all, private organisations (NGOs) have always played an important part in social work in Denmark and are subsidised by the government. The organisations are occupied with the treatment and care of alcoholics and homeless as well. And as mentioned above, private treatment organisations have working agreements with the health authorities.

During the last 10 to 15 years new private organisations, most of them inspired by the Minnesota treatment philosophy, have come into the Danish treatment

market, mostly covering the inpatient clientele. Contrary to the publicly run treatment facilities, the new Minnesota inspired centres are commercial, meaning that the patients have to pay themselves for their stay. To some extent, however, the counties or municipalities or the patients' employers pay a part of or the entire fee.

Alcoholics Anonymous is present in Denmark and it acts in the same way as in many other countries. The organisation gained a footing in Denmark during the 1980s.

Summary

Overall, one can describe the Danish alcohol policy at the end of the twentieth century as liberal, but recently going in a more restrictive direction. Seen in a longer time perspective, the years from 1960 witnessed a growing liberalisation resulting in a relatively high availability of alcoholic beverages without any alcohol retail monopoly, with many off-premise retail outlets for alcoholic beverages as well as a large number of on-premises and long business hours. Nowadays, at least when compared to earlier decades, excise duty rates are relatively low and so are prices of alcoholic beverages. But during the very last years Denmark has introduced age restrictions on off-premise sale of all alcoholic beverages, a lower BAC level, and restrictive rules on alcohol advertising and sponsorship.

The relationship between the number of alcohol-related problems in the society, on the one hand, and public attitudes towards preventive alcohol policy and the measures taken to combat alcohol-related problems, on the other hand, is not straightforward, and it may even be somewhat paradoxical. When the per capita consumption of alcohol and several alcohol problem rates rose during the 1960s, 1970s and 1980s, the Danish alcohol policy became more and more liberal. However, during the 1990s a levelling off of total alcohol consumption and of some problem parameters has been accompanied by a growing political awareness of alcohol problems and the introduction of more restrictive measures.

At the same time, the Danish case is also a good example of how the EU has been able to put pressure on its member countries by using market forces and also to affect national alcohol control measures. In the Danish case this is very clearly seen in the increases in travellers' alcohol import allowances in the 1980s and 1990s for beer and wine, and consequent decreases in alcohol excise duty rates for beer and wine in the beginning of the 1990s. These kind of processes will continue when Denmark in 2004 gives up its restrictions on travellers' import allowances for distilled spirits and decreases its excise duty rate for distilled spirits in fall 2003.

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Chapter 6

Finland

THOMAS KARLSSON AND ESA ÖSTERBERG

The country

Finland is located in northern Europe, bounded on the west by Sweden, on the north by Norway and on the east by Russia. In the south, south-west and west Finland has a coastline bordered by the Gulf of Finland, the Baltic Sea and the Gulf of Bothnia. Estonia is situated on the opposite side of the Gulf of Finland, about 60 kilometres south of Finland. Helsinki is the capital and largest city of Finland.

Finland has a population of 5.2 million inhabitants. It covers an area of 338,145 km² and has an average population density of 15 persons per km², which makes Finland one of the most sparsely inhabited countries in Europe. During the last decades economic change has been accompanied by exceptionally rapid internal migration from rural to urban areas. Nowadays nearly 70 per cent of the population reside in the southern third of the country and some 64 per cent of the population is urban. At the beginning of the 1950s only 32 per cent of the population lived in towns.

Finland is a bilingual country, with more than 93 per cent of the population speaking Finnish and a minority of 6 per cent speaking Swedish. A few thousand Saami people live in the far north. Other minority groups cover less than 1 per cent of the Finnish population. The Evangelical Lutheran Church of Finland is the principal national church, and almost 90 per cent of Finns belong to it, albeit many in name only. The number of members of the Orthodox Church, which is also a national church, has decreased since the 1950s.

Agricultural area accounts for 8 per cent of the total area of Finland, forests and other wooded land for 68 per cent, and inland waters for 10 per cent. Since the Second World War the industrial sector has expanded rapidly. During the second half of the 1980s the Finnish economy experienced a period of very fast expansion. At the same time, Finnish capital market was opened and the stock exchange market overheated. The outcome was a crash in the stock market and a deep depression at the beginning of the 1990s. By the mid-1990s the economy had recovered and began to grow again.

Today Finland is an industrialised country with a high standard of living and a welfare state system. In 1995, of the total employment of 2.1 million persons, 8 per cent were engaged in primary production, 28 per cent in industry and construction, and 64 per cent in services. The wood, pulp and paper industries used to be the leading sector of the Finnish economy, accounting for nearly an half of the exports. Nowadays the leading part in the national economy has been taken over by the telecommunication and electronics industries, Nokia being at the head.

Finland has been independent since 1917 and the republican constitution adopted in 1919 remains essentially unchanged today. The legislative power of the country is exercised by the parliament (eduskunta) and the president of the Republic. The president is elected for a six-year term by a direct popular vote. The cabinet is appointed by the president and subject to the approval of parliament. It is headed by the prime minister. The parliament is a unicameral body. Its 200 members are popularly elected on a proportional basis for a term of four years.

Executive power in the six Finnish provinces (lääni) is exercised by a governor, who is appointed by the country's president. In Åland, which has been granted considerable autonomy, a provincial council is elected by the residents. This provincial council in turn chooses an executive council that shares governing power with the governor.

There are 448 municipalities and local authorities in Finland. Local government is based on self-government by the residents of a municipality. Local authorities have a degree of financial and administrative independence. Residents elect the local council, which appoints the municipal board that is responsible for the practical running of the local administration and its finances. The most important services provided by local authorities concern education, social welfare and health care.

Alcohol consumption

At the beginning of the 1950s recorded consumption of alcoholic beverages was just below 2 litres of pure alcohol per capita a year. In the late 1950s total alcohol consumption began to grow and in the second half of the 1960s it reached 2.5 litres per capita (Table 6.1). In 1969, when the 1968 Alcohol Act and the Medium Beer Act came into force, the total alcohol consumption increased almost 50 per cent in one year and continued to grow very fast in the first half of the 1970s. In the mid-1970s the total alcohol consumption levelled off and during the next decade it was about 6.5 litres per capita. The fast economic growth in the second half of the 1980s was accompanied by a strong growth in alcohol consumption.

In the same manner, the economic recession in the first half of the 1990s led to a clear decrease in the recorded alcohol consumption. Since the mid-1990s, the total alcohol consumption has been slightly growing.

TABLE 6.1. Consumption of alcoholic beverages by beverage categories in Finland in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	1.85	2.37	6.19	6.65	6.75
Consumption of distilled spirits	1.22	1.42	3.01	3.11	1.96
Consumption of wines	0.31	0.38	0.75	0.70	1.11
Consumption of beer	0.32	0.57	2.43	2.84	3.68
Percentage of distilled spirits	66	60	49	47	29
Percentage of wines	17	16	12	10	16
Percentage of beer	17	24	39	43	55

Sources: Alcohol Statistical Yearbooks 1950–1994; Intoxicants Statistical Yearbooks 1997–2000.

At the beginning of the 1950s Finland was a spirits country, and nearly 70 per cent of all alcohol was consumed in the form of distilled spirits. This percentage was down to 47 per cent in the mid-1980s. However, like total alcohol consumption also the amount of distilled spirits the Finns consumed increased strongly in the first half of the 1970s. It was only in the first half of the 1990s that the consumption of distilled spirits did clearly decrease, and nowadays distilled spirits account for less than one third of the total alcohol consumption.

The consumption of wine has increased quite steadily during the period from 1950 to 2000. However, the percentage of wine consumption of the total alcohol consumption decreased in the 1970s and early 1980s, as the growth rate in wine consumption was slower than the growth rates in beer and distilled spirits consumption. Nowadays wine accounts for about 16 per cent of the total alcohol consumption, the same it was in the mid-1950s. Inside the wine category, table wines have however increased their market share, and the share of fortified wines has gone down. In the second half of the 1990s the consumption of cider, which is included in the wine category, has increased very fast.

Beer consumption had increased in the 1950–1990 period but decreased somewhat in the 1990s. Beer consumption, or rather medium beer consumption, increased by a jump in 1969. In one year medium beer consumption increased from 0.5 litres to 1.6 litres of pure alcohol per capita. In the 1970s and 1980s the consumption of medium beer stayed about the same, and the increase in beer consumption was caused by the growth of strong beer consumption. Around

1990, medium beer consumption increased very fast and the consumption of strong beer decreased very fast. The increase in beer consumption in the second half of the 1980s, coupled with the decrease in the consumption of distilled spirits in the first half of the 1990s, has definitively changed Finland to a beer country.

Because of high alcohol prices and restrictions on alcohol availability, unrecorded alcohol consumption has always played a part in the Finnish alcohol consumption (Mäkelä, 1979). However, except for the mid-1990s, unrecorded alcohol consumption has not changed the picture of trends in total alcohol consumption given by the recorded consumption figures (Yearbook of Alcohol and Drug Statistics, 2001, 54). In 1995 recorded alcohol consumption showed only a slight increase, whereas in reality the total alcohol consumption increased by some 10 per cent because of the huge increase in travellers' alcohol imports (Österberg & Pehkonen, 1996). It has been estimated that in the second half of the 1990s some 20 per cent of the total alcohol consumption came from unrecorded sources (Österberg, 2000; see also Leifman, 2001; Trolldal, 2001).

According to World Drink Trends (2002) nearly 600 litres of different kinds of commercial beverages were consumed in Finland per capita both in 1980 and in 2000. The consumption of alcoholic beverages increased during this period from 70 to 103 litres per person. The consumption of soft drinks increased from 31 to 57 litres, that of juices from 31 to 52 litres and that of waters from 9 to 11 litres per capita. The consumption of coffee, about 200 litres per capita in the late 1990s, and the consumption of tea, about 26 litres in the late 1990s, had stayed about the same in the 1980-2000 period. The consumption of milk has decreased from 218 litres per capita in 1980 to 138 litres per capita in 2000 (World Drink Trends, 2002).

The background of the alcohol control system

In Finland, beer was an everyday food item and almost the sole alcoholic beverage until the latter half of the seventeenth century when distilling spirits from grain became known. Once the practice got under way it spread very quickly, and by the eighteenth century distilled spirits had displaced beer in Finland as the dominant alcoholic beverage. In the nineteenth century, home distilling grew steadily, and drunkenness grew along with it. This meant that, on the one hand, drinking spirits came to be seen more and more as a severe social problem. On the other hand, distilled spirits were also a possible and suitable object for getting tax revenue to the state. The outcome in 1865 was to prohibit home distilling and to try to concentrate distilling on more controllable commercial distilleries (Österberg, 1985).

Temperance ideas had arrived in Finland as early as in the mid-nineteenth century (Tuominen, 1981). Since the 1880s the temperance movement made vociferous efforts to modify Finnish alcohol legislation, with nation-wide total prohibition as the ultimate goal (Sulkunen, 1990). During the last decades of the nineteenth century alcohol availability also decreased greatly in the countryside where, with the exception of beer, alcoholic beverages became a thing of the past. In towns, the Gothenburg system designed to reduce private profit motives in the sale of alcoholic beverages, and to derive public revenues from such sale as well as to control alcohol-related social problems, began to spread very quickly (Thulin & Marcus, 1947; Österberg, 1985).

The Prohibition Act was passed by an unanimous vote in parliament in 1907. However, at that time Finland was annexed to Russia as an autonomous Grand Duchy, and the Prohibition Act was not authorised by the Russian Tsar. After several more votes in parliament, the Prohibition Act finally became effective in independent Finland on June 1, 1919, banning all beverages containing more than two per cent alcohol by volume (Kallenautio, 1979). Already from 1917 Finland had had a temporary prohibition, and it has been argued that Finland in fact had practised total prohibition on alcohol sale from 1914 (Peltonen, 1997).

In the following years the Prohibition Act became wider in scope and involved more severe penalties. However, despite harsher penalties and more effective policing it proved impossible to put an end to smuggling and bootlegging as well as illegal on-premise retail sales of alcohol. The growth in alcohol-related problems during the 1920s, coupled with the worldwide depression in the early 1930s, finally put an end to the Finnish Prohibition era (Kallenautio, 1981). From the state's point of view, the depression underlined the need for new sources of tax revenue.

The comprehensive alcohol monopoly structure

In 1932 the Finnish Parliament enacted alcohol legislation that gave the country a new system of alcohol control based on a state alcohol monopoly. This system became the cornerstone of Finnish alcohol control until 1995. The state alcohol monopoly company, Alko, had the monopoly on production, import, export, and sale of alcoholic beverages. Alcoholic beverages were defined as all beverages containing more than 2.8 per cent alcohol by volume. All beverages containing less alcohol were treated as non-alcoholic, and alcohol legislation had no bearing on their production or sale (Österberg, 1985).

According to the 1932 Alcohol Act, Alko was the only body allowed to import or wholesale alcoholic beverages and retail them for off-premise consumption.

Alko was, however, empowered to grant licences for manufacturing alcoholic beverages and selling them for on-premise consumption in restaurants. As a consequence, all beer production in Finland and a part of the manufacturing of fruit wines and liqueurs have been granted to private enterprises since 1932. The great majority of restaurants selling alcoholic beverages have also been owned by private persons or companies (Ahlström-Laakso & Österberg, 1976).

Under the 1932 Alcohol Act, Alko kept a very tight rein on the private alcohol sector. For instance, the brewery licences stipulated quality and ingredient standards for beer to be produced, and specified the beer containers as well (Österberg, 1974a). All alcoholic beer privately produced for domestic sale was shipped to Alko, which paid the breweries a commission. All vertical integration was forbidden, which amongst other things meant that breweries could not own restaurants. Alko also set the on-premise prices for alcoholic beverages, thereby heavily controlling the earnings of private restaurant owners. Moreover, Alko even regulated serving practices. These included, for instance, how customers should be dressed while entering the restaurant, whether females should be allowed to enter the restaurants alone or in all-female parties, whether there should be dancing in restaurants retailing alcoholic beverages or should alcohol be served over the bar counter, and what should be the relation of alcohol sales to the total restaurant turnover (Österberg, 1989). According to the law, restaurant managers and owners were in fact Alko's agents.

In 1969 a more liberal Alcohol Act and a special Medium Beer Act came into force (Pekkala, 1970; Koski & Österberg, 1993). The 1968 alcohol legislation, in force until 1995, increased alcohol availability in many ways but kept the basic monopoly construction intact, with one exception. This exception concerned medium beer, as the Medium Beer Act gave Alko the right to grant ordinary grocery stores and cafés licences to sell beer containing less than 4.7 per cent alcohol by volume (Mäkelä, Österberg & Sulkunen, 1981). On the other hand, Alko still retained the power to set retail prices for medium beer as well as the mark-up for medium beer retailers.

The 1968 alcohol legislation repealed the existing so-called rural prohibition, which had meant that under the 1932 Alcohol Act, Alko was not allowed to open liquor stores in rural municipalities, and those few licensed restaurants allowed in rural areas were meant to serve travellers and tourists. The 1968 alcohol law also lowered age limits on buying alcoholic beverages off the premises. Since 1969 the age limit on buying alcoholic beverages of up to 22 per cent alcohol by volume has been 18 years and on stronger alcoholic beverages 20 years, instead of the earlier age limit of 21 years on all alcoholic beverages (Mäkelä, Österberg & Sulkunen, 1981). According to the law, the legal age limit for on-premise sale of all alcoholic beverages has been 18 years since 1932 (Pekkala, 1970). Restaurants have, however, been allowed to choose their customers and apply higher age limits.

Alcohol controls after the EU membership

There were minor amendments in alcohol legislation between 1969 and 1995. The most important amendments concerned alcohol advertising in the second half of the 1970s and alcohol taxation in the first half of the 1990s. The crucial change took place on January 1, 1995, the day when Finland became a member of the European Union (EU), and when the 1994 Alcohol Act repealed alcohol monopolies on production, import, export, and wholesale, leaving however the monopoly on off-premise retail sale of alcoholic beverages almost intact (Holder et al., 1998).

One change in the 1994 Alcohol Act concerned the off-premise retail sale of wine. The 1994 Alcohol Act gave production licences to the so-called domestic wine farmers, and also allowed them to sell their fruit wines, at most 13 per cent alcohol by volume, directly to consumers at the production site, if it was situated outside the population centres. At the beginning the selling hours were the same as in monopoly shops, but from the beginning of June 1998 also Sunday sales were allowed for the wine farms but not for the monopoly (Lund, Alavaikko & Österberg, 2000).

Additionally, at the beginning of 1995, ordinary grocery stores and medium beer cafés could, for the first time, sell all alcoholic beverages produced by fermentation that were under 4.7 per cent alcohol by volume. Previously, since the beginning of 1969, they had been able to sell only medium beer. In 1995 the practice of selling beverages under 4.7 per cent alcohol by volume was also extended to include kiosks and petrol stations which also sold foodstuffs. From the customer's point of view, all this meant that the availability of cider and wine-based long drinks became much better. Traditionally long drinks have been grog-type beverages, i.e., distilled spirits which have been diluted with soft drinks, and sold in one-third-litre bottles. Before 1995 their alcohol content was about 5.5 per cent by volume.

Before 1977 alcohol advertising was regulated by Alko (Österberg, 1974a; 1974b). Between 1977 and 1994, all alcohol advertising was banned by law except in some business magazines. The 1994 Alcohol Act legalised the advertising of alcoholic beverages with alcohol content from 1.2 up to 22 per cent alcohol by volume (Alavaikko & Österberg, 2000). However, the law prohibits the advertising of such beverages if it is aimed at minors, if it depicts alcohol consumption linked to driving a vehicle, or if heavy alcohol consumption is described in positive terms. Also forbidden are advertisements suggesting that alcohol increases functional capacity, makes one socially or sexually more successful, has medical or therapeutic properties, refreshes, or is a means to settle conflicts.

One further consequence of the new alcohol legislation was the abandonment of time limits on travellers' tax-free alcohol allowances on February

15, 1995. Until that time a traveller returning home to Finland could bring in tax-free alcohol only if he or she had stayed outside Finland 24 hours. A non-EU or non-Nordic citizen could bring tax-free alcohol with him or her only in case he or she would stay in Finland at least 72 hours - with the exception of travelling by air where no time limits at all were required. In May 1996, time limits were reintroduced for travel between Finland and non-EU countries. For people living in Finland, the earlier 24-hour limit was reduced to 20 hours. For a non-EU or non-Nordic citizen, the reintroduced time limit was 72 hours (Paaso & Österberg, 1996).

When Finland became a member of the EU, the Åland islands, which are an autonomous part of the country, were granted a tax exemption and were thus not included in the field of tax harmonisation concerning indirect taxation in the EU member states. This exemption made it possible to continue tax-free sales of alcoholic beverages on the ferries trafficking between Finland and Sweden, as long as they made a stopover on the Åland islands, even after tax-free sales between the rest of the EU member states had been abolished in July 1999 (Karlsson, 1999).

Last but not least, the 1994 Alcohol Act reorganised the former comprehensive state alcohol monopoly system by transferring many of Alko's former activities to other or totally new administrative bodies. The 1994 Alcohol Act introduced a new state agency, the National Product Control Agency for Welfare and Health, which replaced Alko as the state alcohol administrator. Since January 1, 1995, the National Product Control Agency for Welfare and Health has been the state agency which grants licences for production, import, and wholesale of all alcoholic beverages, as well as licences for retail sale of all alcoholic beverages over 4.7 per cent by volume. Since the beginning of 1995 licences for retailing alcoholic beverages under 4.7 per cent by volume are granted by provincial administrative boards.

The 1994 Alcohol Act reorganised Finnish alcohol control in many other ways, too. Before 1995 the majority of Finnish alcohol research had been financed by Alko. In 1996 social alcohol research within Alko and all alcohol education and information activities were moved to the National Research and Development Centre for Welfare and Health (Stakes). Biomedical alcohol research was transferred to the National Public Health Institute. Both these organisations, as well as the National Product Control Agency for Welfare and Health, are under the Ministry of Social Affairs and Health.

On January 1, 1995, all former alcohol monopoly activities remaining in Alko were collected under one corporation, the Alko Group which also needed a licence from the National Product Control Agency for Welfare and Health. Production of alcoholic beverages including imports of alcoholic beverages in bulk and their bottling as well as the wholesale of these products were placed under a new company, called Primalco. Import of alcoholic beverages in bottles

as well as their wholesale and all off-premise retailing were collected under the off-premise retail monopoly called Alko. The restaurant and hotel chain, Arctia, formerly a subsidiary of the old Alko, became the third corporation in the Alko Group. A few years later the Alko Group founded a new company, Havistra, for the distribution and wholesale of alcoholic beverages in Finland and in the Baltic region (Alavaikko & Österberg, 2000).

The restructuring of Alko Group continued in late 1997 when Arctia was sold to a Swedish hotel chain, Scandic, and in January 1998 when a decision was reached to further divide the remaining Alko Group into Alko and Altia Group. Alko continues as the off-premise retail alcohol monopoly directly under the Ministry of Social and Health Affairs, and Altia Group with Primalco and Havistra continue their operations under the supervision of the Ministry of Commerce and Industry. Later on Alko gave up the wholesale activities and now totally concentrates on off-premise retailing of alcoholic beverages.

In 1995 Finland adopted a proposition for a national alcohol policy programme (Esitys kansalliseksi alkoholihjelmaksi vuosiksi 1996-1999) that to a large extent was based on the European Alcohol Action Plan (EAAP) drafted by WHO-EURO in 1992. A revised national programme (Onks tietoo?) as well as a plan to implement it was adopted two years later (Sosiaali- ja terveystieteiden ministeriön monisteita 1997:14). The national operative alcohol action plan tried to shift the focus of preventive alcohol policies from national to local level. The action plan emphasised that citizens, pressure groups and organisations, together with media and the public sector, as well as the alcohol trade should work together in order to strengthen and develop the Finnish alcohol policy.

Many administrative and organisational changes profoundly mixed the field of alcohol politics in 1995, and the conditions for the national operative alcohol action plan to succeed were not the best. Especially the enforcement of the action plan revealed a number of difficulties. For instance, the goal of activating and empowering local actors, workplaces, schools and neighbourhoods remained unrealised. The main reasons for this were the lacks in coordination, and in resources as well as in willingness to cooperate on different levels and between different authorities and actors on the field of preventive alcohol policy (Karlsson, 2001).

In May 2000, The Finnish Ministry of Social Affairs and Health asked the Permanent Committee on Alcohol, Drugs and Temperance Issues to update the national operative alcohol action plan along the lines of the second EAAP (2000-2005) that had been accepted by WHO-EURO in autumn 1999. The Committee began its work by analysing the new tone of the EAAP and its relevance for Finland and found that the new EAAP gave more weight to measures that aim at the reduction of alcohol-related harm, whereas the first EAAP relied more on reduction of per capita consumption of alcohol. To prepare the programme the

Committee appointed ten of its members to a working group. The suggestions of the working group were accepted by the Committee in December 2000. The ten concrete proposals made by the committee were:

- Increase the resources of and improve co-ordination within the system for the prevention of alcohol-related problems.
- Strengthen networking among those carrying out preventive policies at all levels of action.
- Start preparatory work to give a stronger mandate to local actors in the administration of alcohol sales (off-premise and on-premise).
- Improve the access to and provision of health and social services (both general services and special services for problem drinkers, including supported housing and income maintenance).
- Within the spectrum of anti-alcohol action, strengthen the position of special services for problem drinkers, compared to control measures and education.
- Create a system of physicians in charge of treatment of problem drinkers at the regional and local levels of health service provision.
- Create rules that would help administrations and local actors to keep alcohol-free the leisure and sports environments that are provided for children and adolescents.
- Strengthen the action to promote early detection of alcohol problems in health and social services, occupational health services for the school and university system.
- Strengthen the role of civil organisations in order to support local communities in intervening in and preventing alcohol problems.
- Change the drug prescription system so that control of the prescription of psychoactive drugs will be tightened.

The starting point of the programme (Alcohol Programme for the 2000s: Collaboration and responsibility) is a profound trust in the capacity of public action to prevent and ameliorate alcohol-related problems through extensive collaboration at the national and local levels. The programme emphasises the importance and activation of public actors. Another important aspect is that the measures could be enacted quickly and with low additional costs. The proposal stresses the role of general welfare policies that do not belong to the regime of experts on alcohol policy. Measures aimed at supported housing, income maintenance and employment can significantly contribute to the prevention of alcohol-related problems. The programme also promotes alcohol-free leisure environments for children, adolescents and for those adults who would prefer such environments. The programme is implemented over a period of three years (2001–2003), and the additional funding required is estimated to be 673,000 euro for the whole period. The proposals are to be updated again before the end or

the year 2003, when Finland will meet pressure to reduce alcohol taxation (2000-luvun alkoholiohjelma. Yhteistyötä ja vastuuta, 2001).

Licences for production of alcoholic beverages

Before 1995, Alko was granting production licences to private producers of alcoholic beverages, in practice to breweries and to manufacturers of berry and fruit wines and liquors. As the state monopoly on commercial alcohol production was abandoned in January 1995, this licensing practice could not continue, and from the beginning of 1995 all alcohol producers had to obtain their production licences from the National Product Control Agency for Welfare and Health. To get this licence the applicant had to be trustworthy and have no registered crimes. The price of the production licence was 10,000 Finnish marks or about 1,680 euro and included the right to import and wholesale alcoholic beverages. There was also an annual control fee, depending upon the quantity produced from 2,000 to 500,000 Finnish marks or from 330 to 83,300 euro. In 2000 the price of the production licence was decreased to 8,000 Finnish marks and from 2000 the annual control fee can be at its highest 100,000 Finnish marks or about 16,800 euro.

In the early 1960s, there were 18 licensed breweries with 19 plants in Finland (Österberg, 1981). By 1980 there were only five companies remaining, with 12 production units, all also manufacturing soft drinks and mineral water. Just before Finnish membership in the EU, there were 25 breweries in Finland. Three of them controlled over 99 per cent of the beer and soft drink market. There were two other small ordinary breweries, thirteen restaurant breweries and seven small plants producing sahti. Sahti is a Finnish variety of home-made ale (Holder et al., 1998). In 2000 there were 54 valid brewery licences, with the increase due to new restaurant breweries, i.e. restaurants equipped to brew at least part of the beer they sold. The number of ordinary breweries had decreased to three.

During the 1950–2000 period almost all beer consumed in Finland was domestically produced (International Statistics, 1997; Hurst, Gregory & Gussman, 1997). For instance, in 2000 total beer consumption amounted to 4.5 million hectolitres and the beer imports to 0.07 million hectolitres. Also beer exports have been low. In 2000 about 0.3 million hectolitres were exported mostly to neighbouring countries and another 0.3 million hectolitres were sold for tax-free sales (Yearbook of alcohol and drug statistics, 2001). A good deal of the beer exported and sold for tax-free purposes was in fact brought back to Finland by

Finnish travellers (Österberg, 2000). Nowadays about one third of the beer produced in Finland is draught beer.

There is no grape growing in Finland. However, wines are produced in Finland. Private wine and liqueur production has its origin in the need to create a demand for domestic agricultural products in the 1930s. Because Alko was not, at that time, able immediately to begin the production of wine from domestic berries and fruits, it licensed private companies to produce wine and liqueur from Finnish ingredients only. In later years such restrictions were eliminated. Of the six private producers of wine and liqueur in 1980, the two largest were subsidiaries of larger industrial companies. In 1994 there were four private wine producers in Finland. By the end of 2000 there were 53 licences for producing berry and fruit wines. This increase primarily reflects the increasing number of wine farmers producing small quantities under licence. At the same time the two largest private wine and liqueur producers were merged together and sold to the Swedish company Vin & Sprit.

Finnish berry and fruit wines have had important shares in the Finnish wine market. For instance, in the mid-1990s about half of the wines sold in Finland were also made in Finland. Furthermore, nearly one third of the rest consisted of wine imported in bulk and bottled in Finland. Consequently, only about one fifth of all wine sold in Finland was imported in bottles. Wine exports have usually been rather small with some occasional jumps (Österberg, 1983; Hurst, Gregory & Gussman, 1997).

In 1994 Alko was the only company distilling spirits in Finland. While the number of distillers had risen to 46 by the end of 2000, Primalco was still clearly the largest one. The remaining distilling licence-holders are mostly restaurants, wine farmers, or local small- or medium-scale producers. One class of distilled spirits produced in Finland consists of products in which the producer imports ethyl alcohol and only dilutes, flavours, and bottles the final product in Finland.

At the beginning of the 1980s the consumption of distilled spirits was about 460,000 hectolitres and imports some 35,000 hectolitres or 8 per cent of the consumption. In 1994 the imports of distilled spirits were on about the same level or 39,000 hectolitres but in 2000 the imports had increased to 101,000 hectolitres. As the total consumption of distilled spirits had decreased by 2000 to 260,000 hectolitres, imported spirits accounted for 38 per cent of total spirits consumption (Hurst, Gregory & Gussman, 1997; Yearbook of alcohol and drug statistics, 2001). Exports of distilled spirits, in the main vodka, started in the mid-1960s. In the late 1970s exports had reached 50,000 hectolitres, in 1990 the figure was 103,000 hectolitres and in the mid-1990s 150,000 hectolitres (Österberg, 1983; Hurst, Gregory & Gussman, 1997).

It has been illegal for private persons to distil spirits for their own use since 1932. It has also been illegal to market or sell distilling equipment for home production since 1976 (Österberg, 1987a). On the other hand, making wine or beer for personal use has been legal since 1932, and it is also legal to sell beer- and wine-making equipment. Beer- and wine-making equipment sales have increased, especially since the late 1980s in combination with the economic depression during the first half of the 1990s. Since the mid-1990s making beer or wine at home has been on the decrease (Österberg, 2000).

Licences for imports and wholesale

Before 1995 Alko was the only importer and wholesaler of alcoholic beverages, with the exception of medium beer. Since 1969, beer production licences granted to private breweries by Alko also permitted them to wholesale medium beer. Until 1995 Alko, however, set all beer prices, including the wholesale price for medium beer. Therefore, there could not be any real competition concerning medium beer on the wholesale level.

From the beginning of 1995, licences for the wholesale of alcoholic beverages have been granted by the National Product Control Agency for Welfare and Health. This wholesale licence also includes the right to import those alcoholic beverages the licence concerns. In 1994 there were nine wholesale licences for beer in force. By January 1998 there were 110 wholesale licences for all alcoholic beverages and 25 for beverages under 22 per cent alcohol by volume. The fee for the wholesale licence was 10,000 Finnish marks (1,680 euro) regardless of whether the licence covered all alcoholic beverages or lower alcohol content beverages. In 2000 the application fee decreased to 5,000 Finnish marks and there were 182 wholesale licences in force. The increase in the number of wholesale licences has been rapid, but the ten most important licence-holders account for some 90 per cent of the total wholesale turnover.

Licences for retail sale

According to the 1932 Alcohol Act, Alko was the only body to retail alcoholic beverages off the premises. Furthermore, Alko was the agency licensing private restaurants to retail alcoholic beverages on the premises. The 1968 alcohol legislation changed the situation so that from the beginning of 1969 Alko was licensing ordinary grocery stores to retail medium beer off the premises and

cafés or bars to retail medium beer on the premises. The 1994 alcohol law did not change the basic retailing structure of alcoholic beverages. To be sure, from the beginning of 1995 wine farmers were able to get the right to retail their own products under 13 per cent alcohol by volume off the premise, and grocery stores as well as medium beer cafés could retail medium beer and other fermented alcoholic beverages under 4.7 per cent by volume like ciders, low alcohol wines and wine drinks. In 1995 this practice extended also to food-selling petrol stations and kiosks, but not to sale through a window.

Since the beginning of 1995, licences for retailing alcoholic beverages over 4.7 per cent by volume have been granted by the National Product Control Agency for Welfare and Health. Licences for retailing alcoholic beverages under 4.7 per cent by volume have since then been granted by provincial administrative boards. The most important changes in the criteria for licensing were that when Alko was granting licences it could use needs assessment, while after 1995 only legal aspects were counted when granting licences. The second change was that, before 1995, applying and granting a licence was free of charge, while after 1995 the fee for applying for a licence was as a rule 2,500 Finnish marks. Nowadays it is 3,000 Finnish marks or about 500 euro. Additionally, there is an annual control fee ranging from 500 to 4,000 Finnish marks or from 84 to 673 euro depending on the volume of alcohol sales in the restaurants.

Table 6.2 gives a summary of alcohol availability based on the number of off- and on-premise retail outlets. In 1950 drinkers could get alcoholic beverages from 83 Alko shops, all situated in towns, as well as from 348 restaurants, which with very few exceptions were also situated in towns. In 1970 a drinker could get alcoholic beverages from four different types of retail outlets. The first possibility was to visit one of the 157 Alko shops. The second possibility was to visit one of the 1,182 licensed restaurants, 1,011 of them serving all alcoholic beverages and 171 serving alcoholic beverages with an alcohol content of up to 22 per cent by volume. The third alternative was one of the 16,736 grocery stores where medium beer was sold, and the fourth alternative was one of the 3,299 on-premise medium beer cafés. In 2000 there were 275 Alko stores in Finland as well as 124 places where one could order alcoholic beverages from the nearest Alko shop, and 49 shops in connection with a wine farm or a sahti production plant. The total number of restaurants was 4,904 and the number of cafés able to sell fermented beverages of up to 4.7 per cent alcohol by volume was 4,050.

TABLE 6.2. The number of places for off- and on-premise retail sale of alcoholic beverages in Finland from 1950 to 2000

Year	Alko stores	Grocery stores	Restaurants, A-licences*	Restaurants, B-licences*	Total restaurants	Cafés*
1950	83	-	247	101	348	-
1955	96	-	279	120	399	-
1960	94	-	419	124	543	-
1965	108	-	518	200	718	-
1970	157	16,736	1,011	171	1,182	3,299
1975	194	11,968	1,240	230	1,470	3,078
1980	204	9,248	1,294	231	1,525	2,655
1985	212	7,666	1,402	252	1,654	2,618
1990	240	6,706	2,181	379	2,560	3,128
1995	251	8,076	3,222	270	3,492	5,899
2000	275	7,348	4,630	264	4,904	4,050

* A-licences are for all alcoholic beverages, B-licences are for alcoholic beverages up to 22 per cent alcohol by volume and cafés refer to licenses for medium beer sales from 1969 to 1994 and for sales of all fermented alcoholic beverages up to 4.7 per cent by volume from 1995 on.

Sources: Alcohol Statistical Yearbooks, 1950-1994; Intoxicants Statistical Yearbooks 1997-2000; Yearbook of alcohol and drug statistics, 2001

Alcohol availability

At the beginning of the 1980s, only seven Alko shops operated on a self-service basis. In the late 1980s their number was 54, and by the mid-1990s practically all Alko stores had changed to self-service stores.

After a one-year long experiment in a smaller area in Finland, Alko began in 1979 to keep its stores closed on Saturdays during the summer months, i.e., from the beginning of May until the end of September. In 1991 this policy was discontinued, and all Alko stores were open Monday through Saturday all year round.

During the 1980s Alko stores were open Monday through Thursday, from 10 a.m. to 5 p.m., on Friday from 10 a.m. to 6 p.m., and on Saturday from 9 a.m. to 2 p.m. In the 1990s the opening hours of Alko stores were extended. At the end of 2000 about two thirds of the shops were open from 9 a.m. to 4 or 6 p.m. Monday through Thursday, until 6 or 8 p.m. on Friday, and until 4 p.m. on Saturday. About one third of the stores were open from 9 a.m. to 8 p.m. Monday through Friday and until 6 p.m. on Saturday. The motive for longer hours is to provide customers with better service.

To provide better customer service, Alko started mail delivery of alcoholic beverages in 1990. In 1997, after a two-year experiment, Alko authorised, in municipalities that did not have monopoly stores, certain shops, such as

bookstores or flower shops, to act as special delivery places, where a customer can place an order for alcoholic beverages, then collect and pay for them the next day. Ordinary grocery stores cannot, however, become delivery places in Finland. In June 1997 there were 46 delivery places in operation. At the end of 2000 their number was 124.

During the 1950s and 1960s there were many restrictions regarding the amount of alcoholic beverages a customer could buy in an Alko store. In the 1950s customers were bound to a specific Alko store and had to carry a special identification card to buy alcoholic beverages. All purchases were recorded. Most of these restrictions were lifted between the late 1950s and the beginning of the 1970s. Prior to 1985 a customer could not buy more than two litres of white spirits in one visit to an Alko store. In 1985 this rule and the regulation limiting the bottle size of alcoholic beverages were abandoned. In the early 1980s Alko began to accept bank cards, and since the late 1990s also credit cards have been accepted. Restaurant customers had been able to buy their alcoholic beverages with a credit card much earlier.

During the 1980s, grocery stores sold medium beer during their ordinary opening hours, which were from 9 a.m. to 8 p.m. Monday through Friday and from 9 a.m. to 6 p.m. on Saturday. Grocery stores in rural areas have been allowed to stay open on Sunday since 1991 (Kajalo, 1997). Today grocery stores are open from 8 a.m. to 9 p.m. Monday through Saturday as well as on Sunday in the summer time. Kiosks and gasoline stations are open even longer, but must stop medium beer sales at 9 p.m.

For decades Alko controlled and supervised restaurants through detailed regulations that included dancing, serving customers sitting at the bar, and eating in connection with drinking. In addition, drink size, bookkeeping practices, how open bottles should be handled, and storing and accounting of beverages were regulated. Also restaurants controlled their customers and in the late 1980s there were perhaps more customer regulations initiated by the restaurants themselves than by Alko.

Until 1986 serving of distilled spirits and wine in restaurants began at 12 noon, and serving of beer began at 9 a.m. Since 1987, distilled spirits and wine service began at 11 a.m. but after the 1994 Alcohol Act became effective in 1995, all alcoholic beverages have been served beginning at 9 a.m.

Closing times for restaurants have varied over the years. Prior to 1992 restaurants had to close by 12 midnight or 1 a.m. The 1 a.m. closing time was practised in higher quality restaurants, but the chief of police could prolong opening hours until 2 or 3 a.m. In the 1980s about 200 restaurants stayed open until 2 a.m. and some 50 restaurants until 3 a.m. Since 1992 restaurants have been open until 2 a.m. with the possibility of extended hours until 3 or 4 a.m. if permitted by the chief of police, but medium beer cafés have to close at 10 p.m.

The 1994 Alcohol Act transferred the power to extend hours of operation from the chief of police to the National Product Agency for Welfare and Health. In 1997 some 700 to 800 restaurants were open until 3 a.m. and some 350 until 4 a.m. In 1995 medium beer cafés were allowed to extend hours of operation to 2 a.m. (Holmila, Metso & Österberg, 1997).

Pricing and taxing alcoholic beverages before July 1994

According to the Finnish Alcohol Acts of 1932 and 1968, the pricing of alcoholic beverages was one of Alko's many tasks. High alcohol prices meant that also Alko's surplus was very high. In order to better regulate how Alko's surplus was transferred to the state, the parliament established in the late 1970s a system whereby Alko was to pay a percentage of its total turnover as alcohol tax to the state. In 1979 this rate was set to 60 per cent of Alko's total turnover. This meant that as long as Alko was able to meet this percentage it could quite freely affect price relations between different beverage categories, as well as the prices of individual beverages inside a certain beverage category.

This tax system made it possible for Alko to continue its alcohol policy line of favouring mild alcoholic beverages, which had started in the 1960s. As the percentage accounted for by mild alcoholic beverages of the total alcohol consumption grew, the system became too rigid, because mild alcoholic beverages in many instances were sold at a surplus of less than 60 per cent of the final price plus the turnover tax and Alko's expenses on handling and selling the beverages. In 1990 the law on alcohol taxes was changed, and from the beginning of 1991 the alcohol tax was 60 per cent of the turnover of distilled spirits, 55 per cent of the turnover of fortified wines, and 45 per cent of the turnover of table wines. Even this new Law on Alcohol Taxes gave the monopoly plenty of freedom in pricing alcoholic beverages because the law did only define the share of taxes for the total sales of a group of beverages, not for individual alcoholic beverages inside the group.

Under the 1990 Law on Alcohol Taxes, taxes on alcoholic beverages were not based on their volume or the amount of alcohol they contained. Taxes were based on the retail price of alcoholic beverages or on the price of the beverages that Alko had paid as well as on Alko's markup and expenses on handling and selling the beverages. Furthermore, turnover or value-added tax was included in the retail price of alcoholic beverages. This kind of taxing system favoured domestic products and cheap beverages and worked against imported and expensive beverages. Therefore, the taxing system was obviously against the taxing principles

adopted by the EU which presupposes that there should not exist any discrimination whatsoever in taxing and pricing of alcoholic beverages coming from different EU countries (Horverak & Österberg, 1992). Nor was the Finnish pricing system objective or transparent as Alko could use different markups for different beverages even inside the same beverage category.

One should note here that the Finnish alcohol pricing system before 1994 never claimed or was even meant to be non-discriminatory. In fact, one conscious and openly declared aim of putting the pricing of alcoholic beverages into the hands of Alko was that Alko could use pricing policy for the purposes of preventive alcohol control. One way to fulfil this obligation was to discourage harmful drinking habits and the consumption of harmful beverages, defined generally as distilled spirits, and to encourage the consumption of less harmful beverages, mostly defined as wines and beer. The pricing system made it also possible to put extra high markups on certain individual beverages when the beverages in question had become too popular. This pricing technique was also used in practice, for instance, in raising the prices of alcoholic beverages which were especially favoured either by young adults or alcoholics.

According to the 1932 and 1968 Alcohol Acts, restaurants sold alcoholic beverages as Alko's agents and received a commission for this activity. Restaurants paid Alko the same price for alcoholic beverages as consumers paid in Alko's off-premise retail stores, and Alko defined the way restaurants calculated their on-premise retail prices. The difference between Alko's off-premise retail prices and restaurants' on-premise prices was the commission to restaurants covering both restaurants' costs and the profits.

In the long run the system became very complicated and rigid, with different categories of restaurants and different price groups inside these categories. As a measure to avoid these rigidities, the restaurants were in 1976 divided into three different price categories, and for each price category a maximum and minimum retail price were defined. Inside these boundaries the restaurateurs could choose their markup percentage, which they had to use for all alcoholic beverages. In other words, when entering a restaurant a customer did not know for sure what the price level of alcoholic beverages would be but he or she could be fairly sure of the price relations between different alcoholic beverages, because they were fixed. For instance, if a bottle of strong beer was 30 per cent cheaper than a shot of vodka in one restaurant, a bottle of strong beer was 30 per cent cheaper than a shot of vodka in all restaurants. However, the exact amount in Finnish marks that the customer had to pay for beer or vodka could vary among the different restaurants inside the maximum-minimum limits set by Alko.

In 1988 the system became somewhat less rigid but even more complicated, as the restaurant could now decide its pricing policy separately for each beverage category inside the maximum-minimum system. In one restaurant a shot of

vodka could be cheaper than a bottle of beer if the restaurateur decided to follow the minimum alternative for vodka and the maximum alternative for beer. In another restaurant beer could be much cheaper than vodka if beer was priced by the minimum alternative and vodka according to the maximum alternative. This system continued until the year 1995 when restaurants were allowed to price their beverages at will.

Taxing alcoholic beverages since July 1994

In July 1994, Finland instituted new alcohol tax legislation where taxes were based on the volume of pure alcohol in the beverage. In this respect, the new taxing system was both non-discriminatory and transparent. In January 1995, some further adaptations were made following these principles. Consequently, since January 1, 1995, the excise duty rate has been separate for beer, wine, intermediate products and distilled spirits (Table 6.3). The excise duty on beer and distilled spirits is calculated directly on the basis of the alcohol content. The more alcohol the beverage contains the higher the excise duty, and the amount of the excise duty is a linear function of the alcohol content. The excise duty on wine is calculated on the basis of beverage litres in four different alcohol content categories, meaning that inside a given category the excise duty in Finnish marks is the same for all wines. For instance, the excise duty per litre of table wine with an alcohol content of 9 per cent by volume is exactly the same as per litre of table wine with an alcohol content of 13 per cent by volume. According to the current tax law, one centilitre of alcohol is taxed more heavily in the form of distilled spirits than in the form of wine or beer, and more heavily in the form of beer than in the form of wine. Finland also practises the system where independent small breweries get lower excise duty rates. If the yearly beer production is at most 2,000 hectolitres the excise duty rate is 119 Finnish marks per hectolitre per degree of alcohol. If the production is over 2,000 but less than 20,000 hectolitres the excise duty is 136 Finnish marks, and if the yearly production is more than 20,000 but at most 55,000 hectolitres the excise duty is 153 Finnish marks per hectolitre per degree of alcohol.

TABLE 6.3. Excise duty rates for alcoholic beverages in Finland in 2000 in Finnish marks and in euro

Alcoholic beverage category*	FMK	EUR
<i>Beer, per hectolitre per degree of alcohol in the finished product:</i>		
From 0.5 to 2.8% alcohol by volume	109.00	1.68
Over 2.8% alcohol by volume	170.00	28.59
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product:</i>		
1.2 or over but less than 2.8% alcohol by volume	27.00	4.54
2.8 or over but less than 5.5% alcohol by volume	800.00	134.55
5.5 or over but less than 8.0% alcohol by volume	1,100.00	185.01
8.0% alcohol by volume or over	1,400.00	235.46
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	2,550.00	428.88
Over 15% alcohol by volume	4,200.00	706.39
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product:</i>		
1.2 or over but less than 2.8% alcohol by volume	1,000.00	168.19
2.8 or over but less than 10% alcohol by volume	25,500.00	4,456.98
10% alcohol by volume or over	30,000.00	5,045.64

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

Since the beginning of 1995 the excise duty rates have been the same with one exception. In January 1997 the excise duty rates for intermediate products and wines over 5.5 per cent alcohol by volume were lowered. For wine over 1.2 but less than 8.0 per cent alcohol by volume, the rate decreased from 1,300 Finnish marks per hectolitre to 1,100 Finnish marks. The corresponding change for wine over 8.0 per cent alcohol by volume was from 1,700 to 1,400 Finnish marks. The tax rate for intermediate products under 15 per cent alcohol by volume changed from 3,000 Finnish marks per hectolitre to 2,550 and for intermediate products over 15 per cent alcohol by volume from 5,000 to 4,200 Finnish marks.

Besides moving from value-based alcohol taxes to volume-based taxes, the whole alcoholic beverage pricing system was made transparent, as Alko's markups for different beverage categories are now openly declared. Since July 1994, each producer, importer, or wholesaler could, knowing the price he or she was offering for a certain beverage to Alko, count the final retail price of that beverage. However, Alko's markups for each beverage category still depend on the amount of sales inside certain intervals. The bigger the sales the smaller Alko's markup in Finnish

marks per sold litre. Value added tax has been 22 per cent for all alcoholic beverages during the time of the Finnish EU-membership.

Alcohol prices

In Finland the real price index of all alcoholic beverages had in 1969 and 1980 practically the same value as in 1951 (Alcohol statistical yearbook, 1973, 12; Yearbook of alcohol and drug statistics, 2001, 108). During the 1980–1991 period the real price index of all alcoholic beverages increased by 18 per cent. Since 1991 real prices of alcoholic beverages have decreased very modestly, leaving the real price index for all alcoholic beverages at a much higher level in 2000 than it was in 1980 or in 1951 (Yearbook of alcohol and drug statistics, 2001, 108). As the average real price of alcoholic beverages has not fluctuated much in the 1951–1980 period it can be stated that since the beginning of the 1950s, real prices of alcoholic beverages have never been as high as they were in the 1990s. This also means that EU-based changes in the structure of alcohol taxation in 1994 and 1995 left the real price level of alcoholic beverages practically unchanged. This was also the explicit aim when Finland moved from value- to volume-based alcohol taxation.

Both off- and on-premise prices of alcoholic beverages have increased in the 1969–2000 period. In 1980 off-premise prices were about 5 per cent lower and on-premise prices some 20 per cent higher than in 1969. In the 1980–1991 period the increase in off- and on-premise prices was 13 and 30 per cent respectively. Since 1991 both off- and on-premise prices have fallen slightly in real terms. Compared with 1969, off-premise prices in 2000 were some 5 per cent and on-premise prices some 50 per cent higher.

In the 1951–1980 period wine prices decreased in relation to the prices of distilled spirits and beer. During the 1980–1991 period real prices increased in all beverage categories in about the same manner as the general price index for all alcoholic beverages, with the exception of table wines with decreasing real prices (Holder et al., 1998). At the beginning of the 1990s, real prices of all beverage categories remained stable. After 1993 we find stable real prices for table wines, some decreases for strong alcoholic beverages and strong beer, and increases for fortified wines and medium beer. In 2000 real prices for table wines were some 7 per cent lower than they were in 1980; the real price index for distilled spirits shows a slight 3-per-cent decrease, and the price for beer was about 20 per cent higher than in 1980. Thus, there have been some changes in relative prices between different beverage categories both before and after the EU adaptation.

In 2000 some 60 per cent of beer prices and wine prices constituted of taxes. The corresponding percentage for distilled spirits was 88 per cent. Counted per one litre of pure alcohol the excise duty on wine was nearly one third less than on beer and on distilled spirits about two thirds more than for beer.

Education and information

Alcohol education and information in Finland has traditionally been the responsibility of Alko. Already in the beginning of the 1950s Alko used different informative messages for strengthening its alcohol policy based on regulating the availability of alcoholic beverages. In the 1960s Alko launched a campaign to promote Mediterranean drinking habits and the consumption of wines instead of distilled spirits (Warsell, 1998).

At the beginning of the 1970s the Parliament gave Alko the responsibility for providing information to the public about the harmful effects of alcoholic beverages. Alko's task was to educate the public about the dangers of drinking alcohol primarily through campaigns using broadcast media, posters and leaflets. This could be seen as support to the consumer information aspect, but at the same time it also strengthened the credibility of a responsible alcohol policy. Alko's information and education campaigns have significantly changed during the years. At the beginning Alko's information and education was moralising and largely based on scare tactics stressing the worst consequences of alcoholic beverages, but with time these moralising aspects were toned down (Warsell, 1998).

After Finland joined the EU and had to abolish a great deal of its comprehensive alcohol monopoly system, Alko's education and information activities had to be moved elsewhere. In 1996 the development of preventive work against alcohol and drugs were moved to Stakes which coordinates preventive work at the national level and develops local level drug programs together with the communities. The information and education activities focused on the general public were moved in 1996 to the Finnish Centre for Health Promotion. In addition to regular consumer information and information about alcohol in society in general Alko, since the beginning of 1999, is again providing financial aid to different prevention programs and information campaigns as well as supporting the implementation of the national alcohol action plan (2000-luvun alkoholihojelma, 2001).

Drunk driving

The first known traffic accident in Finland involving a motor car occurred in 1907 when a drunken driver in Helsinki ran into a lamppost in the Railway Station Square. This, however, did not involve a criminal offence, because the drunk driving was not criminalised in Finland until in 1926 (Österberg, 1987). At that time the punishment for driving motor vehicle when intoxicated was a fine or a maximum of one year's imprisonment. In 1937 the maximum term of imprisonment was raised to two years, and in 1950 to four years. Furthermore in 1950, the maximum punishment for drunk driving resulting in another's death was seven years' imprisonment. In 1957 this maximum was raised to eight years.

It was not until 1959 that blood alcohol tests and clinical examinations became mandatory in Finland. Before 1977 there was no statutory limit for blood alcohol concentration (BAC). In March 1977, two BAC limits were introduced. The lower was set at 0.05 per cent and the upper at 0.15 per cent. The aim was that convictions for driving with a BAC over the lower limit should result as a rule in a fine, while driving with a BAC over 0.15 per cent would generally lead to prison sentences for a maximum of two years. As before, convicted drunken drivers were to lose their driving licence for a given period of time (Österberg, 1987b). In autumn 1994 the upper limit or the limit for aggravated drunk driving was lowered from 0.15 per cent to 0.12 per cent. At the same time the BAC limit for those in charge of a boat was set at 0.1 per cent.

Until 1969, appearing drunk in public was a criminal offence in Finland. In 1969 it was decriminalised, but still police could take drunken people to a shelter for sobering up. Until 1995 it was illegal to drink in public. This practice was changed in 1995, but there is still lot of discussion about whether public drinking should be allowed, and several local municipalities have in fact forbidden it.

Administrative structure of treatment for alcoholism

In 1936, the first Alcoholics Act was passed in Finland. The Act, which was copied from Sweden, was grafted on to the social welfare system and based on treatment, care and control of alcoholics. The Alcoholics Act was not concerned about the medical side of alcoholism, instead it only dealt with inebriates who could be considered a burden and nuisance to the society. In 1961, the Act was revised but it more or less followed the same pattern. The next big reform in the alcohol treatment system was introduced over two decades later in 1987, when the new Misuser Act was implemented (Takala & Lehto, 1992).

The treatment for alcohol problems in Finland has traditionally been the responsibility of the social welfare sector. A major part of alcohol treatment has been publicly funded on the national and local level. Health insurance has not been of any big importance. Also the organisation of treatment has been the responsibility of national, and in later decades to an ever-increasing degree of the local government. The fact that alcohol treatment is publicly funded has led to that social rather than medical services are used in providing treatment. This is mainly because the social services are substantially cheaper than medical services. It is also consistent with the view that alcohol problems in Finland are to a greater extent of a societal than a medical character (Takala & Lehto, 1992).

The alcohol treatment system in Finland could be divided into institutional and outpatient care and into services provided especially for people with alcohol problems and within the general social and health services (Table 6.4).

TABLE 6.4. Alcohol treatment system in Finland

	<i>Institutional care</i>	<i>Outpatient treatment</i>
<i>Special services for people with alcohol problems</i>	Rehabilitation institutions Withdrawal stations Residential services Overnight shelters	A-clinics Youth clinics Day centres and other outpatient treatment
<i>General social and health services</i>	Bed units at health centres General hospitals Psychiatric hospitals	Social work at the social welfare offices Primary health care and psychiatric outpatient treatment

Source: Kaukonen, 2000.

In 1991, 57 per cent of the alcohol treatment was performed in special service units for people with alcohol problems. In 1995, the corresponding figure was 43 per cent (Kaukonen, 2000, 109).

The A-clinics as well as the Youth clinics are staffed by social workers, nurses and part-time doctors, and provide open care and treatment for people with alcohol problems (Takala & Lehto, 1992, 91). In 1997 there were 70 A-clinics and 7 Youth clinics operating in Finland. The rehabilitation institutions provide detoxification services, but one can also be admitted to them for rehabilitation that lasts for longer periods. Rehabilitation institutions, which are quite expensive, were less used in the municipalities as a treatment form during the 1990s, partly because of the economic depression at the beginning of the decade. Different forms of outpatient treatment have gained in popularity during most of the 1990s, whereas residential and overnight services are more seldom used. Also the supply

of services provided in residential and overnight facilities has decreased during the 1990s (Kaukonen, 2000).

During the 1990s there has been a shift from in the load of alcohol-related cases from special services to general social- and health services. The growth in the number of patients treated for alcohol-related problems has been especially high in the psychiatric hospitals. The growth in the number of patients in general hospitals has not been as noticeable (Kaukonen, 2000).

Summary

Finland belongs to the Nordic ECAS countries which fifty years ago had a comprehensive and strict alcohol control policy based on a state alcohol monopoly system. The Finnish State Alcohol Company was in many ways the most comprehensive in the Nordic countries. At the beginning of the 1950s it had monopolies on the production, import, export, wholesale and retail sale of alcoholic beverages. It was a part of the state alcohol administration giving restaurants licences to sell alcoholic beverages on the premises, controlling their actions and, if needed, also withdrawing the given licences. It also gave licences to private fruit wine and liqueur factories and breweries for producing beer over 2.8 per cent alcohol by volume. And it was just not licensing the beer production; the company also decided on the types of beers to be produced, stipulated their raw materials, controlled the quality of produced beers and even gave each brewery an own selling district, a kind of local monopoly. The company also conducted and financed both social and biomedical research on alcohol, publishing alcohol policy journals, taking care of the central alcohol library as well as producing alcohol education and information materials. The monopoly also decided on both off- and on-premise prices of alcoholic beverages as well as on the profit margins for licensed restaurants, breweries and fruit wine manufacturers.

The trend in the Finnish alcohol control during the last fifty years has been towards less and less official alcohol control. However, this trend has not been continuous. In certain periods after too great increases in total alcohol consumption or alcohol-related problems the control has also become stricter. The development towards better alcohol availability has not only taken the form of continuous small changes in alcohol control measures, but it also includes abrupt major changes like those brought by the 1968 and 1994 alcohol laws. The latest one included the abolition of state monopolies on alcohol production, import, export and wholesale. The 1994 Alcohol Act is also important insofar as it clearly shows how outside pressures have begun to more and more mould the Finnish alcohol control system. Thus far these outside pressures have mainly

appeared because of the Finnish membership in the EU. With good grounds it can be argued that until the 1990s only domestic interests and factors were behind the changes in the Finnish alcohol control system.

Despite the developments to a more liberal alcohol control, the Finnish alcohol control system is still quite tight and comprehensive with a state monopoly on off-premise retail sale of almost all alcoholic beverages with an alcohol content over 4.7 per cent by volume and some beverages below it. It is however true that the state has during the last decades lost many possibilities for controlling the alcohol field, and will presumably lose more when travellers' alcohol import allowances will disappear in 2004 inside the EU area and when the EU will get new members, Estonia among them. These changes will most certainly put an end to the policy with very high alcohol excise duties. At the same time, however, new tools for controlling the total alcohol consumption and its adverse effects are sought.

Finland belongs also to those ECAS countries which have invested in alcohol research, and which therefore have produced much knowledge of the effects of different alcohol control measures on alcohol consumption and related problems. Implementing alcohol control measures is of course not just a question of free will. General societal trends and factors also affect the possibilities to put certain alcohol controls in force. We can therefore ask whether the alcohol control system in the 1950s would have been viable in the 1990s. The answer is most certainly negative. But despite this, the Finnish experience clearly shows that giving up alcohol control measures leads to increases in alcohol consumption, and most likely, harsher alcohol controls lead to decreases in alcohol consumption and related problems.

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Chapter 7

France

THOMAS KARLSSON AND ESA ÖSTERBERG⁶

The country

France is situated in Western Europe bordered on the north by Belgium and Luxembourg, on the south-west by Germany, on the east by Switzerland and Italy, and on the south by Monaco, the Mediterranean Sea, Spain and Andorra. On the west France is bordered by the Bay of Biscay and the English Channel. The republic of France includes ten overseas possessions and has numerous territorial collectivities and dependencies.

The total area of France, which includes the island of Corsica located in the Mediterranean Sea, is 543,965 km². The capital and largest city is Paris. France has 58.1 million inhabitants, of which nearly 94 per cent are French by birth. Almost 75 per cent of the people are classified as urban dwellers. The country's official language is French, although regional languages such as Basque and Catalan are also spoken in some areas. Approximately 81 per cent of French residents are Roman Catholics. Significant religious minority groups in France are Muslims, Protestants, and Jews.

Once largely agricultural, France has become increasingly industrialised since the Second World War. The government played a major part in the economy in the decades after the war, but since the mid-1980s it has reduced its involvement. Cultivated fields, orchards, and vineyards occupy 35 per cent of French land, and France is the top producer of wine in the world. Some 5 per cent of the labour force work in agriculture, forestry, and fishing. Nearly 30 per cent of the work force is employed in industry, including manufacturing, mining, and construction. The rest are occupied in the service sector.

The head of the state is the president, who is elected by direct popular vote for a term of five years. The president designates the prime minister, who has to be approved by the parliament and appoints cabinet ministers. The French

⁶ For France the ECAS Alcohol Policy Questionnaire was filled in by Michael Craplet from the National Association of Prevention from Alcoholism. We would also like to thank Pekka Sulkunen from the Department of Sociology at the University of Helsinki for commenting the manuscript for this chapter.

parliament comprises the National Assembly, which consists of 577 deputies, and the Senate which has 321 members. The National Assembly is elected by direct universal suffrage to serve up to five years, whereas the Senators are elected for a nine-year term by indirect popular suffrage. Supreme legislative authority is vested in the National Assembly, whereas the Senate is an advisory body.

France's 22 regions are divided into 96 metropolitan departments. The departments are further divided into communes, which are governed by municipal councils. Each council elects a mayor from its membership. France has more than 36,500 communes. The communes, which greatly differ in area and population, are often identical with municipalities.

Alcohol production and trade

At the beginning of the 1950s the annual wine production in France was about 60 million hectolitres. Since then the yearly amount of wine produced has fluctuated around 65 million hectolitres, the figure being as high as 84 million hectolitres in 1983 and as low as 33 million hectolitres in 1957. In the 1990s the annual wine production was about 55 million hectolitres. Wine exports rose from about 3 million hectolitres a year in the mid-1950s to about 7 million hectolitres in the mid-1970s and further to about 12 million hectolitres in the mid-1980s. In the mid-1990s about 11 million hectolitres of wine have been exported annually. In the mid-1970s the yearly amount of wine imported was about 7 million hectolitres. In 1995 the corresponding figure was 6 million hectolitres (International Statistics, 1977; Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002).

Red wine is produced more than white. In 1993, red wine accounted for 64 per cent of the total wine production. White wine accounts for 36 per cent of the wine production. However, approximately one third of this is distilled into cognac (Hurst, Gregory & Gussman, 1997).

In the 1980s some 2 million hectolitres of distilled spirits were produced each year. About 1 million hectolitres of distilled spirits were exported annually. At the same time the annual imports of distilled spirits were about 0.4 million hectolitres (Hurst, Gregory & Gussman, 1997).

At the beginning of the 1960s the yearly beer production reached 18 million hectolitres. From the mid-1960s to the mid-1990s the annual beer production has been almost stable at about 20 million hectolitres (International statistics, 1977; Hurst, Gregory & Gussman, 1997). In 1995 packaged beer accounted for 76 per cent of total beer production. The increase of the proportion of draught beer of total beer production from 17 per cent in 1975 to 24 per cent in 1987 is an

indication of increases in on-premise beer consumption since the mid-1970s. Domestic beers are clearly more popular than imported products. However, in the mid-1970s some 2 million hectolitres of beer were imported annually. In the mid-1990s the corresponding figure was about 3.5 million litres. Exports of beer have also increased during the same period from about 0.6 million hectolitres to 1.4 million hectolitres. Consequently, in the mid-1990s some 7 per cent of the French beer production were exported and imported beer accounted for 15 per cent of the French beer consumption, which is one of the highest rates in Europe.

The domestic brewing industry in France has rationalised quite significantly since the 1980s. In 1994, 25 brewing companies were operating, while the number in 1971 had been almost three times greater. The decline in numbers has occurred particularly among the smaller companies. Brewing companies with a capacity of over 500,000 hectolitres of beer only represent 20 per cent of all breweries in France. These breweries, however, accounted for as much as 91 per cent of the beer produced in 1990. Group Danone dominates the beer market, followed by Heineken. The top three producers cover almost 70 per cent of the beer market in France (Global Status Report on Alcohol, 1999).

Alcohol consumption

Per capita consumption of alcohol increased slowly in France after the Second World War, after which there has been a significant downward trend since 1955. At the beginning of the 1950s total alcohol consumption was about 19 litres of pure alcohol per capita a year. In 2000 the corresponding figure was 10.5 litres (Table 7.1; World Drink Trends, 2002). Thus, during the last fifty years the per capita alcohol consumption has decreased by about 40 per cent.

TABLE 7.1. Consumption of alcoholic beverages by beverage categories in France in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	19.81	18.58	16.96	13.89	11.73
Consumption of distilled spirits	2.43	2.47	2.38	2.33	2.49
Consumption of wines	16.25	14.34	12.40	9.56	7.43
Consumption of beer	1.13	1.77	2.18	2.00	1.81
Percentage of distilled spirits	12	13	14	17	21
Percentage of wines	82	77	73	69	63
Percentage of beer	6	10	13	14	16

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

The consumption of wine peaked in 1955 at 139 litres per capita. Since then the consumption of wine has decreased constantly and in the late 1990s it was about 56 litres per capita a year. The decrease in wine consumption was thus 60 per cent or about 83 litres per capita in about four decades (World Drink Trends, 2002).

In accordance with regulatory laws, wines in France are grouped into two categories. These are table wines and quality wines. Production at the vineyards is controlled, thereby assuring the maintenance of quality wine. Wines meeting these requirements will be labelled *Appellation Contrôlée*, which is a guarantee of the wine's origin and quality. A second level of wine quality is indicated by the letters *V.D.Q.S.*, an abbreviation from *Vins Délimités de Qualité Supérieure*. Wines without these quality labels are classified as table wines. The popularity of table wines has been declining during the study period, although they still account for about 55 per cent of the total wine consumption. However, in the mid-1970s the corresponding figure was 84 per cent (Hurst, Gregory & Gussman, 1997).

The consumption of distilled spirits fell from a high of 2.9 litres of pure alcohol per capita in 1951 to a low of 1.9 litres in 1958. In 1965 the consumption had risen to 2.5 litres, and has since then fluctuated around 2.4 litres, which is the figure for the consumption of distilled spirits in 2000 (World Drink Trends, 2002). There may still have been a decreasing trend in the consumption of distilled spirits as it has been estimated that the unrecorded consumption of distilled spirits has been quite large in earlier decades (Hurst, Gregory & Gussman, 1997, 151).

The most popular distilled spirits in France is anise with about 40 per cent of the market both in 1975 and in 1990. The market share of whisky, gin and vodka has increased during the same period from 9 to 30 per cent. Brandy and aperitifs have been the losing types, the former from 13 to 7 per cent and the latter from 9 to 3 per cent. The share of liquors has decreased from 18 to 12 per cent while rum and *creme de cassis* have kept their share at about 10 per cent both in 1975 and in 1990 (Hurst, Gregory & Gussman, 1997).

At the beginning of the 1950s the annual consumption of beer was about 20 litres per capita. In 1976 the per capita consumption of beer peaked at 49 litres. Since then the consumption of beer has been on the decline. In the late 1990s the per capita consumption of beer was 39 litres a year (World Drink Trends, 2002). During the 1980s there was a shift from beer with an alcohol content between 2.0 and 3.9 per cent by volume both to stronger and lighter beer.

In 1981, low alcohol content beer accounted for 3 per cent of the total beer consumption. In 1994 the corresponding figure was over 7 per cent. During the same period the market share of special beer with an alcohol content over 5.4 per cent by volume increased from 17 per cent to 21 per cent. Two thirds of all beer consumed fall in the range of 4.4 to 5.4 per cent by volume (Hurst, Gregory & Gussman, 1997).

In terms of pure alcohol, wine accounted for over 80 per cent of the total alcohol consumption in the mid-1950s. In the late 1990s the corresponding figure was 63 per cent. The proportion of distilled spirits has increased during the same period from 12 per cent to 21 per cent and that of beer from 6 per cent to 16 per cent. These increases of the relative market shares are mostly explained by the decreases in wine consumption, not in the absolute increases in the consumption of beer and distilled spirits.

Consumption of alcoholic beverages, and especially of wine, is a traditional feature of French life. It is estimated that 30 per cent of all wine is consumed with meals. Beer's rate is thought to be much lower, about 6.5 per cent of the total beer consumption. A significant part of alcoholic beverages is consumed on the premises in bars, cafés and restaurants. It is estimated that about 35 per cent of beer, 38 per cent of distilled spirits and 36 per cent of wine are consumed on on-licence premises. The number of cafés, once the centre of social life in France, has however decreased significantly from 200,000 establishments in 1960 to 50,000 in 1995 (Hurst, Gregory & Gussman, 1997). The decrease can be linked to the decline in alcohol consumption and the rural-to-urban drift of the population (Sulkunen, 1989; Karlsson & Simpura, 2001).

During the 1980s, the number of men and women who drank alcohol at least once a day declined. Despite this, there was little change in the proportion of heavy drinkers. A study in 1995 suggests that while the number of regular drinkers has continued to decline, the proportion of occasional drinkers has grown throughout the 1980s and 1990s. According to a semi-official source, alcohol consumption patterns have changed during the last twenty years as habitual consumption has been progressively replaced by excessive consumption with intoxication among adults (Hurst, Gregory & Gussman, 1997). There are, however, no nation-wide drinking surveys from earlier decades that could verify this trend (Simpura & Karlsson, 2001).

There are also considerable variations in drinking patterns between different regions. The annual consumption of wine per capita in 1979, for example, varied from 41 litres in the north to 79 litres in the south-west. The consumption of beer varied from 7 litres in the south-west to 62 litres in the north, and the consumption of aperitifs, whisky and liqueurs from 2 litres in the Mediterranean area to 8 litres in the north (Moser, 1992).

The per capita consumption of all beverages in France was 423 litres in 1986 and 560 litres in 2000. The per capita consumption of alcoholic beverages was 123 litres in 1986 and 101 litres in 2000. From 1986 to 2000 the consumption of commercial non-alcoholic beverages increased from 300 litres to 459 litres. During this period the consumption of waters increased from 73 to 133 litres, the consumption of juices from 5 to 69 litres, the consumption of soft drinks from 27 to 39 litres, the consumption of milk from 63 to 75 litres, the consumption of

coffee from 109 to 116 litres and the consumption of tea from 23 to 27 litres per capita (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

Several national bodies have been active in promoting preventive alcohol policy and programme development during the period after the Second World War. The first national body was established as early as in 1954, when the High Committee for Study and Information on Alcoholism (Haut Comité d'Etudes et d'Information sur l'Alcoolisme) was established. The committee was an agency of the Prime Minister's office and continued as such for about 30 years, after which it lost its high protection and was attached to the Ministry of Health. From that time on, its area of responsibility has substantially narrowed down.

In December 1991 the High Committee for Study and Information on Alcoholism was transformed into the High Committee for Public Health (Haut Comité de la Santé Publique). The new committee, which reports to the Minister of Health, turned its attention to more urgent tasks, with special concerns for illicit drugs and AIDS. The committee's tasks are, for instance,

- to advise the government on policy and regulatory actions concerning public health,
- to propose actions on prevention and providing information and education on matters of health,
- to compile statistics,
- to provide relevant and comparable indicators at regular intervals,
- to produce an annual public report, and
- to analyse overall and prospective problems of public health (Hurst, Gregory & Gussman, 1997).

The High Committee for Public Health also included a permanent commission on alcohol problems and public health, which replaced the High Committee for Study and Information on Alcoholism. The commission worked, however, only for a few years, after which it was abolished (ECAS APQ, 1999).

The National Committee for Prevention of Alcoholism (L'Association nationale de prévention de l'alcoolisme), established in the late nineteenth century, is the oldest and most important non-governmental organisation dedicated to the battle against alcoholism. It is a voluntary organisation with a membership of over 5,000. The National Committee for Prevention of Alcoholism

acts as a public pressure and information group and is largely decentralised. It has a national headquarter that sets guidelines for general policies and prepares documentation and films, and also acts as a training centre (Hurst, Gregory & Gussman, 1997). The French Society of Alcoholology, founded in 1978, develops contacts between members and organisations of various disciplines in the study of alcohol matters (Moser, 1992).

At the beginning of the 1980s, at the request of the president, a working group was set up to define a ten-year programme against alcoholism, stated to be among the most important and disturbing social problems. In its report, the group concluded that the first objective of a preventive alcohol policy should be a considerable reduction in the French population's alcohol consumption. This goal should be approached through a national policy aiming

- to improve the application of existing legislation and to prepare jointly with other EC member countries a common alcohol policy aimed at protecting public health,
- to improve the quality of wine, to decrease the production of wine and to reduce the alcohol content of other beverages,
- to index the price of alcoholic beverages to the cost of living, to reinforce measures against advertising, to reform legislation on outlets, and to promote the production and consumption of non-alcoholic beverages,
- to develop alcohol education and to integrate it into general health education, and
- to promote training concerning alcohol problems among medical personnel, schoolteachers and other professionals (Moser, 1992).

On January 10, 1991, a public health legislation (Loi Évin) was passed. The aim of Loi Évin was to fight against alcohol misuse. The law was especially directed at the most vulnerable segments of the population, the young and the disadvantaged. Amongst other, the law placed harsh restrictions on alcohol advertising.

Currently there is no single specialised public administrative body in charge of preventive alcohol policies in France. Preventive alcohol policies are, however, to a great extent dependent on the Health Department of the Ministry of Social Affairs. The ministry's three main operative agencies are

- administrative services which are in charge of funding, both for treatment and prevention, gathered in Bureau SP3 for alcohol, drugs and mental health structures,
- the French Committee for Health Education (Comité Français d'Éducation à la Santé) which is a specialised agency of the Ministry of Social Affairs dealing with general prevention and education campaigns, and
- the High Committee for Public Health which is an expert group overseeing public health problems.

The most recent action taken in the field of preventive alcohol policies was in 1998, when the interdepartemental mission for the fight against drugs and drug addiction (Mission Interministérielle de Lutte contre la Drogue et la Toxicomanie), an agency of the prime minister, was asked to add alcohol, tobacco and psychotropic pharmaceutical drugs to its field of action. The interdepartemental mission for the fight against drugs and drug addiction published a plan for the fight against drugs and on the prevention of addiction in June 1999 (Plan triennal de lutte contre la drogue et de prévention des dépendances). It is, however, too early to see the results of this programme (ECAS APQ, 1999).

Licensing policy

In France, alcohol producers need a licence to operate. The licence is granted to them by the Ministry of Treasury. There are a few regulations in the licence system concerning the maximum and minimum alcohol strength of the beverages produced. Wines, for instance, must have an alcohol content between 8.5 per cent and 15 per cent by volume and distilled spirits must not be over 45 per cent alcohol by volume with the exception of a special product of the Caribbeans called rum agricole, which can go up to 50 per cent alcohol by volume. There are also regulations on the minimum and maximum content of sugar in some liquors (ECAS APQ, 1999). Alcohol importers and wholesalers also need a licence to operate. This licence is also granted by the Ministry of Treasury.

France has also two categories of private production privileges, the *bouilleurs de cru* and the *bouilleurs ambulants*. The *bouilleurs de cru* are small distillers allowed to produce up to 10 litres of pure alcohol tax free per year. Since 1960 this privilege has been non-transferable, and their number has been decreasing. In 1986 about 800,000 *bouilleurs de cru* reported production and they accounted about 4 per cent of the total production of distilled spirits. It is, however, estimated that only half of the real production is reported (Hurst, Gregory & Gussman, 1997). The other privilege, the *bouilleurs ambulants*, has also lost its importance because of rigid rules from 1959, including paying excise duties on the spirits distilled by these travelling distilleries.

The licence legislation with regard to retail sales of alcoholic beverages was introduced during the period 1954 to 1959 and has not changed since then. Licensing policies are based on a classification of beverages into five groups (ECAS APQ, 1999). The four categories of licences which may be issued for on-premise retail sales are related to the beverage groups in the following way:

- First category licence or non-alcoholic beverage licence is for sale of the beverages in group one consisting of non-alcoholic beverages and beverages with an alcohol content under 1.2 per cent alcohol by volume.
- Second category licence or fermented beverage licence is for sale of alcoholic beverages in groups one and two, group two consisting of fermented beverages, wine, beer, cider and perry, as well as natural sweet wines under the fiscal system of wines, blackcurrant liqueur, and fermented fruit or vegetable juice containing between 1.2 and 3.0 per cent alcohol by volume.
- Third category licence or restricted beverage licence is for sale of alcoholic beverages in groups one, two and three, group three consisting of natural sweet wines other than those from group two, liqueur wines, wine-based cocktail drinks, and strawberry, raspberry, blackcurrant or cherry liqueurs whose alcohol content is under 18 per cent by volume.
- Fourth category licence or full beverage licence is for sale of alcoholic beverages in all five groups. Group four consists of rum and beverages distilled from wine, cider, perry of fruits, and group five consists of all other distilled beverages.

An establishment licensed to sell alcoholic beverages for on-premise consumption may also sell the same beverages for off-premise consumption. Other licences for off-premise retailers of alcoholic beverages are

- Petit Licence à Emporter allowing to sell beverages in groups one and two, and
- Grande Licence à Emporter allowing to sell all kinds of alcoholic and non-alcoholic beverages (ECAS APQ, 1999).

The licences for off- and on-premise sale of alcoholic beverages are granted by the Ministry of Treasure. Regarding the on-premise licence, the authorities take into account the location of the premise for which the application is made. The licensing law contains a specific provision that prevents premises from being established in an inappropriate location, for instance near schools, hospitals, burial grounds and public transport agencies. A maximum density of outlets with regard to licences in category two and three is based on the rule one on-premise retailer per 450 inhabitants. However, in many cases the density is higher because the retailers had already operated there before the legislation came into force. In large urban areas, the limit is one licence per 3,000 inhabitants. In large urban areas there has also been problems regarding the maximum density especially in new towns or popular leisure resorts. New licences for the fourth category have been issued only on a temporary basis for the duration of special events (ECAS APQ, 1999).

The on-premise licence is permanent but can be cancelled if the establishment is closed for a period of over three years. No new on-premise licences are granted. Therefore a new establishment must purchase the licence from a place that is ceasing its activity. As no new licences are granted, the price of an on-premise licence on the market is currently very high (ECAS APQ, 1999).

Restaurants not holding any of the above-mentioned licences for on-premise consumption may get either

- Petit Licence Restaurant allowing to sell beverages in groups one and two for consumption on the premises, but only with food, or
- Licence Restaurant allowing to sell all beverages for consumption, but only with food.

As a result of the licensing regulations introduced in the late 1950s, the number of establishments for licence categories two, three and four has decreased considerably. Their number declined from 1960 to 1992 from over 250,000 licences to about 168,000 licences, whereas establishments carrying category one licences increased from 7,000 to 42,000. Also the total number of other off-premise licences has decreased. The number of licences allowing the selling of all alcoholic beverages decreased from 99,000 to 63,000 during the period 1960-1992 whereas licences allowing to sell non-alcoholic fermented alcoholic beverages increased from 49,000 to 60,000. The number of those on-premise licences allowing serving of alcoholic beverages with food has increased between years 1960 and 1992 from 19,000 to 41,000, but the total number of all licences was in 1992 about 20 per cent lower than in 1960 (Hurst, Gregory & Gussman, 1997).

Restrictions of availability

The Code des Débits de Boissons forbids all minors under the age of 16 to enter a bar unless accompanied by an adult. All alcohol purchases on both off- and on-licence premises are prohibited of persons under 16 years of age. The legal age limits are fairly well-enforced with regard to on-premise sale of alcoholic beverages. The same does not, however, apply to off-premise sale of alcoholic beverages. The legislation concerning legal age limits was introduced gradually from 1954 to 1959 and it has not changed since (ECAS APQ, 1999).

Local authorities determine restrictions on permitted hours. The restrictions are, however, not alcohol specific but related to business hours in general. Sale of alcoholic beverages is allowed while the establishments are open which depends

on the nature of the establishment. Since *Loi Évin* was passed in 1991 alcohol sales from vending machines are not allowed. Likewise the off-premise sale of alcoholic beverages at service stations is not permitted between 10 p.m. and 6 a.m. (ECAS APQ, 1999).

The sale of alcoholic beverages is also prohibited along highways, except with meals, and near hospitals, schools, industrial areas and old people's retirement homes. Authorisation of sales in and around sports grounds has varied in the last decades. The last legislation authorised the sales except for ten days a year. This law was, however, condemned by the *Conseil d'Etat*, which controls the conformity of new laws (ECAS APQ, 1999).

Alcohol taxation

In France there are three types of indirect taxes on alcoholic beverages which are brought together under the term excise duty. These are circulation taxes (*droit de circulation*) for wines and fermented beverages except for beer, consumption tax on distilled spirits and intermediate products and excise duty on beer (ECAS APQ, 1999). On beer, the excise duty is levied on the basis of hectolitre per degree of alcohol in the finished product in two alcohol content categories (Table 7.2). Excise duties on wine and intermediate products are levied on the basis of hectolitre of the product with different rates on still wine and sparkling wine and other sparkling fermented products. The excise duty on distilled spirits is levied on the basis of hectolitre of pure alcohol in the finished product.

At the beginning of the 1970s the excise duty on beer was based on the volume of the product in two different alcohol content categories (Table 7.3) In 1972 there were different rates for hectolitre beer with an alcohol content between at least 1.0 and at most 4.6 per cent by volume and over 4.6 per cent by volume. Before 1993 the excise duty rate on the stronger beer increased in 1977 and 1982. The increases were respectively 50 per cent and 100 per cent. In 1982 the excise duty for beer decreased by 19 per cent. The excise duty rate for the stronger beer was about twice that of the weaker one.

The change in tax base in 1993 meant that the excise duty on a beer of 5 per cent alcohol by volume was increased threefold. In 1997 there was a further increase in beer excise duty rate with 36 per cent (Table 7.3).

Even at the beginning of the 1970s excise duty on wine was set per hectolitre of the product (Table 7.4). In 1972 the excise duty rate was 9 francs. In 1980 it was raised to 13.5 francs and in 1981 to 27 francs. In 1982 the excise duty rate for wine was decreased to 22 francs per hectolitre of the product which is also the current rate.

TABLE 7.2. Excise duty rates for alcoholic beverages in France in 2000 in French francs and in euro

Alcoholic beverage category*	FF	EUR
<i>Beer, exceeding 0.5% alcohol by volume, per hectolitre per degree of alcohol in the finished product:</i>		
From 0.5 to 2.8% alcohol by volume	8.50	1.30
Over 2.8% alcohol by volume	17.00	2.59
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product:</i>		
Still wine and other still fermented beverages	22.00	3.35
Sparkling wine	54.80	8.84
Other sparkling fermented beverages	22.00	3.35
<i>Intermediate products, per hectolitre of the product:</i>		
Standard rate	1,400.00	213.43
Reduced rate for natural sweet wines (vin doux naturel)	350.00	53.36
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product:</i>		
Standard rate	9,510.00	1,449.79
Reduced rate for rum from the overseas departments	5474.00	834.51

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

TABLE 7.3. Excise duty rates for beer in France from 1972 to 1992 in French francs per hectolitre of the product and from 1993 to 2000 in French francs per hectolitre per degree of alcohol in the finished product

Year	Alcohol content in per cent by volume			
	At least 0.5 but at most 2.8%	At least 1.0 but at most 4.6%*	More than 2.8%	More than 4.6%
1972		4.50		8.00
1977		4.50		12.00
1980		6.80		12.00
1981		13.60		24.00
1982		11.00		19.50
1993	6.25		12.50	
1997	8.25		17.00	

* From 1991 to 1993 at least 1.2 but at most 4.6.

Source: Hurst, Gregory & Gussman, 1997.

Table 7.4. Excise duty rates for still wine, sparkling wine and intermediate products in France from 1972 to 2000 in French francs per hectolitre of the product for still wine and sparkling wine and per hectolitre of pure alcohol in the finished product for intermediate products

Year	Still wine	Sparkling wine	Intermediate products
1972	9.00	22.50	2,690.00
1975	9.00	22.50	3,575.00
1976	9.00	22.59	4,005.00
1977	9.00	22.50	4,135.00
1980	13.50	33.80	5,975.00
1981	27.00	67.60	6,400.00
1982	22.00	54.80	6,795.00
1987	22.00	54.80	6,930.00
1993	22.00	54.80	1,400.00*

* per hectolitre of the product.

Source: Hurst, Gregory & Gussman, 1997.

The excise duty rate for sparkling wine has since 1972 been 2.5 times the rate for still wine (Table 7.4). Changes in the excise duty rate for sparkling wine follows the same path as the rate for still wine.

At the beginning of the 1970s the special tax on intermediate products was set on the basis of hectolitre of pure alcohol in the finished product. In 1972 the excise duty rate was 2,690 francs. It has been raised in the years 1975, 1976, 1980, 1981, 1982 and in 1987 when it reached the rate of 6.930 francs per hectolitre of pure alcohol in the finished product. In the 1972–1992 period the increase in the excise duty rate has been only a little higher than that of beer or wine.

The current excise duty base and rate for intermediate products was put in effect in 1993. For a fortified wine with 15-per-cent alcohol by volume the increase in the excise duty rate was about 20 per cent and for a fortified wine with an alcohol content of 21 per cent by volume the decrease in excise duty rate was 4 per cent.

As early as in 1972 the tax base for distilled spirits was hectolitre of pure alcohol in the finished product but there were three different excise duty rates for distilled spirits (Table 7.5). The rate for cereal-based spirits, like whisky, was 3,450 francs, for wine and fruit-based spirits, like cognac, it was 2,690 and for rums 1,860 francs. In 1975, 1976, 1977, 1980 and 1981 these rates were raised so that the relation between different excise duty rates was kept constant. In 1982 the excise duty rate for cereal-based spirits was lowered to 7,655 francs and the relative decrease was higher than for wine- and fruit-based spirits or rum. In 1987 the rate for cereal-based and wine- and fruit-based spirits was equalised, and the new rate was 7,810 francs per hectolitre of pure alcohol in the finished

product. The rate for rum was set to 4,496 francs. The current rates were reached in 1993 (Hurst, Gregory & Gussman, 1997).

TABLE 7.5. Excise duty rates for distilled spirits in France from 1972 to 2000 in French francs per hectolitre of pure alcohol in the finished product in three product groups

Year	Rums	Wine- and fruit-based distilled spirits*	Cereal-based distilled spirits*
1972	1,860.00	2,690.00	3,450.00
1975	2,475.00	3,575.00	4,590.00
1976	2,820.00	4,005.00	5,235.00
1977	3,100.00	4,135.00	5,800.00
1980	3,720.00	5,975.00	7,655.00
1981	4,150.00	6,635.00	8,220.00
1982	4,405.00	7,015.00	7,655.00
1983	4,405.00	7,655.00	
1987	4,495.00	7,810.00	
1993	5,215.00	9,060.00	
1997	5,474.00	9,510.00	

* From 1983 wine-, fruit- and cereal-based distilled spirits have the same excise duty rate.

Source: Hurst, Gregory & Gussman, 1997.

In 1983 a special tax of 10 francs per litre, applied to beverages with an alcohol content of more than 25 per cent by volume, was introduced to fund social programmes. In 1985 it was lowered but became subject to the VAT. With the VAT included the effective level of the special tax was 10.13 francs per litre. Vintners may also pay fees to support agricultural associations. These fees are written in the fiscal laws and may be collected by the Ministry of Finance or by the organisations themselves (Hurst, Gregory & Gussman, 1997). Since April 1, 1983, a contribution via a tax sticker of 1 franc per decilitre or fraction of a decilitre is demanded of beverages with an alcohol content of over 25 per cent by volume. This contribution is directly paid to the Department of Social Security (ECAS APQ, 1999).

In 1995, the value added tax (VAT) was increased to the current rate of 20.6 per cent from 18.6 per cent, which had been the rate since 1982. Prior to 1982, it had been set at 17.6 per cent (Hurst, Gregory & Gussman, 1997).

In the late 1990s the excise duty on wine counted per litre of pure alcohol was one tenth that of beer and the excise duty on distilled spirits was 7 times that of beer. After taking the VAT into account, special taxes on wine were about 40 per cent that of beer and special taxes on distilled spirits were about three times the special taxes on beer. About 19 per cent of wine prices constituted of taxes. The corresponding amounts for beer and distilled spirits were 24 per cent and 53 per cent, respectively.

Changes in excise duty levels in tables 7.3, 7.4 and 7.5 are given in nominal values. During the 1950-2000 period the value of the French currency has decreased because of inflation. The increase in the general price level in France in the 1960-2000 period as described by the consumer price index (CPI) is given in table 7.6.

TABLE 7.6. Consumer price index in France, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	13.1	15.7	19.3	29.5	48.6	72.6	89.6	100.0	106.3

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When compared with the CPI, it is clear that the real value of excise duties on all alcoholic beverages has decreased by about 50 per cent in the 1970s and 1980s. In the 1990s the excise duty on wine has continued to decrease in real terms whereas the excise duty on distilled spirits has stayed about the same in real terms. For beer the excise duty has increased four times over in the 1990s. This happened especially in the year 1993. According to the data collected in the ECAS project, the real price index for all alcoholic beverages in France has been quite stable in the 1963–1974 period. Since the mid-1970s the real price index has decreased but only by a few percentage points (Leppänen, 1999).

Alcohol advertising

With the Loi Évin (1991), France introduced the most restrictive measures on alcohol advertising in the EU at the time. Effective in January 1993, the law banned direct and indirect alcohol advertising with some exceptions. All alcoholic beverages containing more than 1.2 per cent alcohol by volume were covered by the law. The Loi Évin was voted through partly because the former restrictions on alcohol advertising from July 1987 had discriminated against foreign products. This legal aspect led the Scotch whisky producers to take the French government to the European Court of Justice, and France was condemned and forced to amend the previous law. During the interim period, producers and advertisers ignored the French law and the trespassing had been flagrant and outrageous. This led the parliament to vote for the Loi Évin (ECAS APQ, 1999).

The 1991 law can be summarised by the following points:

- All drinks over 1.2 per cent alcohol by volume are considered alcoholic beverages.
- No advertising should be targeted on young people.
- No advertising is allowed on TV and in cinemas.
- No sponsorship of cultural or sporting events is authorised.
- Advertising is permitted in magazines for grown-ups, on billboards in places of production and selling, on certain radio channels, in special events or places such as wine fairs and wine museums.
- Within the media the messages are controlled. It is not allowed to show people drinking in the advertisements, the messages should only refer to the characteristics of the products such as alcohol content, origin, brand name, composition, name and address of the manufacturer and retailers, information of production, instructions on ways to prepare and drink the product.
- A health message, abuse is dangerous to health, must be included in each advertisement.

It should be stressed that the above measures are required by the law. It is not a question of self-regulation or voluntary code of practice depending on the goodwill of the producers. Illegal advertisements can be brought before the court, and there are high penalties for infringement.

Although TV advertising of alcoholic beverages is banned, indirect advertising, as seen at sports events, may be allowed on a case-by-case basis. In practice, the presence of alcoholic beverages on television can be tolerated only if there are no insistent shots of glasses or alcohol bottles, insistent manipulations of any object directly related to alcohol or direct allusions to alcoholic products.

Radio advertising is banned daily between 5 p.m. and midnight and all day Wednesday. Advertising of alcoholic beverages is also banned in cinemas. The contents of alcohol advertising are also restricted in the press, but the regulations do not apply to foreign magazines sold in France.

Since 1991 the law has been amended somewhat. Legislation governing outdoor advertising was amended in 1994 to reinstate freedom for poster advertisements in all territories. A health warning is, however, required in all advertisements, except in advertisements directed at the trade. The warning should state that the abuse of alcohol is dangerous to health and that alcohol should be consumed in moderation (Hurst, Gregory & Gussman, 1997).

Since 1991 there has been a change in alcohol advertising in the French media. The Loi Évin has had an impact on the language of advertising and it has

lost its seductive character. The advertisements infringing the law have been condemned by the French courts of justice. The law has also been very easy to apply and it has caused no difficulty in courts, in contrary to the previous legislation (ECAS APQ, 1999).

Education and information

The National Association for the Prevention of Alcoholism. bases its programmes on a comprehensive approach to prevention of all alcohol-related problems in the health and social fields. This approach implies a reduction of the average consumption in the whole population. In its activities the National Association for the Prevention of Alcoholism aims

- to raise public awareness of all problems related with acute and chronic intoxication,
- to improve services for people drinking too much in an addictive way or in socially accepted patterns, and
- to promote preventive action at the local and national levels by the training of go-between agents.

The National Association for the Prevention of Alcoholism employs about 600 workers within its 100 local committees, located all through France and overseas territories. They work as physicians, social workers and training agents in specialised teams for rehabilitation and treatment, prevention and education. The National Association for the Prevention of Alcoholism also operates a library and information service, a video laboratory, and publishes the journal *Alcool ou sante*.

Drunk driving

Since 1959, drunk driving and driving while under the influence of alcohol have been offences. In 1970 the blood alcohol concentration (BAC) limit of 0.08 to 0.12 per cent was established as a minor offence and over 0.12 per cent as a more serious misdemeanour. In 1978 the legislation was strengthened, and tests for intoxication could be taken whether or not the driver was involved in an accident. At the same time, penalties became harsher so that offenders would face, in addition to a fine and imprisonment, a licence suspension of one to three years, after which a new licence would be issued only after a medical examination.

In 1983 the BAC level for a misdemeanour offence was lowered to 0.08 per cent and the charge of a minor offence was eliminated. Penalties for impaired driving also became more severe, and refusal to submit a breath test became subject to the same penalties.

In 1994, penalties for driving while intoxicated were increased. Previously, driving in a state of intoxication brought penalties of up to two years in prison and a fine of 30,000 francs. The new regulations introduced the crime of risks caused to others by a deliberate breach of a particular safety or prudence obligation, the penalties for which are a year's imprisonment and a fine of 100,000 francs.

In August 1995, the BAC limit was lowered to 0.05 per cent. Driving with a BAC of 0.05 to 0.08 per cent results in a fine amounting to 756 euro as well as in losing three points on an offender's driving licence. A licence is suspended after losing 12 points. If the offender has a BAC level of more than 0.08 per cent, the maximum sentence is a fine of 4,537 euro and a two-year jail sentence (ECAS APQ, 1999).

The following changes have occurred in the enforcement of drunk driving since the 1950s:

- Law of July 9, 1970, where the authorised BAC level is set at 0.08 per cent.
- Law of 12 July 1978 according to which random blood tests can be organised by the police forces after instructions by the juridical administration.
- Law of 8 December 1983 according to which a BAC over 0.08 per cent is considered a misdemeanour. The older limit of 0.12 per cent disappears.
- Law of 17 January 1986 authorising police forces to impound a driving licence for 72 hours. The licence can be withdrawn by the administrative authorities.
- Law of 10 July 1989 introducing new driving licence with points. Of a total of 6 points, 3 can be taken out in case of drunk driving.
- Law of 31 October 1990 according to which random breath tests can be decided by the police force without any instruction by the judicial administration.
- Decree of 23 November 1992 which increases the number of points in the driving licence to 12. Half of them can still be withdrawn in case of drunk driving.
- Decree of 11 July 1994 introducing a BAC over 0.07 per cent which is considered a misdemeanour.
- Decree of 29 August 1995 which reinstates the double threshold, with a lower limit 0.05 per cent.

The administrative structure of treatment for alcoholism

There is no specialised administrative structure for treatment. The treatment activities depend on the Health Department of the Ministry of Social Affairs. There is no central administrative structure, because treatment is proposed in various institutions, for instance, in non-specialised general hospital units, psychiatric hospitals, a few specialised “unités d’alcoologie” and in private clinics.

The specialised outpatient centres were established during the years 1970-1990. By now there are about 220 centres. The care is free of charge. Since 1999, the activities of specialised outpatient centres are included in the general system of social security. The budget of the social security system is now voted by the parliament. One half of the specialised outpatient centres are dependent on the National Committee for Prevention of Alcoholism. The other half are run by other private organisations, public hospitals, and municipalities. (ECAS APQ, 1999).

In 1970, nutritional hygiene centres were established. Their number has since increased, and their field of activity has expanded. Although originally planned mainly for case-finding and follow-up of excessive drinkers, they have become preventive and caring institutions, welcoming all people with alcohol problems of whatever degree (Moser, 1992).

Detoxification is emphasised for alcoholics, but the follow-up and rehabilitation provisions are not considered adequate. There are some legal provisions for the protection of the families of heavy drinkers, and as an extreme measure alcoholics may be placed in institutions under order. Excessive drinkers may be placed under judicial guardianship following a medical opinion, if their condition is affecting their parental obligations (Moser, 1992).

Outpatient and inpatient units of psychiatric hospitals are often poorly adapted to the treatment of alcohol-dependent patients. There are some inpatient homes. After-care is carried out in separate centres, sometimes with the help of associations of treated alcoholics. There are 15 such associations in the country. Their objective is to supply mutual help and support and to provide a welcoming structure. The Interprofessional Federation for Treatment and Prevention of Alcoholism was set up by public and para-public organisations with some voluntary abstinence and treated alcoholics’ movements (Moser, 1992).

Summary

Consumption of wine has been and indeed still is a traditional feature of French everyday life. In the mid-1950s per capita alcohol consumption in France reached its highest level during the latter part of the twentieth century, reaching a level of over 20 litres per capita. Since then the total alcohol consumption, and especially wine consumption, has been on a rapid decrease, falling by over 40 per cent from its highest levels. Explanations of the decreasing consumption figures can be found, for instance, in changes in living conditions and in the rural-to-urban drift of the population.

The awareness of the dangers of alcohol has been higher in France than in the EU countries on the average, and also higher than in most of its neighbouring countries. The first national body in charge of preventive alcohol policies, the High Committee for Study and Information on Alcoholism, was established in 1954. However, as early as in the late nineteenth century, the oldest and most important non-governmental organisation dedicated to the battle against alcoholism, the National Committee for Prevention of Alcoholism, had been established. Since the Second World War, several national committees and working groups for prevention of alcohol-related harm have been created. The effect these committees have had on the fight against alcohol-related harm and alcoholism has, however, varied considerably.

During the past two decades, and especially during the 1990s, there have been several alcohol policy restrictions introduced in France. In 1991 a very strict alcohol legislation, *Loi Évin*, was passed in France. The law, which was especially directed at protecting the most vulnerable segments of the population, contained several harsh restrictions in the field of preventive alcohol policies. It included, for instance, very restrictive measures on advertising of alcoholic beverages. Also concerning drunk driving legislation, France has become stricter. The BAC limit was lowered to 0.05 per cent in 1995, and there were also some new restrictions on the off-premise sale of alcoholic beverages. Even if these measures have had an effect on the alcohol consumption among youngsters, in sport arenas and in relation to driving a car, the decrease in the total alcohol consumption cannot be explained by alcohol control measures.

When speaking of introducing alcohol control measures in France, one must remember that viticulture is still an important part of the French agricultural structure, and that France is one of the world's leading wine producers and exporters. This means that there is a clear opposition towards restrictive alcohol policy measures in France. One should also remember that although several restrictions on the availability of alcoholic beverages have been introduced during the past two decades, and although the consumption of alcoholic beverages has decreased considerably, alcohol consumption in France still remains on a high level in comparison with most other European countries.

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Chapter 8

Germany

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The country

After the Second World War, Germany was separated into four administrative districts. The Western Allies, France, the United Kingdom and the USA, supported a liberal-democratic federal structure leading to the foundation of the Federal Republic of Germany (FRG), whereas the USSR introduced into its administrative area a centrally governed people's democracy, which led to the foundation of the German Democratic Republic (GDR). The reunion of the two German states under a western democratic structure took place in 1990.

Germany is situated in the centre of Europe, bordered on the north by the North Sea, Denmark, and the Baltic Sea, on the east by Poland and the Czech Republic, on the south by Austria and Switzerland and on the west by France, Luxembourg, Belgium, and the Netherlands. Germany is a federal state consisting of 16 states (Länder), one of which, Berlin, is the new capital of the reunited Germany. Five of the states are so-called Neue Bundesländer covering the territory of the former GDR.

Germany covers an area of 357,021 km². With a population of 82 million inhabitants, the average population density is 230 inhabitants per km². About one tenth of the German population are foreigners. Some 38 per cent of the population are Protestants, 34 per cent Roman Catholics and 1.7 per cent Muslims. About 26 per cent of the population are unaffiliated with any religion or are with other smaller religious confessions.

By the mid-1990s German economy had recovered from the recession at the beginning of the 1990s. The export sector was the first to expand again. Today the unified Germany is a significant trading nation and one of the leading exporters in the world. In spite of the recovery, per capita industrial output in the former East Germany is still only one third of that in the former West Germany. Germany has an uneven distribution of income. In 1998 the official unemployment rate was 12.3 per cent. Germany has a highly developed welfare system and a health policy that insures a high level of medical care for all citizens. About 34 per cent

of the population work in the industrial sector, approximately 3 per cent in agriculture and over 63 per cent in the service sector.

In Germany the head of the government or the prime minister is called the chancellor. The chancellor is chosen by a majority of the popularly elected lower house of the parliament, the Federal Assembly (Bundestag), usually by a coalition of parties. The federal president, the head of the state, is elected for a five-year term by the Federal Convention (Bundesversammlung), which consists of the members of the Federal Assembly and an equal number of members from the state legislatures. The functions of the president are largely ceremonial.

The federal parliament consists of the Federal Assembly and the Federal Council (Bundesrat). The Federal Assembly is popularly elected at intervals of no more than four years. The 68 members of the Federal Council are appointed by the 16 state governments. Representation is determined by the amount of population, with each state having no less than three and no more than six seats.

Alcohol production and trade

In 1995, the production of beer in Germany amounted to 117.4 million hectolitres. Counted together, the production of beer in the FRG and GDR in the mid-1970s was about 115 million hectolitres. In 1995, exports of beer were 8.6 million hectolitres or 7 per cent of the total beer production. The imports of beer were 2.6 million hectolitres or 2 per cent of the German beer consumption. Denmark was the most important country of origin of the imported beer (Hurst, Gregory & Gussman, 1997). It should, however, be noted that of the 1.2 million hectolitres of imported Danish beer in 1995, a good part went back to Denmark by the Danish border shoppers. In 1985, for instance, 0.44 million hectolitres of beer were imported from Denmark and according to surveys on border trade, 0.47 million hectolitres of beer were taken from Germany to Denmark by the Danish border shoppers. In 1986 this amount had increased to 0.86 million hectolitres (Thorsen, 1988). In 1970, before Denmark became a member of the EU, the imports of Danish beer were 0.07 million hectolitres.

About 5,000 brands of beer are produced in Germany. The large selection is primarily explained by the large number of breweries. In 1995, there were about

1,200 breweries in Germany, and family breweries dominate the industry. The beer industry has been rationalised significantly during the last decades as over 1,000 breweries have closed down during the past three decades. Bottom fermented beers have the far largest share of the market and they accounted for about 85 per cent of the beer markets at the beginning of the 1990s (Hurst, Gregory & Gussman, 1997).

In 1995, the production of distilled spirits in Germany was 5.3 million hectolitres. In the same year, the exports of distilled spirits were 1.4 million hectolitres and the imports were 1.6 million hectolitres. Like the beer markets also the German spirits markets have strong ties to regional and local products, and there are over 100 independent producers of distilled spirits in Germany. Imported products have, however, increased in popularity during the last decades (Hurst, Gregory & Gussman, 1997).

In the mid-1990s the yearly production of wine was around 13 million hectolitres, of which nearly 3 million hectolitres were exported. At the same time some 9 million hectolitres of wine or nearly half of the domestic consumption were imported. Of the total wine consumed about 22 per cent was sparkling wine in the mid-1990s. Red and white still wines accounted for some 32 and 46 per cent of the total wine market respectively. About 80 per cent of the German wine production consists of white wine (Hurst, Gregory & Gussman, 1997).

Alcohol consumption

Table 8.1 shows the annual consumption of beer, wine, sparkling wine and distilled spirits in the FRG from 1950 to 1985 and table 8.2 gives similar information from the GDR for the 1960-1985 period. As Germany belonged to the losing side in the Second World War, the recovery of alcohol consumption to the levels prior to the war took on both sides of Germany longer time than in countries which were not in the battlefield at all. In the FRG the growth in all alcohol beverage categories continued to the mid-1970s, and in sparkling wine until the 1990s. After the mid-1970s, the consumption first levelled off and then began to decrease slightly. In the GDR the total alcohol consumption was growing throughout the 1960-1985 period, and this also goes for each beverage category.

TABLE 8.1. Consumption of alcoholic beverages in the Federal Republic of Germany by beverage categories, beer, wine and sparkling wine in litres of the product per capita and distilled spirits in litres of pure alcohol per capita, 1950–1985 in five years' intervals

Year	Beer	Wine	Sparkling wine	Distilled spirits
1950	35.6	4.7	..	1.1
1955	61.0	11.0	..	1.3
1960	94.7	10.8	1.9	1.7
1965	122.3	18.1	..	2.7
1970	141.1	19.5	1.9	3.0
1975	147.8	25.7	2.6	3.0
1980	145.9	21.4	4.4	3.0
1985	145.8	25.8	4.2	2.4

Source: Sparrow et al., 1989.

TABLE 8.2. Consumption of alcoholic beverages in the German Democratic Republic by beverage categories, beer and wine in litres of the product per capita and distilled spirits in litres of pure alcohol per capita, 1960–1985 in five years' intervals

Year	Beer	Wines	Distilled spirits
1960	79.5	3.2	1.4
1965	80.6	4.2	1.9
1970	95.7	5.0	2.6
1975	119.7	7.4	3.5
1980	139.1	9.6	4.7
1985	141.6	10.30	4.8

Source: Sparrow et al., 1989.

Table 8.3 gives the figures for total alcohol consumption and the consumption of different categories of alcoholic beverages in litres of pure alcohol per capita, as well as the proportion of different beverage categories of the total alcohol consumption in five-year intervals since 1950. The source for these figures is Hurst, Gregory and Gussman (1997). The 1955 data includes only the FRG, but from 1960 on also the former GDR is included. In 1959 the total alcohol consumption in the FRG was 7.5 litres per capita and in 1960 it was 7.9 litres. In 1960 the total alcohol consumption in the GDR was 5.4 litres. Adding the GDR figures to the FRG figures gives a total consumption of 7.3 litres in 1960 for the whole Germany. When actually reunited in 1990, the total alcohol consumption was about 12.5 litres per capita both in the former FRG and the former GDR. The main difference with the former FRG and GDR in 1960 is that in the FRG the proportion of wines of the total alcohol consumption was clearly higher than in the GDR (cf. Tables 8.1 and 8.2). Before the reunion in 1990 beer accounted for

nearly 60 per cent of alcohol consumption both in the FRG and in the GRD. In the FRG the proportion of wines of the total alcohol consumption was clearly higher (about 25 per cent) than in the GRD (about 9 per cent), and consequently the proportion of distilled spirits of the total alcohol consumption was clearly lower in the FRG (about 18 per cent) than in the GDR, where distilled spirits accounted for about 40 per cent of the total alcohol consumption.

TABLE 8.3. Consumption of alcoholic beverages by beverage categories in Germany in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995*
Total alcohol consumption	5.70	9.37	12.17	12.44	11.71
Consumption of distilled spirits	1.33	2.33	3.10	2.87	2.28
Consumption of wines	1.03	1.49	2.10	2.46	2.61
Consumption of beer	3.34	5.55	6.97	7.11	6.82
Percentage of distilled spirits	23	25	26	23	20
Percentage of wines	18	16	17	20	22
Percentage of beer	59	59	57	57	58

* The figures for 1995 have been calculated by taking the per capita consumption figures for beer and wine from the World Drink Trends (2002) and using the same alcohol contents for beer and wine, 5.0 per cent and 11.5 per cent respectively, as Hurst, Gregory & Gussman (1997). According to World Drink Trends (2002, 60) the total alcohol consumption per capita in 1995 was 11.0 litres.

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

In the area of the present Germany, the total alcohol consumption was increasing almost constantly in the 1950s and in the 1960s as well as in the first half of the 1970s. In the second half of the 1970s, the total alcohol consumption was about 12.5 litres per capita. Since then the total alcohol consumption has been slightly decreasing, and in 2000 it was 10.5 litres pure alcohol per capita (Bühringer et al., 2000; World Drink Trends, 2002).

The consumption of all alcoholic beverage categories has more or less followed the same development. The consumption of beer, wine and distilled spirits increased before the mid-1970s, and after that it has decreased. The development of the consumption of different beverage categories is also quite similar in terms of the magnitude of changes. This is shown in table 8.3 by the percentages of the different alcoholic beverage categories of the total alcohol consumption.

From the mid-1950s to the mid-1970s, the consumption of distilled spirits increased three percentage points and in the mid-1970s one fourth of all alcohol was consumed in the form of distilled spirits. Since then the rate for distilled

spirits has decreased by six percentage points so that in the mid-1990s one fourth of all alcohol was consumed in the form of distilled spirits. From the mid-1950s to the mid-1990s the consumption of wine increased four percentage points, reaching the figure of 22 per cent of the total alcohol consumption in the mid-1990s. The figures for beer in the total alcohol consumption have been almost constant, constituting nearly 60 per cent of all alcohol consumed in Germany.

In 1980, the total consumption of alcoholic beverages reached 180 litres per capita, and the total consumption of commercial non-alcoholic drinks 390 litres per capita. This consisted of 159 litres of coffee, 73 litres of milk, 70 litres of soft drinks, 41 litres of bottled waters and 19 litres of juices. These figures only refer to the FRG. When the GDR was included in the figures in 1991 there were not, however, any major changes with regard to the year 1990. As these kinds of estimates are in any case very crude, we will in the following compare the 1980 figures from the FRG to the 1999 figures for the reunited Germany.

In 2000, the consumption of alcoholic beverages per capita was 25 litres lower than in 1980 while the consumption of commercial non-alcoholic drinks had increased by 119 litres to 509 litres per capita. The per capita consumption of coffee was 159 litres, that of bottled waters 99 litres and that of soft drinks was also 106 litres. The per capita consumption of coffee had remained almost unchanged as well as the consumption of tea, which was 29 litres per capita in 2000. The per capita consumption of bottled waters had increased by 58 litres and the consumption of soft drinks by 36 litres. The consumption of juices had increased in the 1980–2000 period by 38 litres to a level of 58 litres per capita in a year. Like the consumption of alcoholic beverages, the consumption of milk was lower in 2000 than in 1980. The decrease was 14 litres meaning that the per capita consumption of milk was 59 litres in 2000 (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

In the nineteenth century the high availability of distilled spirits, especially in North Germany, led to an increase in alcohol abuse, but also to an increasing criticism of the prevailing alcohol situation. In 1850, the first so-called temperance associations were founded, and even then they could count more than one million members. An exception to this trend was Bavaria, where no temperance associations were founded.

The temperance associations criticised especially drinking alcohol in public. Although the associations could not change the drinking behaviour, they succeeded in changing the attitude towards drinking. Drinking in public was more and

more seen as problematic. Physicians delivered further arguments against drinking by describing for the first time the clinical syndrome of alcohol dependence. For the first time alcoholism was considered an illness and not condemned as a moral problem or a vice.

This perspective also showed a new dimension of alcoholic beverages. Alcohol became possibly dangerous, as it was likely to trigger dependence. This assessment of the dangers of alcohol was further supported by the industry, because of the large number of mistakes made by alcohol-consuming workers. Also studies of family inheritance often found physical and psychological disorders in the descendants of heavy drinkers. Alcohol was soon not only seen as an individual danger but also as a serious threat to people's health. Finally in 1968, alcoholism was recognised formally as an illness in terms of the Imperial Decree of Insurance, because alcoholism could be seen as an objectively tangible state of body and soul that deviates from the norm and that can be healed, relieved or at least preserved (Athen, 1997).

Three social subsystems are more or less directly concerned with alcohol consumption. The first is the legal system, with the police and the legislative system, including regulating authorities. Their primary concerns are the consequences of dependence, which are interpreted according to an ethical-judicial model. The paradigm of dependence as a vice will be found here, but modern approaches like dependence as an illness are considered more and more. The second subsystem is the health and social system, which includes general practitioners, counsellors, psychotherapists, social workers and other healing professions, who directly offer professional help. Self-help organisations belong to this system because of their own involvement. Physical, psychological or social treatment are all prominent. Dependence and abuse are defined according to the medical or psychosocial model of illness. The third subsystem, the educational system, takes an intermediate position between the regulating and helping authorities. It offers indirect help in the first place by preventing the disorder and in the second place by supporting the recovery.

Legislation can influence the availability of alcohol in the society as a whole, for instance, by price and tax policy or by restricting the hours and days of retail sales. It can also restrict the availability of alcohol for specific groups like children and youth by protective legislation. Legislation can also indirectly influence the atmosphere and opinion concerning alcohol matters by influencing alcohol advertising or law enforcement. Furthermore, the state has the possibility to initiate and finance education campaigns and prevention programmes. Influencing alcohol consumption by education policy, on the other hand, is the task of the state parliaments, as the states are autonomous in the area of education.

Prevention has to be carried out on the structural and communicative level. Structural measures include direct measures on the spot as well as in social

settings. An example of primary prevention with structural means is the law restricting driving under the influence of alcohol. On the spot, police controls can be intensified. Unspecific structural means may include offering the opportunity for leisure activities, supplying housing, and reducing unemployment. Specific communicative means are concerned with recommendations for alcohol consumption.

Secondary prevention includes means that directly initiate or extend offers of counselling or help. The government has to provide the financial means to enable the implementation of these initiatives. Communicative means are carried out by the mass media, posters, advertisements and press on the one hand, and by education and life competence programmes on the other hand.

The Federal Centre for Health Education (BZgA) was established on July 20, 1967 as the national prevention office in the sphere of the Federal Ministry of Health. It is concerned with social settings as well as the implementation of concrete measures. The task of the BZgA is health education at a national level. This includes developing principles and guidelines for contents and methods of practical health education, training and continuing education of professionals in health education, and coordination and support of health education, as well as cooperation with foreign countries. In order to achieve these goals, standing measures are necessary as well as the ability to react quickly to current topics with national significance and continuously adapt to developments of research and society. To achieve this, two committees have been established: the permanent coordination committee, which coordinates between the BZgA and other institutions and advises on concrete projects and tasks, and the scientific advisory board that, besides other tasks, guarantees quality standards and the scientific basics. The latter consists of nine scientists from the fields of epidemiology, psychology, empirical research, youth research, economy and communication research, as well as public health, and a representative of the Federal Ministry of Health and of the working group of the health authorities of the states. Members of the permanent coordination committee are, in addition to the Federal Ministry of Health, the cooperation partners of the BZgA, especially the states, health insurance institutions, the federal professional association of physicians, the team of German professional associations of chemists, the Robert Koch Institute, and the Federal Association for Health.

Licensing policy

There is no licence needed for production, wholesale or retail sale of alcoholic beverages. There are, however, laws which are not alcohol-specific, but which also affect the production, wholesale and retail sale of alcoholic beverages, like the Health Act or the Food Act. In addition to the contents of food and the purity of ingredients, these laws also regulate the course, supervision, and quality of the production. Furthermore, for running a restaurant or public house, a licence (Gewerbeschein) has to be applied for. This licence is easy to obtain, and obligations and regulations connected with it are not specifically related to alcohol. The licence to run a restaurant can be refused if the applying person is not reliable enough, e.g. consumes alcohol immoderately or supports abuse of alcohol. Food and health rules must be sufficiently known, and work and youth protection laws must be met. The rooms and the location have to comply with the regulations. This federal law can be amended by laws of the states which put the minimum requirements concerning location, furnishings, equipment, and division of rooms in concrete terms. Furthermore, conditions can be specified at any time (Law of public houses and restaurants, 1994).

In Germany raw alcohol produced from potatoes or molasses has to be delivered to the Federal Monopoly Administration of Spirits (Bundesmonopolverwaltung für Branntwein; BmonV), which is a federal institution in the responsibility of the Federal Ministry of Finances. In case the raw alcohol is produced from grain, it is to be given to the German Utilization Office of Corn Spirit (Deutsche Kornbranntwein-Verwertungsstelle, DKV). In both cases prices that cover costs are paid to the manufacturers.

BmonV and DKV purify raw alcohol and sell it for producing distilled spirits as well as for producing pharmaceutical and cosmetic products. Part of the alcohol is sold to the food industry as well. Because of the competition with other countries, the EU member states included, raw alcohol has to be sold at a price under its production cost, and this difference is balanced by the Bundeshaushalt. At the moment about 300 million Deutschmarks are spent on this subvention annually. Although this structure has been established in order to support especially small agricultural holdings and not in order to control the production of alcoholic beverages, it nevertheless means that all distillation of spirits which is not delivered to the monopoly administration is illegal.

Other restrictions on the physical availability of alcoholic beverages

All beverages which contain more than 1.2 per cent alcohol by volume have to be labelled according to the food-labelling provisions which went into effect on September 6, 1984. According to the law for the protection of youth in public from February 2, 1985, three kinds of alcoholic beverages are differentiated:

- Beverages containing distilled spirits, defined as every product made by the distillation of fermented alcoholic liquid. Mixed drinks such as cocktails also belong to this category, if they contain distilled spirits.
- Food that contains more than a small amount of distilled spirits.
- All beverages that contain alcohol without containing distilled spirits, like beer and wine, but also other beverages whose alcohol is produced by fermentation or wine pressing, and that are not distilled.

Also the age limits on the purchase and consumption of alcoholic beverages are regulated by the law for the protection of youth in public. The first version of this law came into force on December 4, 1951, and was revised on July 27, 1957. The currently valid version is from February 25, 1985. In the current version, children and youth under 18 years are generally not allowed to purchase or consume distilled spirits, beverages containing distilled spirits, or food containing more than a small amount of distilled spirits. Other alcoholic beverages may be purchased or consumed by youth aged 16 years or older.

Even in the first version of the law for the protection of youth in public from December 4, 1951, the age limits on the purchase and consumption of distilled spirits were set at 18 years and on other alcoholic beverages at 16 years. However, youth and children were allowed to consume other alcoholic beverages when accompanied by a parent or a legal guardian. It was nevertheless not defined who could be a legal guardian. The version of July 27, 1957 defined the legal guardians as all other persons over 21 years that were entrusted with the care of the child. Furthermore, it was provided that youth accompanied by a parent or legal guardian may drink alcoholic beverages except distilled spirits, but that they have to be at least 14 years old. The version of 1985 generally excludes the consumption of alcoholic beverages among youth under 16 years. The age limit for a legal guardian has been changed to 18 years. Furthermore, the term food containing distilled spirits has been generalised to all food that contains more than a small amount of distilled spirits. A small amount has been defined as distilled spirits used for preservation or flavouring. According to the law to protect youthful workers

from 1986, employers are not allowed to give alcohol to employees under the age of 16 years.

The law of restaurants and public houses from May 5, 1970 originates from the German Empire Law from 1879. The law concerning public houses and restaurants in order to combat alcohol abuse was enacted on April 28, 1930. A revision of 1960 affected the period of validity of the permission to run a public house, another revision of 1961 allowed exceptions from the selling of distilled spirits in vending machines otherwise forbidden. Only in 1970 has the permission to run a restaurant been made dependent on professional knowledge, without demanding a special certificate. The revisions since 1970 have not affected the provisions concerning alcohol and are therefore not described here.

governments of the states are urged by law to set up a closing time for public houses. This closing time can be changed for individual establishments. If alcoholic beverages are sold, non-alcoholic beverages also have to be sold. A revision of the law in 1994 required that at least one non-alcoholic beverage has to be sold at the same price as the cheapest alcoholic beverage.

For a special event, serving of alcoholic beverages can be forbidden completely or partly for certain time periods or places, if this is necessary to maintain public order. This regulation is applied e.g. at soccer games or in concerts. Generally forbidden is the sale of distilled spirits in vending machines, the selling of alcoholic beverages to visibly intoxicated individuals, as well as the selling of non-alcoholic beverages in public houses only together with alcoholic beverages or raising the prices of non-alcoholic beverages if no alcoholic beverages are bought.

The availability of alcohol is further restricted by the limitation of closing times by the general law on shop closing times, enacted on November 28, 1956, and last revised on July 30, 1996. A shop has to be closed on Sundays and public holidays, on Saturdays from 4 p.m., and on weekdays between 8 p.m. and 6 a.m. There are, however, a great variety of exceptions to this rule, with regard to time, regions and single trades. Petrol stations, for example, are allowed to be open during all days of the year. They are, however, not allowed to sell alcoholic beverages during the general shop closing hours. Other exceptions are shops at stations, airports and harbours, which are also not allowed to sell alcoholic beverages during the general shop closing times. The current version of the law has considerably liberalised the closing times, as in the earlier version shops had to be closed between 6.30 p.m. and 6 a.m. on weekdays and after 2 p.m. on Saturdays, except on the first Saturday of the month, when shops had to be closed at 6 p.m. at the latest.

Alcohol taxation

Alcoholic beverages are economically important products and also the government has economic and fiscal interests in them. In Germany the excise duty rates for beer and distilled spirits are on a relatively low level, and on wine there is no excise duty at all, or to take it officially, there is an excise duty rate for wine, but it has been set at zero.

In Germany, alcohol taxes are only considered as a financial factor, not as an instrument of public health. Four kinds of alcohol excise duties are levied. There is an excise duty on beer (*Biersteuer*), an excise duty on distilled spirits (*Branntweinsteuer*), an excise duty on sparkling wine (*Schaumweinsteuer*) and an excise duty on products between wine and distilled spirits called intermediate products (*Zwischenerzeugnissteuer*).

The excise duty on beer is a federally regulated consumption tax that is collected by the customs administration and given to the states. The excise duty is levied on beer of malt and mixtures of beer with non-alcoholic beverages, but not on non-alcoholic beer. The amount of the excise duty is set per hectolitre due to the grade of original gravity of the beer, measured in degrees of Plato. At the moment the excise duty rate is 1.54 Deutschmarks per hectolitre per degree of Plato (Table 8.4). Consequently, a middle strong beer is burdened with 18.48 Deutschmarks per hectolitre. Beer excise duty is not levied on non-alcoholic beer or beer that is given free to the employees and workers of the breweries, as well as up to two hectolitres of beer brewed by amateurs for their own consumption per calendar year. Furthermore, there are tax reductions of up to 50 per cent of the standard rate for small independent breweries. It is 0.77 Deutschmarks per hectolitre per degree of Plato for breweries producing less than 10,000 hectolitres in a year, 0.92 Deutschmarks for breweries producing less than 20,000 hectolitres, 1.08 Deutschmarks for breweries producing less than 40,000 hectolitres and 1.16 Deutschmarks per hectolitre per degree of Plato producing less than 200,000 hectolitres a year. Likewise, for small distilleries with a yearly production limited to 10 hectolitres of pure alcohol the excise duty rate is 56 per cent of the standard rate or 1,428 Deutschmarks per hectolitre of pure alcohol in the finished product.

TABLE 8.4. Excise duty rates for alcoholic beverages in Germany in 2000 in Deutschmarks and in euro

Alcoholic beverage category*	DM	EUR
Beer, per hectolitre per degree of Plato in the finished product	1.54	0.79
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product:</i>		
Still	0.00	0.00
Sparkling, below 6% alcohol by volume	100.00	51.13
Sparkling, 6% alcohol by volume or over	266.00	136.00
<i>Intermediate products, per hectolitre of the product :</i>		
Not exceeding 15% alcohol by volume	200.00	102.26
Over 15% alcohol by volume, sparkling	266.00	136.00
Over 15% alcohol by volume, still	300.00	153.39
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product</i>		
	2,550.00	1,303.79

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

The excise duty on distilled spirits is administrated by the federal finance authorities and the tax revenues are kept by the federal state. This tax concerns ethanol and distilled spirits with an alcohol content of more than 1.2 per cent alcohol by volume. Also all beverages where ethyl alcohol has been added and which have an alcohol content of more than 22 per cent by volume are included into this tax category. The excise duty rate is 2,550 Deutschmarks per hectolitre pure alcohol in the finished product. No taxes are collected on alcohol produced for a specific non-beverage use, e.g., for cosmetics, medicines, foodstuffs and aromas, as well as vinegar and products for heating and cleaning or similar uses other than drinking. Table 8.5 shows the development of the excise duty rate for distilled spirits since 1966.

Date	Excise duty rate	Increase in excise duty rate, per cent
Before 1966	1,00	
1.1. 1966	1,20	20.0
1.1. 1972	1,50	25.0
23.2.1976	1,65	10.0
1.1.1977	1,95	18.2
1.4.1981	2,25	15.4
1.4.1982	2,55	13.3

TABLE 8.5. Excise duty rates for distilled spirits in the Federal Republic of Germany from 1966 to 1990 in Deutschmarks per hectolitre of pure alcohol in the finished product

Sources: BSI, 1989; 1999.

For sparkling wine with an alcohol content between 6 and 15 per cent by volume, the excise duty rate is 266 Deutschmarks per hectolitre of the product, and for sparkling wine with an alcohol content below 6 per cent alcohol by volume the excise duty rate is 100 Deutschmarks per hectolitre of the product. From 1972 to April 1982, the excise duty rate for sparkling wine with an alcohol content between 6 and 15 per cent by volume was 200 Deutschmarks (Hurts, Gregory & Gussman, 1997).

Intermediate products are defined as those beverages having an alcohol content between 1.2 and 22 per cent alcohol by volume and not belonging to wines or beer. The excise duty rate is 200 Deutschmarks per hectolitre of the product for beverages with an alcohol content less than 15 per cent by volume and 300 Deutschmarks per hectolitre of the product for beverages containing over 15 but under 22 per cent alcohol by volume. The excise duty on intermediate products was first introduced in 1993.

The excise duty rate for beer at 12 degrees of Plato is 18.48 Deutschmarks per hectolitre. This rate was introduced in January, 1993. From 1972 to 1993 the excise duty on beer was levied separately for normal strength beer with an original gravity between 11 and 16 degrees of Plato, for low strength beer with an original gravity from 7 to 11 degrees of Plato, for light beer with an original gravity less than 7 degrees of Plato and for full strength beer with an original gravity over 16 degrees of Plato. The standard rate was lowered for low strength beer by 25 per cent and for light beer by 50 per cent. For full strength beer the excise duty rate was 50 per cent higher than the standard rate. Furthermore, the excise duty rate was differentiated according to the amount of beer produced. For the first 2,000 hectolitres produced the excise duty rate was 12 Detschmarks and for the production of over 120,000 hectolitres it was 15 Deutschmarks per hectolitre of the product. On the average, the standard excise duty rate was 14.26 Deutschmarks

per hectolitre for beer with an alcohol content of 5 per cent by volume which means that the excise duty rate for beer increased by about 30 per cent in 1993.

Changes in excise duty levels referred to above are given in nominal values. During the 1950-2000 period the value of the Deutschmark has decreased because of inflation. The increase in the general price level in the FRG in the 1960-1990 period and in the unified Germany in the 1990-2000 period as described by the consumer price index (CPI) are given in table 8.6.

TABLE 8.6. Consumer price index in the Federal Republic of Germany, 1960-1990, and in Germany, 1995-2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	30.6	35.0	39.5	53.2	64.8	78.3	83.8	100.0	107.0

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When comparing the figures in table 8.5 and 8.6 it can be concluded that the excise duty rate for distilled spirits has decreased by some 30 per cent since the mid-1990. The decrease in excise duty rate for beer in real terms since the beginning of the 1970s has been about 50 per cent.

In the mid-1990s one third of beer taxes constituted of excise duties. The corresponding figure for distilled spirits was about 80 per cent. Counted per litre of pure alcohol the tax burden was about the same for beer and wine. The tax burden of distilled spirits was nearly three times that of wine. Taxes constituted about 13 per cent of wine prices, 20 per cent of beer prices and some 60 per cent of the prices of distilled spirits.

Alcohol prices

As it is very difficult to find data on alcohol prices in Germany, the following information is not complete. Table 8.7 shows the development of retail prices of German wine in the years 1965 to 1998.

Table 8.7. Retail prices of German wine from different wine growing areas apart from branded wine and sparkling wine, 1965–1998 Deutschmarks per litre of the product

Wine growing areas	1965	1975	1980	1985	1990	1995	1998
Rheinpfalz	2.19	3.61	4.71	4.75	4.74	5.04	6.13
Rheinhessen	3.13	4.73	5.91	5.53	5.23	5.55	5.89
Mosel-Saar-Ruwer	3.81	5.11	6.60	5.71	5.16	5.07	6.46
Baden	3.45	5.42	5.41	5.54	5.53	6.00	6.49
Württemberg	3.07	4.46	5.44	5.45	6.32	6.49	7.63
Nahe	3.05	5.99	7.10	6.27	6.01	7.69	8.47
Rheingau	..	..	7.57	6.92	7.82	7.31	7.72
Franken	..	..	8.59	6.48	7.68	7.54	7.58
Ahr	..	..	7.93	7.25	8.69	..	..
Average	3.02	4.69	5.80	5.49	5.58	5.75	6.55

Source: GfM, GfK-study.

On the average, the retail prices of wine have been increasing in nominal terms. However, depending on the wine growing area, a different pattern can also be seen. A decrease in average prices in the years 1991 to 1993 can also be seen in table 8.7, but there were also areas that could keep or increase their prices. The CPI was 35.0 in 1995 and 104.3 in 1998 meaning that consumer prices had tripled in Germany in the 1965-1998 period. In 1998, wine prices on the average were about twice their 1965 level. Consequently, in real terms wine prices have decreased by some 25 per cent in the 1965–1998 period.

Table 8.8 shows the development of nominal prices of sparkling wine in the years 1955 to 1998. In comparison with the 1950s, sparkling wine became cheaper during the 1960s, as it was more easily available at this time. Prices distinctly started to increase at the beginning of the 1980s. This development continued until the mid-1990s. Compared to the CPI, it is evident that the real prices of sparkling wine are nowadays about half of what they used to be in the mid-1960s and about one third of their level in the mid-1950s.

Year	Average retail prices of sparkling wine
1955	5.41
1965	4.40
1970	4.71
1975	4.40
1980	6.06
1985	6.98
1990	6.68
1995	7.42
1998	7.18

TABLE 8.8. Average retail prices of sparkling wine in Germany, 1955–1998, Deutschmarks per litre of the product

Source: Verband Deutscher Sektkellereien.

Table 8.9 shows the retail prices of selected branded spirits in the years 1975 to 1998. No systematic pattern, such as a continuous rise in prices, can be seen. On the contrary, there are brands that became more expensive and brands that had almost stable prices. Smaller decreases in prices can also be seen. Together, the price pattern seems to be dependent on supply and demand, and therefore on consumption.

TABLE 8.9. Prices of selected branded spirits in Germany, 1975–1998, Deutschmarks per litre of the product

Brand	1975	1980	1985	1990	1995	1998
Bommerlunder	10.99	13.10	15.98	15.23	16.03	15.53
Malteserkreuz	13.12	15.13	18.87	18.62	20.20	20.99
Berentzen Korn	7.30	8.24	9.63	9.71	10.18	11.00
Strothmann Weizen	7.32	8.14	9.98	9.92	10.51	9.77
Doornkaat	11.25	13.07	15.66	15.07	15.70	15.68
Fürst Bismarck	11.36	13.01	15.31	15.24	16.83	16.64
Schinkenhager	10.72	11.63	14.63	14.62	14.96	15.02
Gorbatschow	9.64	10.47	..	..	13.29	13.22
Puschkin	10.12	11.05	..	..	12.73	12.20
Chantre	..	10.82	..	12.78	12.13	11.51
Mariacron	..	11.97	..	13.73	13.26	13.08
Asbach	..	18.38	..	20.22	21.90	21.33
Scharlachberg	..	14.29	..	14.79	13.07	11.77
Dujardin	..	14.54	..	14.68	16.43	15.74
Winkelhausen	..	9.89	..	12.09	11.86	11.90
Attache	..	9.40	..	10.32	10.27	10.31
Noris	..	9.41	..	10.74	10.54	10.30
Springer Urvater	..	8.53	..	10.55	10.76	10.76
Osborne	..	..	..	18.31	19.07	18.77
Metaxa	..	..	..	20.50	22.21	21.70
Berentzen Apfelkorn	..	8.07	..	9.58	10.22	9.98

Source: DIFA Foru.

As the general price level in Germany doubled in the 1975–1998 period, it can be concluded that real prices for distilled spirits have clearly decreased in Germany during the last two decades. When the figures in table 8.9 are compared with those in tables 8.7 and 8.8 it also become evident that in Germany pure alcohol is clearly cheapest in the form of distilled spirits.

Restrictions on alcohol advertising and sponsorship

Since 1970 the expenditure for alcohol advertising has clearly increased from 0.29 billion Deutschmarks in 1970 to 0.44 billion Deutschmarks in 1980 and to 0.73 billion Deutschmarks in 1990. Between 1990 and 1995 the expenditure for alcohol advertising increased by more than 50 per cent to 1.2 billion Deutschmarks in 1995.

A law for the advertising of alcoholic beverages has not been enacted, but there are voluntary rules of conduct of the German Advertising Standards Authority. These rules have been drawn up by the Advertising Federation in collaboration with several organisations and federations of the alcohol industry. The following principles shall be observed in the design and realisation of advertising:

- Consumers shall not be called upon to indulge in abuse or excessive consumption, nor should such consumption be trivialised or portrayed as commendable.
- The impression should not be conveyed that abuse is impossible because of low alcohol content.
- Juveniles should not be urged to drink, nor should they be portrayed as drinking, being invited to drink, or inviting to drink.
- No statements should be made in which juveniles are referred to as being mature enough to consume alcoholic beverages and thus provoking them into drinking. Nor should any statements be made suggesting that the person portrayed in the advertisements has already consumed alcoholic beverages as a juvenile.
- No competitive sportsmen should be shown drinking or inviting others to drink.
- The drivers of motor vehicles should not be called upon to drink, nor should they be shown drinking or of being called upon to drink, and neither should any other kind of association be established between drinking and driving.
- There should be no portrayal of situations in which safety regulations are violated.
- No reference should be made to medical recommendations or medical reports nor should there be any portrayal of persons performing the duties of a member of the medical profession, the nursing profession or of pharmaceutical trade.

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- No statements should be made that refer to the cure, relief or prevention of disease.
 - No statements should be made claiming that alcoholic beverages have the effects of a medical drug.
 - No statements should be made that refer to disinhibiting effects of alcoholic beverages.
 - No statements or presentations should be made that refer to the cure or relief of conditions of anxiety.
 - No statements or presentations should be made that refer to the elimination or overcoming of psycho-social conflicts.
 - No presentations should be made that derogate abstinence in general or in special cases.

The following also applies to television advertising, taking into account the provisions of the European Communities Television Broadcasting Directive of October 3, 1989:

- Advertising should not link the consumption of alcohol to enhanced physical performance.
- Advertising should not give the impression that the consumption of alcohol contributes to social or sexual success.

In Germany the federal government approved the European Convention on Transfrontier Television on May 5, 1989. This law regulates some of the recommendations of the German Advertising Federation. In accordance with the convention for advertising alcoholic beverages on television, the following rules shall be complied with:

- Advertisements shall not be addressed particularly to minors, and no one associated with the consumption of alcoholic beverages in advertisements should seem to be a minor.
- Advertisements shall not link the consumption of alcohol to physical performance or driving.
- Advertisements shall not claim that alcohol has therapeutic qualities or that it is a stimulant, a sedative or a means of resolving personal problems.
- Advertisements shall not encourage immoderate consumption of alcohol or present abstinence or moderation in a negative light.
- Advertisements shall not place undue emphasis on the alcoholic content of beverages.

Education and information

The current major institutes in the field of prevention are the Federal Centre for Health Education (BZgA), the German Council on Addiction Problems (DHS), and the Ministry of Health of each state (Conference of Ministers of Health). Health insurance companies (e.g. DAK, AOK, Barmer) and other organisations (e.g. ADAC, Blaues Kreuz) are also involved in campaigns and make available information material for specific groups like physicians or patients.

The strategic approach of these institutions points at a public health approach that no longer focuses on abuse and dependence only, but also on risky consumption patterns that may lead to future problems. Problems with alcohol consumption are no longer considered individual problems, but also problems of the community. Although consumption patterns in general are of special interest, effective prevention is focused on certain target groups with specially developed approaches. Besides the actual target group, possible mediators such as relatives, and role models such as mass media idols, are also to be taken into account. If, for instance, the target group consists of workers, mediators are also colleagues and superiors.

Education and information about alcohol is primarily provided through leaflets, advertisements in newspapers and magazines or short promotional films that appeal to moderate consumption or show consequences of alcohol abuse. The role model function of well-known sportsmen, musicians, and actors is used for appeals, and information brochures are laid out in doctor's practices or public health departments. Advertising campaigns in the mass media aim at the persons at risk as well as at their relatives and other persons important to them. Great emphasis is being laid on prevention at early stages, which should start as early as possible including kindergarten, parents, and schools. There are special actions like Action Youth Care, and information brochures for teachers like the ADAC magazine and ADAC signal.

BZgA tries to raise the awareness of the misuse of psychotropic substances and appeals to grown-ups to take responsibility and be a model for a sensible approach to alcohol. Teachers, educators, and social workers are called upon to use their function as mediators or role models. In addition to advertisements, television spots, and posters, the BZgA arranges seminars for teachers and social workers, and provides teaching material and information material to parents. A drug hotline has also been set up.

The messages in campaigns and brochures are no longer only trying to prevent abuse and excessive drinking, but appeal for a sensible and moderate approach to alcohol consumption, which includes changes in drinking behaviour. A sensible treatment of alcohol means

- that beverages with a low alcohol content should be preferred,
- that alcohol should not be used for quenching thirst,
- that the way of drinking should be focussed on enjoyment,
- that alcohol should not be drunk without having eaten before,
- that alcohol should not be drunk during the day,
- that drinking to reduce boredom should be avoided,
- that regular consumption in the same situations should be avoided, and
- that daily drinking should be avoided.

Furthermore, tolerance towards abstinence and responsibility for others are supported, e.g. by offering alcohol-free beverages as a host, or by not pushing someone to drink. The concept of point abstinence in certain situations, activities, or occasions is propagated; for example, while driving, during pregnancy, while taking medicaments, and during work.

Recommendations on the quantity of drinking have varied greatly since the mid-1960s. The probability of physical consequences like pancreatitis or cirrhosis of the liver served at that time as a reference point for consumption limits, and therefore the recommendations were high and varied considerably between 100 grams and 160 grams of pure alcohol per day. In the 1970s these values were lowered to between 60 and 100 grams of pure alcohol per day for healthy grown-ups, and the focus was laid on the psychological consequences like the risk of dependence.

Since the 1980s recommendations on quantity and drinking patterns have become more differentiated. Different limits on men and women have been introduced, as well as a classification of categories like dangerous consumption, harmful consumption but also low-risk consumption. Recommended levels were lowered to not more than 40 grams of pure alcohol per day for men and 25 grams for women. These limits were lowered again in the 1990s. Today the recommended limits are not more than 30 grams of pure alcohol per day for men and 20 grams for women. In addition, specific circumstances are described when people are recommended not to drink at all. These periods of point abstinence include pregnancy and lactation, driving a car, during the working hours or while under the influence of medicine.

Alcohol is the most often abused substance in Germany. In spite of education programmes and prevention policy, Germany is still a country with a very generous attitude towards alcohol consumption. Excessive consumption of alcoholic beverages is, on the one hand, disapproved but on the other hand also more or less tolerated. The positive attitude of the majority of the population makes it in fact rather difficult to refuse a drink in public. In Germany there are almost no restrictions on the consumption patterns. An early morning drink is as commonly accepted as drinking in the evening or while having lunch or supper, or while

watching television, as well as the drinking of small amounts of alcohol distributed over the whole day.

Alcohol abuse and dependence are in general seen as problems. The individual case, however, will often not be noticed. Public opinion concerning moderate consumption still differs from the official recommendations on healthy consumption. Thus, a very high consumption of alcohol is still seen as moderate. Furthermore, illegal drugs are perceived as a much greater danger.

Health education is an important element of social and health policy. The goal of prevention policy is to make people aware of the problem in the sense of a critical and distanced attitude towards addiction-eliciting substances. This awareness includes knowledge of the background and motives of abuse and dependence.

Organisations like DIFA Forum, Alcohol and Responsibility, call for a responsible consumption of alcohol, sensible support and effective prevention against misuse of alcohol, e.g. for point abstinence, but they fight against legal restrictions, which are called for by the European Alcohol Action Plan of the World Health Organization. They demand an objective and functional approach, as the majority of people already deals responsibly with the matter. They also feel responsible for protecting the age-old cultural possession of alcohol.

Drunk driving

The endangering of traffic by consumption of alcoholic beverages is regulated in the criminal code (§ 315c StGB). According to the code, someone who is no longer able to safely drive a car because of drinking, and therefore puts people and things of value in danger, will be punished by a fine or by imprisonment up to 5 years. Even the attempt to drive after drinking is punishable. Also according to the traffic law (§24a StVG), driving a car under the influence of alcohol has been prohibited since 1973.

The Federal Court of Justice introduced an objectively measurable limit on the ability to drive a car under the influence of alcohol on November 5, 1953. At first, this legal limit on blood alcohol concentration (BAC) was set at 0.15 per cent. A revision on December 9, 1966 lowered the BAC limit to 0.13 per cent and on July 26, 1973 to 0.08 per cent, this time as an action of the federal legislature. In 1990, another limit with regard to an absolute disability to drive was passed by the Federal Court of Justice, specifying a level of 0.11 per cent. On May 5, 1998, the federal legislature passed the 0.05 per cent BAC limit. The current BAC limits on driving a car are presented in table 8.10.

TABLE 8.10. Blood alcohol concentration limits on drunk driving in Germany in 2000

BAC limits	(Legal) Consequences
0.03%	Starting point of possible legal consequences.
0.05%	Lower limit for infringement of the regulations. 200 Deutschmarks fine and 2 points at the register for traffic offences.
0.08%	Lower limit for endangering when driving a car. Infringement according to §24 of the traffic law (StVG). Possible withdrawal of driving licence for a time.
0.11%	Absolute disability to drive a car, punishable according to §15c and §16 of the criminal code (StGB).
0.16%	Limit of absolute disability to ride a bicycle, punishable according to §15c and §16 of the criminal code (StGB).
0.20%	Possible reduction of being responsible and punishable according to §21 of the criminal code (StGB) because of clearly diminished ability to drive.

With the introduction of the BAC limit of 0.05 per cent, the Federal Assembly also equated the breath alcohol measure with the BAC for levels below 0.11 per cent. The breath alcohol concentration is not directly comparable to the BAC, thus special breath alcohol limits have been defined. Breath alcohol content of 0.25 milligrams per litre is equivalent to 0.05 per cent of BAC. The measurement can only be taken with a reliable instrument that takes two independent measurements with different procedures. Someone who is not responsible and punishable because of high BAC according to §21 of the criminal code, can still be punished according to §323a of the criminal code, which regulates criminal offences in a state of total inebriation.

Since 1970 people have usually not been imprisoned because of drunk driving, but rather have been put on probation. The above-mentioned legal consequences have nevertheless been carried out thoroughly and the punishment, especially the suspension of the driving licence, has been consistently executed. A coordinated strategy of public information, legislative support, an increase in police controls, together with transparent sanctioning, has led to a decreased drinking and driving.

Furthermore, the driving allowance code (FeV) was revised in 1984 and the driving licence on probation has been introduced. This measure is directed especially at controlling and regulating with a period of two years of probation. If during this time the person commits one criminal offence (§315c, §316, §323a) or two offences (e.g. §24a), the driver is subjected to take lessons in driving. If new offences are committed, the driving licence exam has to be repeated, and if

not passed, the driving licence will be withdrawn. In addition, a medical-psychological report can be ordered.

Generally, according to the driving law, applicants for a driving licence have to be physically and mentally able to drive a car. A compulsory report on the ability to drive will be ordered if the driver is caught with a BAC level of more than 0.16 per cent. Demonstration projects on psychological rehabilitation measures have been carried out for first-time and for recidivists.

The administrative structure of treatment

The addiction help system in Germany operates locally but also nation-wide. Ideally, it is a network of graded and coordinated subsystems that covers all four phases of treatment: the contact phase, detoxification, rehabilitation, and after-care.

Counselling centres, general practitioners, and psychotherapists, as well as self-help institutions, are part of the local dependence care system, which covers the whole range of treatment from pre-care to after-care, including outpatient rehabilitation. In addition, inpatient rehabilitation offers nation-wide treatment possibilities. Specific programmes for the rehabilitation of alcohol dependence are offered mainly by private institutions, but also by some psychiatric hospitals. Moreover, there are specialised transition hostels and long-term hostels.

Most people having substance abuse problems will get into contact with the helping system in outpatient treatment. They mainly turn to general practitioners, psychosocial counselling centres, dependence outpatient services, self-help groups, health authorities and company dependence counsellors. Detoxification is mostly carried out by general hospitals, in wards specialising in internal diseases, and by psychiatric hospitals. Long-term therapy and rehabilitation is carried out on an inpatient or outpatient basis. Whereas inpatient rehabilitation today mainly aims at a therapy of short or middle duration, from less than two months up to four months, outpatient care can take much longer. Another advantage of outpatient rehabilitation is that it takes place in the original environment of the patient, which is also cheaper. Approval of being entitled to carry out an outpatient rehabilitation is given by the Federal Associations of Health and Pension Insurance. In the field of after-care, special emphasis is laid on measures for professional and social rehabilitation. The treatment programme as a whole is based upon the principle of interdisciplinary cooperation of different institutions.

The legal framework for the funding system for treatment of dependent people is laid down in the dependence agreement that has been agreed upon by the Association of the Health Insurance Companies and the Federation of German

Pension Insurance Institutions. In this agreement it is stated that rehabilitation is the responsibility of the pension insurance institutions and any medical examination or treatment, including detoxification, will be funded by the health insurance. If there is no insurance coverage, the social welfare system will fund the treatment.

Important non-governmental organisations include the German Council on Addiction Problems (Deutsche Hauptstelle gegen die Suchtgefahren, DHS) and the Federation of German Pension Insurance Institutions (Vereinigung Deutscher Rentenversicherer, VDR), as well as the Association of the Health Insurance Companies.

DHS was founded in 1947 as the main working group against the dangers of addiction. It is an umbrella organisation of 22 member organisations, which are primarily non-governmental organisations, and it represents more than 1,000 counselling centres, 4,500 self-help groups, over 160 specialised clinics, and all psychiatric hospitals and other institutions working in the field of addiction treatment and prevention. The Council is involved in health politics on behalf of its member organisations, and it is a clearinghouse for questions about substance abuse. In detail its tasks are:

- Coordination of interests of its members and representing these interests to government, federal authorities and national associations of pension and health insurance companies.
- As a national clearinghouse and focus on expertise on addiction, to identify topics concerning the problems of addiction; to prompt professional discussion; to make statements on problems and topics connected to addiction, and to develop appropriate principles and conceptualisations.
- To organise professional conferences and to contribute to the exchange of experiences, and to influence public opinion.

The scientific exchange is supported by the journal on substance abuse, *Sucht*, which is jointly published by the DHS and the German Society for Addiction Research and Therapy (DG Sucht).

VDR is an umbrella organisation of pension insurance agencies, which provide medical rehabilitation to persons with substance-induced disorders, aiming at making patients fit for work again. It funds a big part of rehabilitation, especially in the inpatient sector, and increasingly in the outpatient setting as well. As the organisation manages funds given by its members in trust, the quality and output of treatment are of special importance to it. The agencies responsible for the insurance are independent of the state and are controlled by their members.

Summary

Germany is a country with a tolerant attitude towards alcohol consumption. Excessive consumption of alcoholic beverages is on the one hand disapproved but on the other hand also more or less tolerated. The positive attitude of the majority of the population makes it rather difficult to refuse a drink in public. There are almost no restrictions on the consumption patterns. An early morning drink is as commonly accepted as drinking in the evening or while having lunch or supper, or while watching television, as well as the drinking of small amounts of alcohol distributed over the whole day.

Prevention policy in Germany aims at making people aware of the general problems of psychotropic substances, and includes creating a critical and objective attitude towards alcohol. Two institutions shape the prevention policy. The Federal Centre for Health Education is a governmental institution that works on principles and guidelines of practical health education, trains professionals working in the field of prevention and coordinates and emphasises health education. The German Council on Addiction Problems is an umbrella organisation of institutions working in the field of dependence that represents the interests of its members to the government and other federal authorities. The task of this institution is to identify relevant topics of dependence, to stimulate technical discussion, and to develop appropriate conceptualisations.

There are very few legal restrictions on alcohol production in Germany. In measures affecting the availability of alcohol, a distinction is made between beverages containing distilled spirits and other alcoholic beverages, which are mainly wine, beer and sparkling wine. Structural preventive measures taken by the government in order to restrict the general availability of alcohol are:

- Closing time in restaurants and public houses, and no off-premise retail sales of alcoholic beverages during general shop closing hours, which are on weekdays from 8 p.m. to 6.30 a.m., on Saturdays from 4 p.m. and no sales on Sundays and public holidays.
- Prohibition of sale and consumption of distilled spirits to persons under 18 years and of other alcoholic beverages to people under the age of 16.
- Measures concerning specific situations like prohibition of sale of alcoholic beverages to obviously drunk persons or the possibility to prohibit alcohol sales during mass events like football games.
- No sale of distilled spirits in vending machines.
- Structural preventive measures by making it easier to purchase non-alcoholic beverages, i.e. at least one non-alcoholic beverage has to be offered at the same price as the cheapest alcoholic one.

Consumption taxes on alcoholic beverages are not used as preventive structural measures. Price levels and changes in alcoholic beverage prices follow supply and demand. During the last two or three decades, prices of alcoholic beverages have decreased in relation to other prices. Despite this, the consumption of alcoholic beverages has been stable or even on the decrease since the late 1970s. The expenses of alcohol advertising have been continually increasing in an effort to stop the declining consumption trend. The content of advertisements is restricted by voluntary rules. Beyond this, the restrictions of the European Convention on Transfrontier Television have been obligatory since 1989.

Violations of traffic regulations and laws are strictly punished, following a graded system that includes fines, withdrawal of driving licence, and legal consequences for drivers and cyclists. In 1998 a BAC limit of 0.05 per cent was introduced. As early as in 1990, there was provision for a general medical-psychological examination of driving competence for a driver caught driving at any BAC level above 0.11 per cent. Further measures have been the introduction of a probationary driving licence for beginners. The frequency and extent of police controls have been intensified. Implementing the controls has been made easier for the police by equating the breath alcohol measurement with the blood alcohol measurement in 1998.

Current preventive measures aim at a sensible, moderate consumption of alcoholic beverages, with point abstinence in specific situations or for specific groups. Recommendations on the quantity of drinking have varied greatly since the mid-1960s when they were high and varied considerably between 100 grams and 160 grams of pure alcohol per day. In the 1970s these values were lowered to between 60 and 100 grams of pure alcohol per day for healthy grown-ups. Since the 1980s separate limits for men and women have been introduced and recommended levels have been lowered to not more than 40 grams of pure alcohol per day for men and 25 grams for women. These limits were lowered again in the 1990s. Today the recommended limits are not more than 30 grams of pure alcohol per day for men and 20 grams for women. Using the concept of standard drinks 30 grams means about three drinks and 20 grams about two drinks. In addition, specific circumstances are described when people are recommended not to drink at all. These periods of point abstinence include pregnancy and lactation, driving a car, during the working hours or while under the influence of medicine.

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Chapter 9

Greece

DIMITRA GEFOU-MADIANOU IN COLLABORATION
WITH THOMAS KARLSSON AND ESA ÖSTERBERG

The country

After the revolution against the Ottomans in 1821 the Greek state was established in 1830. For almost a century Greece was a constitutional monarchy. After the Asia Minor Catastrophe of 1922 the political system changed, and a republic was established in 1924. This was followed by a period of political agitation which led to the return of the monarchy, and the imposition of a military dictatorship in 1936. The German occupation and the 1944-1949 civil war were a particularly harsh period for the country and sowed the seeds for more political unrest in the 1950s and 1960s. This led to the military coup of 1967 and the abolishment of the monarchy in 1969. Democracy was restored in 1974, and in 1981 Greece became member of the European Communities (EC). Nowadays Greece is a presidential republic governed by a prime minister, a cabinet, and a parliament of 300 deputies. The parliament is elected by direct elections for four years. The head of state is the president, elected by the parliament for a five-year term.

Greece is situated in south-east Europe occupying the southernmost part of the Balkan Peninsula, projecting into the Mediterranean Sea. It is surrounded by many islands both in the Aegean, the Mediterranean Sea and the Ionian Sea. Most of these islands belong to Greece, Crete and Rhodes amongst them. On the north, Greece is bordered by Albania, the Former Yugoslav Republic of Macedonia, and Bulgaria, on the east by Turkey and the Aegean Sea, on the south by the Mediterranean Sea, and on the west by the Ionian Sea. The country is divided into thirteen geographical regions, which are subdivided into 51 administrative departments. Mount Athos, in northern Greece, is an autonomous district with a monastic administration.

The total area of Greece is 131,957 km². Nearly 11 million people live in this area, and the average population density is 80 inhabitants per km². Athens is the capital and the largest city of Greece with 3.5 million people. Other major cities are Thessaloniki, Patra, Heraklion, Larissa, Ionnina and Volos. Altogether about 65 per cent of the Greek population lives nowadays in urban areas. The official

language of the country is Modern Greek. English and French are also widely spoken. More than 95 per cent of the inhabitants of the country are followers of the Greek Orthodox Church.

Up to the 1950s, the economy of Greece was mainly based on agriculture. Nowadays, services, including tourism, account for the largest sector of the Greek economy. In 1998, services contributed 72 per cent of the gross domestic product (GDP). In 1998, 11.1 million tourists visited Greece and tourism represented about 20 per cent of service sector revenues. Agriculture, forestry, and fishing contributed 11 per cent of the GDP in 1998. Industry, primarily manufacturing and construction covered 18 per cent of the GDP in 1998. In the mid-1990s about 23 per cent of the population worked in the industrial sector, approximately 20 per cent in the agriculture and about 56 per cent in the service sector.

Alcohol production and trade

The production of beer and distilled spirits has increased substantially since the beginning of the 1950s, while the production of wine, the dominant beverage, has been more or less stable. The beer production has risen from 0.2 million hectolitres in the early 1950s to 0.5 million hectolitres in the mid-1960s (International statistics, 1977). It further increased to 2.8 million hectolitres by 1983, and reached the amount of 4.1 million hectolitres in 1995. The production of distilled spirits increased rapidly from 0.1 million to 0.4 million hectolitres between 1970 and 1983, and further to over 0.5 million hectolitres in 1993 (Liakos, Madianos & Stefanis, 1980; Madianos, Gefou-Madianou & Stefanis, 1995; Gefou-Madianou, 1999).

In the early 1950s about 4 million hectolitres of wine was produced annually (International statistics, 1977). Since then there have been quite big yearly fluctuations, with a downward trend until 1963 when the production dropped to 2.8 million hectolitres. In the second half of the 1960s and in the 1970s wine production was on the increase, reaching the amount of 5.6 million hectolitres in 1984. Since then, the amount of wine produced has decreased to 3.8 million hectolitres in 1995. Industrial companies and cooperatives produce about two thirds of Greek wine. One third is produced in small farms and households (Liakos, Madianos & Stefanis, 1980; Moser, 1992; Madianos, Gefou-Madianou & Stefanis, 1995; Gefou-Madianou, 1999). In the early 1970s, about one million hectolitres of wine was exported annually. The corresponding figure at the beginning of the 1950s was about 0.2 million hectolitres (International statistics, 1977).

Alcohol consumption

The data on alcohol consumption collected by Productschap voor Gedistilleerde Dranken includes figures for Greece only from 1961 on, and in the first years only for beer and wine. The consumption of distilled spirits is recorded only from 1976 on. Because of the lack of data, table 9.1 does not give any figures for the mid-1950s. Furthermore, for the mid-1960s only the figures for beer and wine consumption are included. To get all figures for the mid-1970s, it has been assumed that the average consumption of distilled spirits in the years 1973-1975 was the same as it was in 1976. Since the production of distilled spirits was on the increase in the 1970-1983 period this may be an overestimate. In converting beer and wine consumption to pure alcohol consumption, the alcohol content of beer has been assumed to be 5 per cent by volume and that of wine 12 per cent by volume.

TABLE 9.1. Consumption of alcoholic beverages by beverage categories in Greece in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1965, 1975, 1985 and 1995, five year's averages

	1955	1965	1975	1985	1995
Total alcohol consumption	8.21	8.68	8.88
Consumption of distilled spirits	2.84	2.72	2.74
Consumption of wines	..	4.37	4.58	4.36	4.12
Consumption of beer	..	0.34	0.79	1.64	2.02
Percentage of distilled spirits	34	31	31
Percentage of wines	56	50	46
Percentage of beer	10	19	23

Source: World Drink Trends, 2002.

Total alcohol consumption was on the same level in the mid-1990s as in the mid-1980s, and only a little higher than in the mid-1970s (Table 9.1). According to the production data, the consumption of distilled spirits was lower in the mid-1960s than in the mid-1970s. Therefore it can be claimed that the total alcohol consumption was on the increase in Greece both in the 1960s and in the 1970s, and has been stable since then.

The consumption of distilled spirits seems not to have changed during the last decades. The consumption of wine has also been quite stable especially in the 1960s and 1970s. In the mid-1980s wine consumption decreased quite heavily, but has again increased in the late 1980s and in the 1990s. Nowadays wine

consumption per capita, in litres of the product, is about 35 litres a year. At its highest it was 45 litres per capita at the beginning of the 1980s (World Drink Trends, 2002).

Beer consumption has clearly increased from 5.3 litres per capita in 1961 to 40 litres in 2000 counted in litres of the product. Despite the growth in the beer consumption, wine still accounts for the greatest proportion of the total alcohol consumption. In the mid-1990s, nearly 50 per cent of all alcohol consumed in Greece was in the form of wine. The corresponding figure for distilled spirits was one third and for beer about one fourth (World Drink Trends, 2002).

Greece has a very long history of production and consumption of wines, and drinking alcohol is a traditional and socially accepted way of socialisation among men, and more recently also among women and youth. With regard to youth, drinking is considered a rite of passage from adolescence to adulthood.

Especially in rural areas, alcoholic beverages are consumed at meals every day and identified with a traditional way of life. Not only is alcohol legally available, but people are also more or less culturally forced to drink on certain social occasions. However, this does not necessarily mean that alcohol consumption, and especially wine consumption, reinforces or is related to social problems. On the contrary, wine may be associated with spiritual qualities, since drinking in the Greek society is often still integrated into social and religious structures, and under certain circumstances drinking alcohol functions as a sign of social integration and socialisation (Gefou-Madianou, 1992a; 1992b; 1992c; Iossifides, 1992).

These social and religious structures provide controls against excessive drinking, as do close family and neighbourhood ties in rural areas. Family and community control, in the form of negative and non-permissive attitudes towards excessive drinking behaviour, might play a preventive part in the case of individuals susceptible to alcohol abuse and dependence (Ritson, 1985; Allen, 1989; Gefou-Madianou, 1991; 1996; Hannibal et al., 1995). Socio-economic transformations as well as economic upheavals in recent decades have also influenced the patterns of alcohol consumption (Gefou-Madianou, 1992a; 1999; Moser, 1992).

In some rural areas it is thought that red wine is good for the blood and can cure anaemia, and it is therefore given to young children as a medicament. Hot red wine with sugar and bread used to be provided to young children for breakfast in some areas until the sixties. A statistical survey in 1984 estimated that about 1.6 per cent of households' monthly expenditure was spent on alcohol. The percentage was higher in rural areas, where much more drinking took place outside the home than in urban areas (Gefou-Madianou, 1991; 1996; Moser, 1992). However, traditional drinking patterns, like the association of drinking

with meals, family rituals, community or religious ceremonies and recreational activities, are still practised, and rural lifestyles have merged with the urban ones during the transitional post-war modern Greek society (Gefou-Madianou, 1996; 1999). In a recent household survey, conducted in 1998–1999, the percentage of monthly expenditure on alcoholic beverages reached 3.2 per cent of the total expenditure on food. The households in greater Athens seem to spend slightly more, 3.6 per cent, on alcoholic beverages than households in other urban areas or in rural areas, where the corresponding percentage was 2.5 (Statistics of Household Surveys 1998–1999).

Before the Second World War wine was the main alcoholic beverage in Greece. Beer consumption has risen rapidly in the post-war years, while wine consumption has remained fairly stable or even decreased at certain periods (Gefou-Madianou, 1999). Traditional distilled aromatic beverages, like ouzo, raki, tsikoudia and tsipouro, are still very popular in Greece. However, an increase in the consumption of imported distilled alcoholic beverages, like whisky, vodka, gin, tequila and rum, can be noticed especially among younger generations. Despite all these developments, wine is still the most prominent drink in Greece and wine also constitutes a significant element in the agricultural sector of the Greek domestic economy (Gefou-Madianou, 1999). Greeks also seem to prefer their own wine, as the market share of imported wine was only 4 per cent at the beginning of the 1980s. At the same time the share of domestic table wine was 73 per cent and the share of domestic quality wine 23 per cent (Yfantopoulos, 1985).

There are several reasons to doubt the official consumption figures. About one third of all wine is produced by domestic means, and the excise duty rate for wine is set at zero. These two facts mean that the quantity of wine produced and consumed may be an underestimate. Secondly, home distillation is illegal, but it cannot be controlled in certain rural areas (Gefou-Madianou, 1996). Therefore, recorded figures for the consumption of distilled spirits may also underestimate the true consumption. And thirdly, tourists visiting Greece consume a part of the alcoholic beverages sold in Greece and recorded as the consumption of Greeks. Nowadays about 11 million tourists spend about 41 million nights in Greece annually. This means that if the tourists are drinking like local people or like EU inhabitants on the average they would consume about one per cent of all alcohol sold in Greece (Trolldal, 2001).

In 2000 the consumption of alcoholic beverages per capita was 79 litres counted in litres of the product. The consumption of commercial non-alcoholic beverages was 233 litres per capita, consisting of 60 litres of coffee, 64 litres of soft drinks, 38 litres of milk, 20 litres of juices and 8 litres of tea. All these beverages have gained in importance since the mid-1980s (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

It has already been mentioned that the general public in Greece has a strong belief that there are no serious alcohol-related problems in the country. The officials in the state administration also seem to share this view (Fahrenkrug, 1990). The incidence of alcoholism has also been considered to be low in Greece (Liakos, Madianos & Stefanis, 1980; Gefou-Madianou, 1999). This, together with the fact that the wine industry has contributed significantly to the GDP, has led to the absence of a coordinated programme concerned with alcohol-related problems. Therefore, the implementation of the existing official alcohol control measures is not strictly enforced.

Despite the absence of a comprehensive state preventive alcohol policy, the individual ministries and organisations have developed a number of policy measures also affecting the alcohol field since the 1950s. These measures mainly deal with the production, distillation and selling of alcoholic beverages and with taxation controls, and more recently with drinking and driving. For instance, all alcohol producers, including wine producers, need a licence for selling and bottling their products. This licence has to be issued by the State Chemical Laboratory. Nevertheless, it has been shown that home production, distillation and selling have not been effectively controlled.

Awareness of the issue of preventing alcohol problems has, however, grown during the 1990s. The current administrative structure of preventive alcohol policies in Greece involves the following ministries and organisations:

- Ministry of Health, Department of Mental Health, Section of Alcohol and Drug Prevention was established in 1990. It is responsible mainly for secondary and tertiary preventive activities.
- Ministry of Education, Department of Health Education was established in 1992. This department is responsible for organising and implementing health education programmes and campaigns in selected schools in primary and secondary education.
- Ministry of Culture, General Secretariat of Youth organises programmes for young people outside school. It also approaches special youth groups, such as migrants, refugees, ethnic and multicultural groups.
- Ministry of Public Security, Traffic Police is responsible for the implementation of drunk driving testing.

- Organisation Against Drugs (OKANA) was established in 1994. It is mainly offering its services to illicit drug addicts. However, in its plan of activities for the years 2000–2004 a range of activities has also included alcohol and tobacco. In recent years, OKANA has organised and financially supported preventive programmes in local communities, and lately in working places in collaboration with the Ministry of Labour and Health Promotion Agency in Working Places (Gefou-Madianou, 1993).

A policy measure that was introduced in the late 1990s is the implementation of breathalyser tests by the traffic police on the main roads. The introduction of breathalyser tests was partly a result of the Alcohol Action Plan initiated by the World Health Organization's Regional Office for Europe (WHO-EURO) and the European Charter on Alcohol, which Greece signed during the Paris Conference in December 12–14, 1995.

Licensing policy

Alcohol producers in Greece need a licence to operate. The licence is not, however, perceived as a preventive alcohol policy measure but is required to ensure a good standard of quality of the alcoholic beverages produced. The licence to produce alcoholic beverages is granted by the Ministry of Commerce and the State General Chemical Laboratory. The licence includes specific rules and regulations that have been in force since the mid-1940s concerning pure alcohol production, in terms of the year of production, labelling of the contents, and sales and restrictions of use by persons other than alcohol producers and pharmacists. The licence is permanent.

Also the importers and wholesalers of alcoholic beverages need a licence to operate. The licence, which has to be renewed periodically, is granted to the licensee by the Ministry of Economics, Department of Trade, and the Chamber of Commerce.

Also off-premise retailers of alcoholic beverages need a licence to operate. The licence is permanent and it is granted by the local municipalities and the prefecture authorities at the Department of Health. The licence is, however, not alcohol-specific. Also some on-premise establishments are required to have a licence. This concerns mostly bars that are restricted to certain rules by the police and the prefecture authorities. Other restaurants are not required to have a licence.

Restrictions of availability

According to the Act 992/71 the legal age limit on off-premise purchases of distilled spirits has been 18 years since 1971 (Yfantopoulos, 1985). Nowadays off-premise sales by stores specialising in retailing alcoholic beverages is restricted by a Ministerial Decree (180/79), and the age limit is still 18 years for distilled spirits. For beer and wine there are no legal age limits, since these beverages can also be purchased in a variety of places other than special liquor stores, like food markets, kiosks, petrol stations, open-air canteens, bus or train stations and airports.

For on-premise sale of alcoholic beverages there is an age limit of 18 years on all alcoholic beverages, wine and beer included. There is also an age limit of 18 years for consumption of alcoholic beverages in all cafeterias, bars and discotheques. This age limit was introduced in 1989, but was not strictly enforced until recent years.

Alcoholic beverages are available in food markets or in specialised liquor stores. The business hours for off- and on-premise sale of alcoholic beverages depend on the type of premise. The restrictions on business hours are, however, not alcohol-specific but apply to sale of all kinds of merchandise. Off-premise business hours are

- 8.00 a.m. - 8.30 p.m. for supermarkets,
- 8.00 a.m. - 11.00 p.m. for specialised liquor stores, and
- 24 hours for kiosks selling beer, on trains or long-distance bus stations, and airports.

For on-premise sale the business hours are until midnight or 1.00 a.m. for restaurants, and for bars and discotheques they used to be until 3.00 a.m. or all night long. At the beginning of the 1990s the business hours of bars, discotheques, dancing clubs, taverns, etc. became a big issue. Closing-time limits were strictly enforced, but only for less than two years. Presently, the business hours for bars and discotheques should officially be until 2.30 a.m. The law is, however, not at all strictly enforced and in practice this time limit is frequently violated. Especially in summertime on the islands, bars and discotheques are open all night.

Alcohol taxation

The current method of alcohol taxation varies depending on the beverage category (Table 9.2). For beer, excise duties are levied on the basis of hectolitre per degree of Plato in the finished product, and they are applicable to beer with an alcohol content over 0.5 per cent alcohol by volume. For wine and fermented beverages other than wine and beer, the excise duties are applied on the basis of hectolitre of the product, but the actual excise rate has been set at zero drachmas. The same is true for intermediate products with an alcohol content of less than 15 per cent by volume. Like wine and other fermented beverages, the excise duty on intermediate products is also applied on the basis of hectolitre of the product. The excise duty on distilled spirits is levied per hectolitre of pure alcohol in the finished product. With regard to distilled spirits and intermediate products over 15 per cent alcohol by volume, Greece uses the possibility to apply reduced rates. For distilled spirits this concerns ouzo. For intermediate products over 15 per cent alcohol by volume the reduced rate concerns natural sweet wines. Besides the excise duty, a value added tax (VAT) of 18 per cent is nowadays included in the price of all alcoholic beverages.

TABLE 9.2. Excise duty rates for alcoholic beverages in Greece in 2000 in Greek drachmas and in euro

Alcoholic beverage category*	DRA	EUR
Beer, per hectolitre per degree of Plato in the finished product	384.00	1.17
Wine and fermented beverages other than wine and beer, per hectolitre of the product	0.00	0.00
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	0.00	0,00
Over 15% alcohol by volume	14,789.00	45.00
Reduced rate for natural sweet wines	7,395.00	22.50
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product:</i>		
Standard rate	298,414.00	908.00
Reduced rate for ouzo	149,207.00	454.00

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

With regard to the history of alcohol taxation we have very scattered data. According to Yfantopoulos (1985), in the early 1980s, regardless of the place of production, a tax of 6.76 drachmas per kilogram was levied on all wine products. In addition, the following taxes were levied on wine: “40 per cent of the value (since wine is considered a luxury item), 3–4 per cent of the value as stamp duties, and 15 drachmas per kilogram as a consumption tax” (Yfantopoulos, 1985, 94). According to the same source, beer was only subject to a consumption tax which was 55 drachmas per kilogram. On pure alcohol the tax was 55.2 drachmas per kilogram while on all other distilled spirits the following alcohol taxes were levied: a consumption tax of 15 drachmas per kilogram, a duty of 40 per cent of the value and a stamp duty of 5.2 per cent of the value (Yfantopoulos, 1985, 95). Furthermore, at the beginning of the 1980s the wholesale price of alcohol was under government control. In April 1981, the Ministry of Finance specified a wholesale price of 125 drachmas per litre for spirits and 115.5 drachmas per litre for pure alcohol (Yfantopoulos, 1985, 95).

Using Gordon (1989) as the source, Hibell (1990) gives the following excise duty rates for September 1988 for Greece: For beer 1.64 euro per hectolitre per degree of alcohol in the finished product, for wine 0 euro per hectolitre of the product, and for distilled spirits 38.5 euro per hectolitre of pure alcohol in the finished product (Hibell, 1990). According to Gefou-Madianou (1996), the excise duty on distilled spirits in 1996 was 48 euro per hectolitre pure alcohol in the finished product. According to the same source the excise duty on beer was 2.22 euro per hectolitre per degree of alcohol in the finished product (Gefou-Madianou, 1996).

On the basis of the excise duty tables published by the European Commission, it can be concluded that at the beginning of 1993 Greece began to practice the minimum excise tax rates agreed on in Directive 92/84/EEC, i.e. 0.748 euro per hectolitre per degree Plato in the finished product for beer, 0 euro per hectolitre of the product for wine, 45 euro per hectolitre of the product for intermediate products and 550 euro per hectolitre of pure alcohol in the finished product for distilled spirits (European Commission, DG XXI, Excise duty tables, January 1994). In comparison with the excise duty rates applied in the early 1990s, this meant a slight increase in the excise duty rate for beer, no change in the rates for still and sparkling wine, a decrease of about 70 per cent in the excise duty rate for intermediate products and an increase of about 200 per cent in the excise duty rate for distilled spirits. Compared with the excise duty rates in September 1988, the excise duty rate for distilled spirits in 1993 was nearly fifteen times the rate in 1988.

By 1996, the excise duty rate for beer had reached the current level counted in drachmas. Because of inflation, the highest rate counted in euro, 1.27, was reached in 1997. For intermediate products there have been small changes since

1993, usually upwards in terms of drachmas in order to keep the prevailing tax rate at 46 euro per hectolitre of the product. By 1996 the excise duty rate for distilled spirits had reached 770 euro per hectolitre of pure alcohol, and the current rate was reached in 1997.

Since 1999 the VAT is 18 per cent on all alcoholic beverages. Earlier in the 1990s the VAT was 8 per cent on wine and 18 per cent on all other alcoholic beverages.

The changes in excise duty rates referred to above are given in nominal values. During the 1950-2000 period the value of the Greek currency has decreased because of inflation. The increase in the general price level in Greece in the 1960-2000 as described by the consumer price index (CPI) is given in table 9.3.

TABLE 9.3. Consumer price index in Greece, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	2.0	2.1	2.4	4.3	9.2	23.5	52.4	100.0	126.6

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When relating changes in alcohol excise duties to developments in consumer price index, it can be concluded that the real burden of excise duty on distilled spirits has clearly increased in the 1990s, and that also the real value of the excise duty on beer has increased slightly. Also the tax burden on wine has increased in the 1990s as the VAT rose from 8 to 18 per cent in the late 1990s.

According to the data collected in the ECAS study, the real price of all alcoholic beverages was on the increase in Greece in the first half of the 1960s. Then it decreased by a third from the mid-1960s to the mid-1980s. The decrease was particularly heavy in the second half of the 1970s. Since then the real price of alcoholic beverages has increased somewhat (Leppänen, 1999).

Alcohol advertising

There are currently no restrictions concerning alcohol advertising, sales promotion and sponsorship. At the beginning of the 1990s there was, however, an effort made towards decreasing the number of alcohol advertisements on television, and some regulations were introduced by the Ministry of Social Security, including information against drunk driving. Recently, the three public television channels have initiated a policy of decreasing alcohol advertisements.

Education and information

There are very few activities on alcohol education and information compared to those which concern illicit drugs. The situation seems to be slowly changing. However, education and information activities are not coordinated or evaluated in any systematic way (Gefou-Madianou, 1999). The following programmes and campaigns are or have been under way in Greece:

- A number of health education programmes have been introduced in a selected number of schools, mainly in the greater Athens area since the mid-1980s. These programmes have been supported by the Ministry of Education and the General Secretariat for Youth.
- In recent years a campaign on alcohol risks in relation to driving has been introduced by the Ministry of Health, thus increasing the public's awareness on drunk driving. Television and radio spots on drunk driving have been introduced by the Ministry of Health, National Committee on Alcohol.

Drunk driving

According to the regulations of the Ministries of Transport and Justice, a driver's blood alcohol concentration (BAC) level is not to exceed a level of 0.08 per cent. These regulations have not been, however, effectively enforced until recently. Currently, the driver is considered to be driving under the influence of alcohol if the BAC level is over 0.05 per cent.

The punishment for drunk driving is usually a fine. Punishments in general are not severe unless the driver in question has been involved in a car accident. If the BAC level is higher than 0.1 per cent, then the driver's driving licence may be suspended temporarily. From 1999 onwards, there has been more systematic traffic safety law enforcement, with the implementation of breathalyser tests.

Administrative structure of treatment for alcoholism

A number of specialised health services and agencies have been developed in Greece, mainly in the greater Athens area (see Gefou-Madianou, 1996). Two therapeutic communities for people mainly dependent on drugs have been operating since 1982 in Athens and Thessaloniki, one of them (Diavasis) accepting

also people dependent on alcohol. There is an inpatient unit in Athens, the State Mental Hospital. A number of outpatient psychiatric departments can also treat minor alcohol-related problems. There are about 30 psychiatric units in general hospitals all over the country and 21 community mental hospitals, which also offer their services to people suffering from minor alcohol-related problems, but they do not have specialised treatment programmes for people dependent on alcohol (Moser, 1992; Gefou-Madianou, 1996; 1999).

The following authorities and organisations are currently taking care of the treatment for alcoholism and alcohol abuse in Greece:

- the Ministry of Health, Department of Mental Health,
- mental hospitals (specialised units and extramural services) including two specialised programmes in the Attica Mental Hospital and Eginition Hospital,
- a non governmental network of therapeutic communities,
- private mental hospitals, and
- voluntary organisations, such as Alcoholic Anonymous.

With some exceptions, all services for treatment of alcohol dependence have been established in 1985 or later.

Summary

Alcohol production and consumption have been interwoven with the Greek economy and social life for a very long period. Especially wine has been tightly associated with the basic Mediterranean diet for centuries, and even nowadays it is considered a food in certain wine-producing rural areas of the country (Gefou-Madianou, 1995). Alcohol use is generally perceived as a positive feature of social life. It has to be noted that Greece has not had any history of temperance movements or alcohol prohibition like many countries in North Europe. Instead, a long history of alcohol production and use has enabled the Greek society to develop effective ways of dealing with the issue of regulation and control of alcohol. These are often hidden regulations, constituting a part of everyday life and being thus linked with unofficial socio-cultural structures rather than with official legal regulations and written laws. This is partly reflected in the stable or decreasing total alcohol consumption during the last decades (see Gefou-Madianou, 1992a; 1992b).

Presently, one might say that an absence of alcohol controls characterises the modern Greek society, but a more careful and deeper analysis of what is

called the culture of alcohol would reveal that certain very strict measures and regulations do exist. They are embodied into familial, social and religious everyday life and rituals (Allen, 1989; Gefou-Madianou, 1992a; 1992b; 1992c; Iossifides, 1992). However, in recent epidemiological studies on nation-wide general population and school population surveys, it has been shown that alcohol consumption patterns change, and alcohol-related problems are increasing, especially in the younger age groups (Kokkevi, Gefou-Madianou & Stefanis, 1992; Gefou-Madianou et al., 1992; Kokkevi & Stefanis, 1994). It seems that with the rapid social and economical changes in the modern Greek society, more strict and systematic measures as well as preventive programmes have to be developed.

Greece is still lacking a central coordinating administrative body responsible for alcohol. There have, however, been some developments towards a preventive alcohol policy in recent years. Greece's participation in the WHO-EURO Collaborative Study on Community Response to Alcohol-Related Problems and the acceptance of the European Alcohol Charter initiated by the WHO-EURO in December 1995 have resulted in the Greek Ministry of Health taking some action on preventive alcohol policy issues. The National Council on Alcohol, consisting of alcohol experts and representatives from several ministries, has worked towards this end. During the last couple of years some progress has been made, including the implementation of health education programmes in schools. Measures have been taken to put a ban on alcohol sale in places like school canteens and sport games, as well as a more systematic law enforcement of traffic safety regulations, like implementation of breath tests. Some television spots and radio messages against drunk driving have also been introduced. Public television channels have recently initiated a policy to reduce alcohol advertisements. A very positive development has been the inclusion of alcohol in the range of activities of OKANA. All the above-mentioned activities seem to have an influence on the general public's awareness and attitudes towards drinking, which is reflected in public debates and in the mass media.

Despite these undoubtedly positive developments, Greece does not have something that could be called comprehensive alcohol control policies or systems, and neither did it have anything like that in the early 1950s (see e.g. Fahrenkrug, 1990; Madianos et al., 1994a; 1994b). Therefore, it is quite safe to conclude that changes in alcohol consumption or drinking habits in Greece during the 1950-2000 period are not reflections of conscious changes in official alcohol control measures. This does not, however, mean that there have not been any changes in alcohol control measures during the 1950-2000 period. The most important change here was the increase in excise duty on distilled spirits, first in 1993, but then also later in the 1990s.

When looking ahead in the future it is, firstly, good to remember that all EU decisions will affect Greece. Secondly, it is also important to note that the recommendations of the WHO-EURO, which are not binding in the same way as the EU directives, have already thus far had an effect on discussions concerning alcohol control in Greece. And thirdly, it can be observed that in Greece public awareness and attitudes towards drinking are beginning to change.

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Chapter 10

Ireland

ANN HOPE, SEAN BYRNE, THOMAS KARLSSON
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The country

Ireland, known in the Irish language as Eire, is a republic comprising about five sixths of the island of Ireland, which is situated at the western edge of Europe. The country consists of the provinces of Leinster, Munster and Connacht, and part of the province of Ulster. For administrative purposes, the Irish Republic is divided into 26 counties and five county boroughs. Six of the counties of Ulster in the north-eastern part of the island belong to the United Kingdom.

The republic of Ireland has an area of 70,273 km². With a population of 3.6 million inhabitants the average population density is 51 inhabitants per km². Population density is highest in the east and south. The population is young, with 41 per cent being under the age of 25 years. Emigration, which for more than a century caused the population of Ireland to decrease or stagnate, has virtually ceased and, as a result of recent strong economic growth, there is now substantial immigration. The capital and the largest city is Dublin with over 1 million inhabitants. Some 60 per cent of the Irish population nowadays live in urban areas.

The Irish population is predominantly of Celtic origin but since the ninth century Ireland has been subject of successive invasion by Norse, Normans and English. About 93 per cent of the Irish population are Roman Catholics, and 4 per cent are Protestants. Religion is of importance in many people's lives, but the dominance of the Roman Catholic Church has declined significantly in recent decades. Originally the Irish language was predominant, but nowadays almost all Irish people speak English. About a quarter can still speak some Irish. According to the constitution both Irish and English are official languages.

Ireland achieved independence from the United Kingdom in 1922 and became a republic in 1949 when Commonwealth ties with the United Kingdom were ended. The prime minister serves as the head of the government, and is appointed by the president after nomination by the lower house. The president of Ireland is the official head of the state and is elected by direct popular vote for a

seven-year term. Ireland has a bicameral parliament known as the Oireachtas. The lower house (Dáil Éireann) is directly elected by the Irish population and has 166 members. The upper house (Seanad Éireann) is elected by a combination of vocational panels, university representatives and nominees from the prime minister (Taoiseach) and has 60 members. The upper house is limited in authority, while the lower house has the power to support or bring down the government in the parliamentary tradition.

Until the middle of the twentieth century, the Irish economy was predominantly agricultural and trade was predominantly with the United Kingdom. Since the mid-1950s, however, the country's industrial base has been transformed. Manufacturing accounts for approximately 36 per cent of the gross domestic product, while agriculture accounts for about 10 per cent. In recent years the highest growth rates in Irish industry have been achieved in the high technology sectors of manufacturing. In the mid-1990s, about 28 per cent of the population worked in the industrial sector, approximately 12 per cent in the agriculture and about 60 per cent in the service sector.

The Irish economy is very open to international trade with exports accounting for 73 per cent of the Gross Domestic Product (GDP) and imports for 54 per cent of the GDP. Tourism is also a significant source of foreign exchange and has increased rapidly over the past 20 years. In 1997, some 5.5 million tourists visited Ireland. Ireland has experienced a considerable social and cultural change over the past decades due to increasing economic prosperity, membership of the European Union (EU) and the influence of the mass media of the United Kingdom and the United States. While becoming more open to outside influences, some aspects of indigenous culture, particularly music, literature and sport, remain strong.

Alcohol production and trade

Ireland has a long tradition of brewing and distilling, and until the middle of the twentieth century these industries were among the few large manufacturing industries. The Irish distilling industry is dominated by the Irish Distillers, which in 1994 produced 95 per cent of the country's total output of distilled spirits. In the same year, imports accounted for 37 per cent of the Irish consumption of distilled spirits. Irish whiskey dominates the spirits market, followed by vodka and gin. In 1994 whiskey covered 46 per cent of the spirits market. Over the past

20 years, whiskey has been losing ground to vodka and miscellaneous other distilled beverages (Hurst, Gregory and Gussman, 1997).

The Irish beer market is served by three independent brewing companies with seven breweries. The largest brewer, Guinness Ireland, dominates the market and its stout accounts for half of total beer sales. The consumption of lagers has risen to 40 per cent of total beer consumption over the past 20 years, largely at the expense of ales, whose share of the beer market has declined sharply since the early 1980s. In the mid-1990s the market share of domestic beer was 90 per cent, but imports of beer have gained ground in the last two decades. In 1975 imported beer covered only 0.4 per cent of the Irish beer consumption, but it increased to 9.7 per cent by 1996. In 1994 total production of beer reached 7.2 million hectolitres, of which 3.3 million hectolitres were exported, the United Kingdom being clearly the most important export market for Irish beer (Hurst, Gregory & Gussman, 1997).

With the exception of made wine, wine produced from imported concentrate, all of the wine consumed in Ireland is imported. Wine consumption has increased considerably in Ireland over the past twenty years. French, Italian and Spanish wines have the largest shares of the wine market. In 1976 table wine had a market share of about 50 per cent. The share of fortified wine was 32 per cent, that of made wine 16 per cent and that of sparkling wine 3 per cent. In 1994 table wine accounted for about 90 per cent of all wine consumed. The rates of fortified wine, made wine and sparkling wine had declined to 5 per cent, 4 per cent and 2 per cent, respectively (Hurst, Gregory & Gussman, 1997).

Cider and perry, cider made from pears, are also popular in Ireland. This market has grown significantly during the past twenty years (Hurst, Gregory & Gussman, 1997). In the mid-1970s the consumption of cider and perry was some 50,000 hectolitres a year. At the beginning of the 1990s the total consumption of cider and perry in litres of the product exceeded that of wine, and in 1998 the yearly consumption of cider and perry reached 550,000 hectolitres. Within this market, perry accounts for about one fifth of the sales. Domestic producers supply 85 per cent of the cider and perry market.

Ireland is a net exporter of alcoholic beverages. In 1996, the value of exports was one and a half times the value of imports of alcoholic beverages. While exports of alcoholic beverages have increased dramatically in volume and value terms over the past 30 years, alcohol exports have declined as a share of total exports due to the growth of other manufacturing industry (Foley, 1999). Also the value of alcohol exports to alcohol imports has declined because of a strong growth in alcohol imports.

Employment in the drinks industry and trade

Total employment in the drinks industry has declined over the past two decades from 8,299 persons, constituting 3.1 per cent of total manufacturing employment in 1981, to 4,874 persons in 1995 (Byrne, 1999). Direct employment in the manufacturing of alcoholic beverages generates indirect employment through the purchase of services, raw materials or other inputs in other industries. Every manufacturing job generates approximately 2.3 additional jobs in services and the supply of inputs. This means that the 4,900 manufacturing jobs in 1995 generated 11,000 additional jobs, excluding jobs in the retailing of alcoholic beverages (Byrne, 1999).

Because of high levels of part-time work and the variety of outlets in which alcoholic beverages are sold, it is difficult to estimate accurately the total employment in the retail distribution of alcoholic beverages. Figures in different surveys and censuses diverge widely. A conservative estimate of the total full-time equivalent employment in the retailing and wholesaling of alcoholic beverages in 1997 is 39,000 (Byrne, 1999).

Workers in retailing alcoholic beverages are distributed over a very large number of retail outlets. According to the most recent Drinks Industry Group's survey there were over 10,000 licensed on-premises in Ireland in 1994. Of these, 80 per cent were public houses and the rest were other types of licensed retail outlets, including hotels, sports clubs, nightclubs, restaurants etc. Of the 10,000 retail outlets, most are small. Because of the historical evolution of the licensing system, there are many more pubs per 1,000 inhabitants in rural areas than in Dublin and other major towns. Dublin, with almost one third of the population, only contains 10 per cent of licensed premises.

Alcohol consumption

There are some differences between the figures for alcohol consumption in Ireland prepared by different organisations. These differences are largely explained by differences in units of measurement. Traditionally Ireland used the imperial barrels and gallons to measure alcohol consumption. These were changed to litres in the mid-1970s for distilled spirits and wines and to hectolitres for beer in 1993. The most reliable sales data are those supplied by the Irish tax authorities based on their receipts of excise duties on alcoholic beverages, and those figures are used here unless otherwise indicated. These figures capture most alcohol consumption apart from small amounts of alcohol purchased in other EU

member states by the Irish people and consumed in Ireland. Illegal distilling today accounts for negligible consumption.

Total alcohol consumption per capita has increased in Ireland threefold between 1950 and 1998, from 3.2 litres per capita to 10.2 litres. Alcohol consumption was quite stable in the 1950s and even decreased in some years. The 1950s were a period of economic stagnation in Ireland. Between 1960 and 1980 the total alcohol consumption grew from about 3 litres per capita to almost 7 litres per capita in 1980. This period was a time of economic growth, though growth slowed in the 1980s. After a decrease in the early 1980s, the total alcohol consumption increased again during the rest of the 1980s and in the 1990s (Table 10.1). In 1998 it reached a figure of 10.2 litres per capita. The period since 1990 has been one of unprecedented growth in the Irish economy, accompanied by a strong growth in consumer incomes.

TABLE 10.1. Consumption of alcoholic beverages by beverage categories in Ireland in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	3.29	4.01	6.37	7.29	8.66
Consumption of distilled spirits	0.76	1.05	1.99	1.76	1.60
Consumption of wines	0.10	0.16	0.33	0.44	0.80
Consumption of beer	2.35	2.74	3.98	4.96	5.73
Consumption of cider and perry	0.07	0.06	0.06	0.13	0.53
Percentage of distilled spirits	23	26	31	24	18
Percentage of wines	3	4	5	6	9
Percentage of beer	71	68	62	68	66
Percentage of cider and perry	2	1	1	2	6

Sources: Central Statistical Office (CSO) Statistical Abstract, various years; Revenue Commissioners' Annual Report, various years.

The consumption of beer remained stable in the 1950s and began to increase in the 1960s. The increase continued to the mid-1970s, when it reached a figure of 4.1 litres of pure alcohol per capita in 1974. The consumption of beer stayed on about the same level until 1989. The figures in consumption statistics, however, do show a sudden increase to 4.9 litres per capita in 1984, but this reflects the change in calculation methods from standard barrels to hectolitres rather than a real increase in beer consumption. In fact, the change in measurement practice happened in 1993 but because of the correction of consumption figures backwards for a ten years period this change is showed in statistics in 1984. During the 1990s beer consumption continued to increase, with the most rapid growth

taking place after 1994. In 1998 beer consumption was up to 6 litres of pure alcohol per capita.

The consumption of distilled spirits remained stable in the 1950s at a level of about 0.8 litres pure alcohol per capita a year. It began to increase in the early 1960s. The consumption of distilled spirits peaked in 1978 at a level of 2.3 litres of alcohol per capita. After a sharp decrease during the 1980s, the consumption of distilled spirits has grown from 1.4 litres in 1983 to 1.9 litres of pure alcohol per capita in 1998. The apparent decrease in recorded consumption of distilled spirits in the 1980s may have resulted from a significant smuggling of distilled spirits from Northern Ireland due to a higher excise duty in the Republic of Ireland compared to Northern Ireland, as well as to the economic recession experienced in Ireland at that time.

Also the consumption of wine was quite stable in the 1950s, and began to increase in the early 1960s. With a slight decrease in the early 1980s, the consumption of wine has shown a constant increase since the early 1960s. In the 1990s the growth in wine consumption was very strong, and it reached a figure of 1.2 litres of pure alcohol per capita in 1998.

In Irish statistics the consumption of cider and perry is presented separately. In broad terms the consumption of cider and perry did not change much during the 1950s, 1960s and 1970s. During the 1980s the consumption of cider and perry doubled from 0.1 litres to 0.2 litres of pure alcohol per capita a year, and by the year 1998 it had further grown to 0.9 litres of alcohol per capita.

At the beginning of the 1950s, beer dominated the Irish alcohol market with a share of little over 70 per cent. By the end of the 1990s the market share of beer had decreased but in 1998 it was still 62 per cent of the total alcohol consumption. At the beginning of the 1950s, distilled spirits accounted for one quarter of the total alcohol consumption. This proportion had grown by the late 1970s to over 30 per cent. By the late 1990s the proportion of distilled spirits of the total alcohol consumption had decreased to just below one fifth (Table 10.1). The market share of wine has increased from a low 3 per cent in 1950 to over 11 per cent in 1998. The proportion of cider and perry of the total alcohol consumption was 2 per cent at the beginning of the 1950s, and it decreased to just under 1 per cent in the mid-1970s. During the late 1980s and in the 1990s the proportion of cider and perry increased, and in 1998 it accounted for almost one tenth of the total alcohol consumption.

The number of abstainers decreased from 47 per cent of the Irish population in 1968 to 30 per cent in 1981. Today only 13 per cent of the adult Irish population do not drink alcohol. Abstainers are nowadays largely found in the over 55 age group and they are predominantly women (SLÁN, 1999).

Traditionally, drinking in Ireland was considered a male privilege, and it was not socially acceptable for women to be seen drinking in public or to be seen

in drinking establishments. Since the end of the Second World War, there has been a gradual acceptance of women in public houses. Distilled spirits are considered the most favoured drink of women. Traditionally alcoholic beverages have not been integrated with meals except on festive occasions such as weddings. Prior to the 1970s, food was rarely served in pubs, but today food is available in over 35 per cent of on-premise establishments (Hurst, Gregory & Gussman, 1997).

A 1988 study found that 84 per cent of Dublin drinkers did most of their drinking in public bars or lounges. It was estimated that 90 per cent of beer, 70 per cent of distilled spirits and 68 per cent of cider and perry were consumed in on-premise establishments. During the last decade drinking at home has increased, due to changing social habits and decreased public tolerance of drunk driving. Between 1990 and 1994, distilled spirits sold for off-premise consumption increased from 28 per cent to 45 per cent, and in 1994, about 50 per cent of the cider and perry were sold for off-premise consumption (Hurst, Gregory & Gussman, 1997).

In 2000 about 193 litres of alcoholic beverages in their beverage form were consumed in Ireland, consisting of 7 litres of distilled spirits, 33 litres of wine and 153 litres of beer. In 1980 the corresponding figure was about 131 litres. In 2000 the consumption of commercial non-alcoholic beverages was about 658 litres per capita, consisting of 270 litres of tea, 155 litres of milk, 120 litres of soft drinks, 48 litres of juices, 40 litres of coffee and 24 litres of waters. In the 1985-2000 period the annual per capita consumption of soft drinks increased by 72 litres, that of juices by 43 litres, that of tea by 19 litres, that of bottled waters by 22 litres, that of coffee by 7 litres and that of milk by 8 litres (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

On behalf of the government, the department of health and children prepared in 1996 the first National Alcohol Policy – Ireland and as such provided the main structure for preventive alcohol policies from a public health perspective. However, many other government departments and agencies also have an important part to play in alcohol policy (Table 10.2). The eight regional health boards, through their regional drug coordinators and health promotion officers, provide the regional structure for addressing the prevention of alcohol-related problems and for promoting the health and well-being of local communities.

TABLE 10.2. Role of government departments and agencies in alcohol policy in Ireland

Employer/Employee Organisations	Concerned regarding alcohol-related absenteeism, lost productivity and workplace accidents.
Medical Profession	Provides primary care and treatment services
Private Clinics	Provide treatment services
Voluntary groups	Promote prevention strategies, treatment services and lobby for policy changes.

The document National Alcohol Policy - Ireland aims to promote moderation in alcohol consumption among those who wish to drink and to reduce the prevalence of alcohol-related problems, thereby promoting the health of the community. The policy outlined in this document covers environmental and public health strategies in relation to the availability, pricing and promotion of alcoholic beverages, and to drunk driving regulations, as well as strategies oriented to individual prevention and treatment. These preventive strategies include awareness and education, working in settings such as schools, colleges, families, communities and workplace, the training of those who serve alcohol, high-risk groups, especially young people and a broad community-based treatment service. National Alcohol Policy – Ireland stresses the importance of a multisectoral approach and a commitment at national, regional and local levels. The plan of action sets out the actions required of the different partners, such as government departments, health boards and the drinks industry, in implementing national alcohol policy (National Alcohol Policy – Ireland, 1996). The health promotion unit established the national alcohol surveillance project in 1997 with a brief to monitor the implementation of the alcohol action plan.

In the 1950s there were no specific national coordinating mechanisms for preventing and dealing with alcohol-related problems. However, the Irish national council on alcoholism (INCA), a voluntary organisation mainly of interested psychiatrists, was formed in 1966 with its primary aim to prevent alcoholism, to encourage its early diagnosis and to provide treatment for alcoholism. Its ideology was grounded on the disease concept of alcoholism with a strong curative emphasis. In response to a request from the Minister of Health, INCA published in 1973 a report Alcoholism – Report to the Minister of Health setting out an extensive list of recommendations in relation to preventive alcohol policy issues around information, education, availability, advertising, and treatment (INCA, 1973). During 1973 it was also given statutory funding and formal recognition by the Minister of Health (Butler, 1999). INCA had a high profile for many years and produced publications and provided information and advice on alcoholism and training to social workers in the alcohol arena. During the early 1980s INCA began to recognise the public health perspective and the role of alcohol control

policy as an essential feature of preventive measures (Butler, 1999). However, INCA's demise was inevitable when its funding ceased, and it was closed in 1988.

The public health perspective on alcohol was also reflected in the activities of the Health Education Bureau, established in 1975 by the Minister for Health, with a broad remit to develop health education. It was the lead organisation in promoting the World Health Organisation (WHO) vision of health promotion. The Health Promotion Unit, a policy and executive section of the department of health, replaced in 1987 the health education bureau as part of a new core structure for health promotion. The intersectoral national consultative committee on health promotion chaired by the Minister of State was also established to advise the Minister for Health and to submit periodic reports on health promotion to a cabinet subcommittee. In 1991, the government announced its intention to formulate a national alcohol policy. The Minister for Health requested the advisory council on health promotion to undertake this task. As part of the consultative process, interested parties were invited to make written submissions. In addition, a number of reports were commissioned from the economic and social research institute (Butler, 1999). The National Alcohol Policy - Ireland was eventually published in 1996.

Licensing policy

Alcohol producers need a licence to operate. The licence is granted by the department of enterprise and employment and issued by the revenue commissioners. Alcohol wholesalers and importers must have a beer licence, which is granted on the production of a certificate by a judge of the district court. For distilled spirits, wine and liqueurs a licence is obtained from the Revenue Commissioners without the requirement of a court certificate. The cost of the licence is 200 Irish punts per year and it is paid to the revenue commissioners.

In the retail sector, a licence is also required of anyone who wishes to sell alcoholic beverages. The licence is granted by a judge on the district court and it is renewed each year. The annual licence fee ranges from 200 to 3,000 Irish punts, depending on turnover, and it is collected by the revenue commissioners. There are four main types of outlets for which licences are issued: off-licence, on-licence, restaurants and clubs. The licence permitting the sale of alcoholic beverages on the premises is the most common licence, attached mainly to pubs and hotels.

In 1998 a parliament committee proposed radical changes in the liquor licensing laws (A Review of Liquor Licensing Laws, 1998). In the same year the competition authority examined the economic effects of the liquor licensing

laws and their impact on competition in the retail drinks market. The report recommended total deregulation to allow the market to function efficiently and in the best interests of the consumer (Competition Authority, 1998). During the year 2000 the Minister for Justice, Equality and Law Reform introduced a new liquor licensing bill which proposed a broad set of measures to allow for greater availability of alcohol.

Under the Intoxicating Liquor Act 2000, a new licence may be issued in substitution for one existing licence anywhere in the country, provided the court is satisfied that the person meets a number of conditions. This is a fundamental change to the general restrictions existing since the early part of the twentieth century against granting of any new licences. The 1902 Licensing Act and subsequent Licensing Acts restricted the granting of a new licence except where an existing licence, or two licences, depending on geographical location, had been revoked. This in effect prevented any overall increase in licences. For example, the number of publicans' licences was 13,427 in 1925, 11,962 in 1955 and 9,970 in 1996 (Competition Authority, 1998).

Under the Intoxicating Liquor Act 2000 restaurants can obtain a full licence in the same way as pubs, and those with on-licence for only wine can now also serve beer with a meal. Registered clubs may supply alcoholic beverages to their members and guests on the basis of having a certificate to do so from the courts. A club must satisfy the court that its rules qualify it for registration. In recent years entry to the alcohol retail sector has occurred mainly through an increase in the number of clubs and hotels applying for a licence. In 1986 there were 658 registered clubs. Ten years later the corresponding figure was 919, an increase of almost 40 per cent. The number of hotels registered with Bord Failte showed an increase of 10 per cent in the same ten-year period (Competition Authority, 1998). A growth in the off-licence trade has also occurred due to an increase in the number of outlets attached to licensed facilities and in the food retail sector, where supermarkets or grocery shops can either obtain a full off-premises licence or a licence for selling only wine, which is easier to obtain.

Special restrictions of alcohol availability

Alcoholic beverages cannot be sold to persons under 18 years of age and they cannot be consumed in public by persons under 18 years old. There is no legal age restriction on alcohol consumption in private. The licence-holder who serves alcoholic beverages to those aged under 18 years can be convicted and fined (National Alcohol Policy – Ireland, 1996). The Intoxicating Liquor Act 2000 provides for mandatory closure of licensed premises for selling alcoholic beverages to underage customers.

The 1988 Intoxicating Liquor Act tried to address the problem of underage drinking in a number of ways. It removed existing loopholes in the sale of alcoholic beverages to those aged under 18 years of age by easing the burden of proof in removing the word knowingly from the Intoxicating Liquor Act, thus making it easier to obtain convictions. It legislated that a person under 15 years of age cannot be in a licensed bar unless accompanied by his or her parent or guardian. It also stated that a person under 18 years of age cannot be in licensed premises during the time an exemption is in force, i.e. outside normal opening hours, and that a person under 18 years of age cannot be at any time in an off-licence outlet unless accompanied by his or her parent or guardian.

The 1988 Intoxicating Liquor Act also contained a provision that the Minister for Justice could introduce by regulation a national age card for a person of or over 18 years of age. However, this regulation was not introduced until 1999. These regulations provide for a voluntary national age card scheme. The cards can be purchased by persons who have reached 18 years of age in order to confirm that they have attained the legal age for the purchase of alcoholic beverages. Despite the 1988 changes, the age limit was not strictly followed and enforced, partly due to the legal anomaly of the reasonable grounds defence which continued to make convictions very difficult. However, under the new 2000 Liquor Licensing Act this defence is no longer acceptable.

Major expansion of the opening hours began with the 1960 Intoxicating Liquor Act, by which the opening of licensed premises was extended by one hour in the winter from 10 to 11 p.m. and to 11.30 p.m. in the summer. Further changes occurred in 1962, by which restaurants were allowed to stay open until half an hour past midnight provided that a substantial meal was served. The concept of drinking-up time was also introduced, where customers were allowed 10 minutes to finish their drinks. In 1988 the drinking-up time was extended to 30 minutes.

The 2000 Liquor Licensing Act has further increased the permitted hours of trading with alcoholic beverages. The main changes are an additional hour of drinking on three nights a week, the abolition of winter time regulations and the abolition of the Sunday holy hour regulation, and longer opening hours for nightclubs, which can serve alcohol until 2.30 a.m. plus 30 minutes of drinking-up time. On Monday, Tuesday and Wednesday licensed premises are now open from 10.30 a.m. to 11.30 p.m. plus 30 minutes drinking-up time all year round. On Thursday, Friday and Saturday the opening time is one hour longer (12.30 a.m.) plus 30 minutes drinking-up time all year round. Opening hours on a Sunday are from 12.30 a.m. to 11 p.m. Off-licensed premises may now open for sales at 8 a.m. on weekdays. Earlier they could open at 10.30 a.m. Alcohol is not for sale in pubs on Christmas Day or Good Friday.

The licensing laws over the years have permitted application to the courts for exemptions, which means an extension of opening hours outside that of the normal business hours for licensed on-premise outlets. The 1962 Liquor Licensing Act saw the introduction of four new categories of exemptions, giving a total of six categories, as well as an increase in the number of exemptions permitted each year. The number of exemptions granted were further extended in 1977, which meant that many on-premise outlets were able to open more often and for longer hours. There was a tenfold increase in the number of special exemptions granted between the years 1967 and 1997, from 6,342 in 1967 to 68,204 in 1997.

Nowadays there are six main exemption categories, each of them has a different application in terms of availability, and allows alcoholic beverages to be sold at discos or nightclubs, at special events such as dinner dances and at local or general festivals. The special exemption order, under which nightclubs obtain extensions, is by far the biggest category. Under the 2000 Liquor Licensing Act, there are substantial increases in the number of special exemptions and area exemption orders which can be granted by the courts. In addition, special exemptions are no longer restricted to hotels and restaurants and extended opening hours are permitted until 2.30 a.m. plus 30 minutes drinking-up time.

Generally, drinking in public places is not allowed, as alcohol can only be consumed in licensed premises or in private houses. However, there are some exceptions under the licensing laws. At sporting events, many sport clubs or sporting venues have a licence to sell alcoholic beverages. Therefore, alcohol can be consumed generally before or after a sporting event and in some cases also during the event. Many cultural events and concerts, including open-air events, can obtain a licence to sell alcoholic beverages. Alcoholic beverages are also allowed to be sold and consumed during train journeys. Urban by-laws have recently been passed in many cities and towns to restrict drinking in public places.

Alcohol prices and taxes

There are a number of economic measures which governments could take in relation to the price and availability of alcohol that can influence alcohol consumption or change the pattern of alcohol consumption. A government can make alcoholic drinks more expensive both in absolute and relative terms through

increasing taxes on alcoholic beverages. In Ireland the price elasticity of demand for alcohol, which measures the responsiveness of the demand for alcohol to a change in its own price, is less than -1. Conniffe and McCoy (1993) estimated the price elasticity for total alcohol consumption to be at -0.4. This means that increasing the price of all alcoholic beverages by 1 per cent would result in a drop of 0.4 per cent in total alcohol consumption. The demand for distilled spirits and wine is more responsive to price changes than beer, and there is a high degree of substitutability between the different alcoholic beverages.

A major issue which has not been addressed is the high cost of non-alcoholic beverages in Irish pubs. As the prices of non-alcoholic beverages are not controlled, publicans can often make a greater profit on these than on alcoholic beverages, the price of which has been subject to brief periods of price control. For moderate drinkers who might alternate between alcoholic and non-alcoholic beverages, there is little incentive to switch to non-alcoholic beverages if they are almost as expensive as beer, as is frequently the case in Ireland.

Conniffe and McCoy (1993) estimated the income elasticity of total alcohol consumption to be at 1.15 in 1987. This would mean that an increase of 1 per cent in consumers' incomes would result in a slightly greater increase in total alcohol consumption. The income elasticity of wine was particularly high at 1.63, and this partly explains the dramatic increase in wine consumption over the past decade. The fact that the income elasticity of alcoholic beverages is higher than one makes a reduction in total alcohol consumption difficult to achieve in a period with growing consumer incomes.

In Ireland the difference between on- and off-premise prices of alcoholic beverages is not as large as in other EU countries. One explanation for this presumably is that many on-premise outlets also sell alcoholic beverages for home consumption.

In Ireland the excise duty on beer is nowadays calculated per hectolitre per degree of alcohol in the finished product (Table 10.3). The excise duty on wine is based on hectolitre of the product in three different categories expressed in per cent alcohol by volume and whether the beverage is still or sparkling. For fermented beverages other than wine and beer, including cider and perry, the excise duty is set per hectolitre of the product in four different categories expressed in per cent alcohol by volume and whether the beverage is still or sparkling. For intermediate products the excise duty is calculated per hectolitre of the product in two categories on the basis of the alcohol content by volume. For distilled spirits the excise duty is set per hectolitre of pure alcohol in the finished product.

TABLE 10.3. Excise duty rates for alcoholic beverages in Ireland in 2000 in Irish punts and in euro

Alcoholic beverage category*	IRL	EUR
Beer, per hectolitre per degree of alcohol in the finished product	15.65	19.87
<i>Wine, per hectolitre of the product:</i>		
Less than 5.5% alcohol by volume	71.66	90.99
From 5.5 to 15% alcohol by volume, still	215.01	273.01
From 5.5 to 15% alcohol by volume, sparkling	430.02	546.01
<i>Fermented beverages other than wine and beer, per hectolitre of the product:</i>		
Not exceeding 6% alcohol by volume	35.03	44.48
Over 6 but less than 8.5% alcohol by volume	151.59	192.48
Over 8.5% by alcohol volume, still	215.01	273.01
Over 8.5% by alcohol volume, sparkling	430.02	546.01
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	215.01	273.01
More than 15% alcohol by volume	311.97	396.12
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product:</i>		
Not exceeding 5.5% alcohol by volume	15.65	19.87
5.5 or over 5.5% alcohol by volume	2,175.00	2,761.68

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

Alcohol excise duty rates prevailing in 2000 were introduced in January 1994. Before 1994 there had been numerous changes in excise duty rates since the 1950s. The history of excise duty rates since 1975 is documented in Hurst, Gregory & Gussman (1997). According to that data, excise duty rate for beer increased from 42 Irish punts per standard barrel of a specific gravity of 1055 in 1975 to 68 punts in 1979 and further to 90 punts in 1980 and to 154 punts in January 1983. Since then it decreased somewhat but rose again in January 1989 to 153 punts per standard barrel. Since 1993 beer has been taxed on the basis of the amount of pure alcohol in the finished product.

In 1975 the excise duty rate for distilled spirits was 838 punts per hectolitre of pure alcohol in the finished product. By 1979 it had increased to 1,195 punts, in 1980 to 1,708 punts and in January 1981 to 2,156 punts, which is about the same rate as in 2000. The excise duty rate for distilled spirits peaked in 1983 at 2,578 punts per hectolitre of pure alcohol in the finished product, but was significantly reduced a year later due to a suspected increase in illegal cross-border trade with Northern Ireland.

The excise duty rate for table wine was 38 pints per hectolitre of the product in 1975. By 1979 it had increased to 63 pints, by 1980 to 110 pints and by January 1983 to 208 pints. In 2000 it was 215 pints per hectolitre of the product. Excise duty rates for fortified and sparkling wines have increased in similar manner (Hurst, Gregory & Gussman, 1997).

Excise duty rates for all alcoholic beverages have increased greatly in absolute and relative terms since 1950. Between 1950 and 1994 the excise duty rate for distilled spirits increased by 660 per cent while the excise duty rate for beer increased by 2,570 per cent. The excise duty rates increased sharply in the 1960s and 1970s but the rate of increase slowed since 1980. While excise duty rate for beer increased by 1,350 per cent between 1960 and 1994, it only increased by 120 per cent between 1980 and 1994. The increase in the excise duty rate for distilled spirits has been much smaller than the increase in that for beer, which has narrowed the differential between the price of beer and the price of distilled spirits. The excise duty rate for distilled spirits has actually fallen since 1983 partly to counteract smuggling from Northern Ireland. The excise duty rate for distilled spirits in Ireland was so much above the United Kingdom rate at the beginning of the 1980s that there was significant smuggling from Northern Ireland to Ireland, resulting in a loss of state revenue, which led to a reduction in the Irish excise duty rate for distilled spirits. While the overall excise alcohol duty rate for alcoholic beverages is high in Ireland, alcohol excise duties have not been increased significantly over the past five years. Therefore, the real burden of alcohol taxation has fallen slightly as prices of other consumer goods have risen.

The VAT of 21 per cent is nowadays applied to all alcoholic beverages. In 1975 the VAT was only 10 per cent. In 1981 it was raised to 15 per cent, in 1982 to 18 per cent, in 1983 to 23 per cent and in 1986 to 25 per cent. In 1990 the VAT was lowered to 23 per cent and in 1991 to its present level. The reduction to 21 per cent was in response to the pressure to harmonise indirect taxes in the single European market.

Changes in the excise duty levels on alcoholic beverages referred to above are given in nominal values. During the 1950-2000 period the value of the Irish currency has decreased because of inflation. The increase in the general price level in Ireland in the 1960-2000 period as described by the consumer price index (CPI) is given in table 10.4.

TABLE 10.4. Consumer price index in Ireland, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	7.4	9.1	11.7	21.8	42.1	75.1	88.3	100.0	113.4

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

The real price of all alcoholic beverages increased in Ireland during the 1960s by about 20 per cent, mainly at the beginning and at the end of the decade (Walsh & Walsh, 1981; see also Sulkunen, 1978). In the 1970s the real price of alcoholic beverages first declined, reaching its lowest level in 1974, and then increased again. At the end of the 1970s the real price of alcoholic beverages was some 10 per cent lower than at the beginning of the decade. The increases in the real price of beer have been stronger and decreases weaker than the corresponding changes in the real price of distilled spirits. In 1979 the real price of beer was about 20 per cent higher than in 1961, whereas the real price of distilled spirits was about 10 per cent lower in 1979 than in 1961 (Walsh & Walsh, 1981, 110). According to the data collected in the ECAS project the real price of alcoholic beverages increased in Ireland in the 1979–1995 period by a third (Leppänen, 1999).

Calculated per litre of pure alcohol, the excise duty is lowest for cider and perry. It is only half of the excise duty set on beer. The excise duty on wine is about 15 per cent and that for distilled spirits about 40 per cent higher than that of beer. If the VAT is also taken into account, the tax burden on distilled spirits is some 15 per cent higher than that of beer. Calculated as a percentage of the price, the total tax burden is 44 per cent for beer, 50 per cent for table wine and 65 per cent for distilled spirits.

The taxation of alcoholic beverages is a major source of revenue to the Irish government. In 1997 the VAT and excise duties on alcoholic beverages raised over 1 billion Irish punts in taxation. Excise duties were 579 million Irish punts and the VAT receipts were about 432 million Irish punts. Indirect taxes collected from the drinks industry were about a quarter of all excise receipts and about 13 per cent of VAT receipts. A further 240 million Irish punts are collected in profits tax, income tax and social insurance contributions from those directly employed in the industry. Together with the VAT and the excise receipts from alcoholic beverages, this produced a total annual tax revenue of 1.2 billion Irish punts in 1997 (Byrne, 1999).

Heavy dependence on alcohol tax incomes is a long-standing phenomenon in Irish state revenues. In the early 1950s about 18 per cent of all state revenue came from alcohol taxes. Since then this rate has decreased to 16 per cent in 1960, to 10 per cent in the late 1970s and to 5 per cent in 1994 (Walsh & Walsh, 1981; Hurst, Gregory & Gussman, 1997). As a result of the high excise duties on alcoholic beverages, spending on alcohol has taken a large part of total consumer expenditure in Ireland. It was 7.6 per cent in 1960, 10 per cent in 1970 and 11.5 per cent in 1996 (Foley, 1999; Walsh & Walsh, 1981).

Alcohol advertising

Advertising of alcoholic beverages is allowed in Ireland, with the exception of the broadcast media, television, radio and cinema, where advertising of distilled spirits is not permitted. The voluntary code of standards for the broadcasting media, provided in the 1990 Broadcasting Act, was updated in 1995 to be in keeping with EU directive 89/552/EEC. No alcoholic beverage advertisements are allowed in or around programmes primarily intended for young viewers or listeners. The provision of the 1995 updated code also applies to sponsorship. It ensures editorial independence, and does not allow the drinks industry to sponsor youth programmes.

The advertising standards authority for Ireland (ASAI) is a self-regulatory body which has drawn up a code of standards as a means of self-regulating the advertising industry. The new revised 1995 code applies to all media, i.e. to press, radio, television, cinema and outdoor advertising, and where appropriate to direct marketing and sales promotions. The code, in relation to alcohol, notes that advertisements for alcoholic beverages should be socially responsible and should not exploit the young or the immature. They should neither encourage excessive drinking nor present abstinence or moderation in a negative way. The rules regarding the advertising of alcoholic beverages now require that anyone depicted in such an advertisement should appear to be over 25 years of age. The code of sales promotion practice also administered by ASAI aims to regulate marketing techniques. There is no specific section on alcohol in the code of sales promotion and practice, but it does state that promotional products and samples should be distributed in such a way as to avoid the risk of harm to consumers. The code of the poster advertising association of Ireland indicates that the advertising of alcoholic beverages should not appear within 100 yards of schools, youth centres, hospitals, churches or other places of worship. The code of the cinema advertising association provides that alcohol commercials cannot be shown to an overtly young cinema audience.

Overall, the advertising of alcoholic beverages is mainly self-regulated through a number of voluntary codes across various media. There is no effective independent monitoring mechanism to ensure that alcohol advertisements comply with the various codes.

The code of ethics and good practice for children's sport in Ireland was developed by the government and has been in effect since 1996. It actively discourages the use of alcohol as being incompatible with a health approach to

sporting activity. It calls on organisers of underage sports clubs to ensure that celebrations are in a non-alcohol environment. It indicates that sports leaders in children's sports should refrain from seeking sponsorship from the alcohol and tobacco industries. To date, the drinks industry group has not endorsed this code.

The drinks industry group published a voluntary code of practice in 1997 in relation to the naming, packaging and merchandising of single-serve alcoholic drinks. This was in response to the public outcry with the launch of alcopops, alcoholic fruit drinks that resemble fruit drinks in terms of packaging and flavour, and were attracting underage drinkers, especially girls. In Ireland the market value of alcopops was 30 million Irish punts in 1996. A weakness in the code is that the complain procedure is not independent of the drinks industry.

In earlier years alcohol advertising, especially in the broadcast media, was more clearly defined than at present. Since 1967 the national television station (RTE) has had a special code of standards governing the advertising of alcoholic beverages as part of the broader RTE code of standards for broadcasting advertising, which is revised from time to time. The 1985 code included a stipulation that when a group scene featured drinking alcohol not more than six people could be depicted and that the sound effects should be kept to a minimum. There were specific criteria of what was and was not acceptable regarding sequencing, tag lines, music scores and optical effects. On television the same alcoholic beverage commercial could not be shown more than twice per night, and alcohol commercials were excluded from afternoon television sports outside broadcasts. All of the above mentioned criteria have been omitted from the present 1995 code.

Education and information

In the post-primary schools, alcohol education is part of a wider substance abuse prevention programme called on my own two feet, with a strong life-skills approach. This programme and supporting resource materials, available to teachers after 50 hours of training, is supported by the department of education and science, the health promotion unit (HPU) in the department of health and children and the regional health boards. It is part of the social, personal and health education curriculum in schools. At primary level, a similar programme was developed and initially directed at schools in disadvantaged areas but it has been expanded to other schools. To youth leaders, the youth work support pack

for dealing with the drug issue, including alcohol, is available through a training process. Alcohol and drug school policies are also promoted through the health promoting school framework.

At community level a resource package, drug questions local answers (DQLA) and family communication and self-esteem, are provided through training to professionals, parents and other interested local groups with the purpose of helping long-term prevention of alcohol and drug misuse. Both the youth leader pack and the DQLA were developed and supported by the HPU. The appointment of regional drug coordinators in each of the health boards, as part of the national drugs strategy, has provided a focus and resource to address illegal drugs and alcohol problems, recognising that alcohol is the major drug of abuse among young people in Ireland. Health promotion officers within some of the health boards facilitate parenting courses and are involved in other health education initiatives.

Information leaflets for problem drinkers, their children and family members, designed for use with addiction counsellors, were produced and distributed in the health board areas in 1997. A national alcohol awareness campaign using posters was developed by the HPU in 1998. It was targeted at young adults, and focussed in particular on the practice of high-risk drinking. The overall message was: control your drinking before it controls you. An evaluation showed that overall there was a very low recall of the campaign; however, among binge drinkers 41 per cent indicated that the message made them think a little more about the amount they drank, and 33 per cent said they were determined to cut down (HPU, 1998). The most recent alcohol awareness campaign has expanded previous efforts and includes an advocacy focus on public support for public health alcohol policy. The national safety council has for many years implemented a high profile TV campaign against drinking and driving. The clear message is: don't drink and drive, and the campaign depicts strong images of crashes and its aftermath.

There was a major shift from the 1960s to the 1990s in the approach to alcohol issues, both in scope and method, which was reflected in the development of the awareness and educational initiatives. In the 1960s the main focus was information on alcoholism and treatment services. This was developed and delivered by the voluntary organisation INCA. The health education bureau set up in 1975 extended health education beyond just a knowledge base and had at its core the empowerment model advocated in the health promoting Ottawa Charter. Therefore, health education programmes developed since the 1970's were based on a strong empowerment and life-skills framework.

Drunk driving

The Road Traffic Act of 1994 set the blood alcohol concentration (BAC) level at its present level of 0.08 per cent. The 1994 Act also allowed the Minister for Environment to vary the levels of alcohol permissible in a person's blood, urine or breath and to set different limits for different classes of drivers. This possibility has not, however, been used to date. Breath testing is carried out by the police after they have formed an opinion that a person in charge of a mechanically propelled vehicle has consumed alcohol. This can occur at a road checkpoint or at any other place. If positive, the driver must provide a blood or urine specimen taken by a qualified doctor, and this is then analysed by the medical bureau. Evidential breath testing is currently being introduced and will allow for a more effective system. Random breath testing is still being considered.

The reduction of fatal road traffic accidents linked to drinking was set as a priority in the strategy for road safety by the government for the years 1998–2002, in which alcohol was reported as an important factor in up to 40 per cent of road accidents. Enforcement of the drunk driving laws is evident from the first progress report, which indicated that in 1998 there was an increase of 19 per cent on the previous year in the number of blood and urine samples submitted for analysis (High level group on road safety, 1999).

The Road Traffic Acts of 1994 and 1995 introduced penalties for drunk driving offences. Automatic licence disqualification for three months is applied to all drunk driving convictions for the first offence. For the second offence, the period of disqualification is doubled to six months. Disqualification can be for up to four years, depending on the BAC level in individual cases and the reoccurrence of offences. Other penalties such as fines, the retaking of the driving test and possible terms of imprisonment are at the discretion of the court. In some cases the judge may impose attendance at an alcohol education programme.

Historically, the BAC was set much higher. Under the 1968 Road Traffic Act the permitted level was 0.125 per cent. However, the analytical procedures prescribed by this Act, although brought into force in 1969, did not come into general application until 1971 (Hickey, Hayden & Layden, 1975). The 1978 Road Traffic Act further reduced the BAC limit to 0.1 per cent, and in 1994 the BAC was lowered to its present level of 0.08 per cent.

Administrative structure of treatment for alcoholism

Treatment services currently provided by the statutory sector by eight regional health boards are based on the community outpatient model, unless specific psychiatric needs are identified. Public health treatment services are available firstly through the outpatient service provided by alcohol addiction counsellors, or through inpatient treatment services in psychiatric hospitals, or in some acute cases in general hospitals, and are then provided by a team of health professionals including psychiatrists, counsellors, psychologists and psychiatric nurses.

Since the introduction of the community outpatient model, inpatient admissions for alcohol-related disorders have only shown a slight reduction. Consequently, treatment services are also provided on an inpatient basis. Therefore, it could be concluded that the new community outpatient service provides treatment for a new treatment population, i.e. those who are at an earlier stage of alcohol dependence. Nearly all of the nonstatutory treatment centres are inpatient-based (Butler, 1999).

In the most recent Irish psychiatric services report (1998) the length of a stay in an inpatient treatment in the public health service varied from less than a week to several weeks or months. The vast majority, however, were discharged from hospital after two weeks. Treatment could then be continued on an outpatient basis through the addiction counselling services. In the private treatment services, length of treatment may be several weeks, with many of the patients availing themselves of health insurance cover. Treatment services, be they community-based addiction counselling services or inpatient treatment in psychiatric services, are free to all who wish to use them. The patients with health insurance are covered for up to 91 days of hospital treatment during any five-year period.

Historically, treatment services were predominately available in the public psychiatric sector, and were inadequate due to funding problems. However, in 1957 the voluntary health insurance scheme was established which, for the first time, covered the cost of alcohol treatment services in private hospitals. This ensured a funding mechanism and the expansion of treatment services in private psychiatric hospitals. During the 1970s, INRA reported that treatment was predominately inpatient treatment services and that private psychiatric hospitals provided for 52 per cent of the admissions to the treatment of alcoholism in Ireland (INCA, 1973).

In 1984 the report on the development of psychiatric services, planning for the future, recommended a policy shift towards community-based outpatient treatment services. The rationale for this shift was that alcohol-related problems occur in local and family settings and a local service can, therefore, provide for an earlier response, and that the drinkers' immediate environment must also be part of the solution. A community-based approach is also more likely to be cost-effective. Guidelines for developing of local alcoholism services recommended that one consultant psychiatrist take special responsibility for the development of the services in each hospital catchment area, and that alcohol counsellors and general practitioners be part of this service. The report also recommended that services provided by voluntary agencies should be integrated with the local health board service.

The green paper on mental health, published by the Government in June 1992, noted that some health boards had developed local alcohol services under the community care programme and others provided services through the psychiatric services. The report concluded that either administrative structure can work, provided that responsibility for the development of services for alcohol dependence in the catchment or community is clearly identified.

Summary

The trend in alcohol policies in Ireland has been to treat alcoholic beverages more and more like normal commodities with relatively fewer restraints on where, to whom and when they can be sold and when, by whom and where they can be consumed. This reflects the declining influence of the temperance movement as well as the more recent general developments in western societies towards allowing people to take responsibility for their own life and health. Like the temperance movement from the first half of the twentieth century with its emphasis on the moral evils of heavy drinking, the elaborate system of control of places and time of alcohol availability inherited from the British rule in the early years of the twentieth century seems to be fading away.

Ireland is a country where alcoholic beverages have traditionally been consumed in public houses, usually at weekends and without any connection to eating. The drinks preferred by the Irish people have been traditional and national. Beer has accounted for the biggest part of alcohol consumption. In the Irish context beer has meant stouts and ales. Only quite recently have lagers increased their proportion of the beer consumed by the Irish people. Distilled spirits have had the second largest rate, and the most popular distilled spirits have been national in origin, namely Irish whiskey. Even today the traditional alcoholic

beverages play an important part in alcohol consumption, and although wine consumption has increased, it accounted for only just over 10 per cent of the total alcohol consumption in the late 1990s.

Does Ireland have an official preventive alcohol policy? The answer must be affirmative. There are clearly government-funded efforts to increase awareness of the dangers of high risk and heavy drinking. The retail sale of alcoholic beverages has been and still is regulated and both off- and on-premise retail outlets need a licence to operate. There are regulations concerning opening hours, and there are very specific rules on exemptions to these general regulations. Ireland has age limits for buying alcoholic beverages, and in the 1990s there have been legal changes to increase the effectiveness of the enforcement of these rules. Alcohol excise duties are well over the EU minimum levels. Alcohol advertising is self-regulated. There are numerous educational and information programmes. There is a BAC limit for drunk driving, and this limit has been lowered during the last decades, and its enforcement has become stricter.

Despite these preventive alcohol policy measures the per capita alcohol consumption has increased almost steadily during the last decades, and there is a very worrying increase in alcohol consumption by young people. These developments are undoubtedly related to the increased availability of alcoholic beverages, particularly in clubs, nightclubs and off-licences outlets. The total alcohol consumption has also increased due to the increased affluence of Irish people. Many young people who are in full-time education have part-time jobs and often their earnings are spent on alcohol, which is consumed in large quantities on one or two weekend nights. In addition to being damaging to health, the Irish drinking habits often lead to violence and road traffic accidents. The recent extension of opening hours of pubs on Thursday, Friday and Saturday nights has been linked to increased levels of late-night violence in Ireland. The controls of alcohol advertising have been relaxed, and while there is some education on the dangers of excessive drinking, these are largely confined to schools and are not forcefully aimed at adult drinkers. Legal controls of the sale of alcohol are not rigorously enforced, particularly the controls on sale of alcohol to people under 18 years of age.

The Irish system of regulating alcohol availability has mainly been concerned with on-premise consumption as most alcohol consumed in Ireland has been and still is consumed in pubs or other on-premise outlets. Alcohol prices have been high and they are still reasonably high compared to other European countries. This, combined with the habit of drinking in public houses rather than at home, has led to the situation where the amount of disposable income spent on alcohol has been very high in Ireland, despite the fact that alcohol prices in on-premises outlets are quite similar to those of off-premise outlets. High alcohol taxes have also meant high state revenues from alcohol.

Although Ireland's only border is with Northern Ireland, which is part of the United Kingdom and which also has alcohol taxes that are higher than the average taxes in EU member states, smuggling and cross-border trade have already had their effect on the decisions concerning the Irish alcohol taxation. Excise duties on distilled spirits have been considered to be too high, and they have been lowered. Therefore, it is unlikely that the Irish government will be willing or able to increase excise duties significantly in the future, whether for health and social policy reasons or to raise state tax revenues. Rather it is to be expected that excise duties will in the future be brought closer to the average EU levels.

The fact that excise duties on alcoholic beverages are unlikely to be raised means that other methods of promoting more moderate drinking habits are all the more important. Since the decline in the influence of the temperance movement, there has been no effective non-governmental organisation whose role is to lobby for an effective preventive alcohol policy. By contrast, the licensees who retail alcohol are a powerful political lobby, and are well represented in the parliament. They resisted the lowering of the BAC level and they succeeded in extending the opening hours of pubs. Alcohol policy, like all government policy, is the outcome of compromise, and governments must balance the welfare of the population as a whole against sectional interests. Excessive consumption of alcohol in Ireland creates considerable costs which were estimated to 1.9 billion Irish punts in 1999, many of which were paid for from public expenditure. Effective policies to moderate alcohol consumption and decrease alcohol-related problems are therefore urgently needed, and must be carefully formulated and vigorously implemented if they are to be effective.

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Chapter 11

Italy

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The country

Italy is situated in South Europe bounded on the north-west by France, on the north by Switzerland and Austria, on the north-east by Slovenia, and on the east, south and west by the Adriatic Sea, the Ionian Sea, the Mediterranean Sea, the Tyrrhenian Sea and the Ligurian Sea. In addition to the mainland, Italy also comprises the Mediterranean islands of Elba, Sardinia, and Sicily, as well as many smaller islands. San Marino and Vatican City are independent countries within the Italian mainland. Rome is the capital and the largest city of Italy.

The country covers an area of 301,318 km². With a population of nearly 60 million inhabitants, the average population density is 191 inhabitants per km². Especially during the 1990s, many immigrants have come into Italy, mainly from North Africa, Albania, the Philippines and East Europe. The number of immigrants in 1998 was estimated to be 1.7 million. Some 67 per cent of the population live in urban areas. The dominant religion in Italy is Roman Catholicism.

Before the Second World War Italy was mainly an agricultural country. Since the war a great part of the population has changed its occupation, place of residence and their way of living, thus also changing the traditional image of Italy as a country with a rural lifestyle and a high rate of birth and marriage, as well as large emigration. Between the 1950s and 1970s Italy passed through a profound change and a large migration from the poor rural southern Italy towards the industrial northern Italy. At the end of the twentieth century Italy ranked among the top industrial countries in the world.

Especially in the north, Italy has developed a diversified industrial base. Italian industries produce textiles, chemicals, motor vehicles, heavy machinery, electrical goods, and foodstuffs, particularly pasta. Some 37 per cent of Italy's land area is still devoted to crops, orchards or vineyards, and Italy is one of the

⁷ This chapter was originally written by the Italian counterparts and later on edited by the editors in order to better fit it to the average length and format of other ECAS country reports.

leading nations in the production of grapes, wine, olives, and olive oil. In the mid-1990s, about 32 per cent of the population worked in the industrial sector, approximately 8 per cent in the agriculture and about 60 per cent in the service sector. Italy's dependence on essential raw materials usually results in an unfavourable balance of trade, which is partly offset by the tourism industry, remittances from Italian nationals in foreign countries, and shipping revenues.

Italy has been a democratic republic since 1946. The Italian parliament consists of a Senate and a Chamber of Deputies elected by popular election for five-year terms. The president is elected for a seven-year term by a joint session of the parliament augmented by delegates from each of the 20 regional councils. The president usually has little to do with the actual running of the government but has the right to dissolve the Senate and the Chamber of Deputies at any time except during the last six months of the tenure. The actual running of the government is in the hands of the prime minister, who is chosen by the president and must have the confidence of the parliament.

Italy is divided into 20 regions, which are subdivided into a total of 103 provinces. Each region is governed by an executive responsible to a popularly elected council. The regional governments have considerable authority.

Alcohol production and trade

Alcoholic beverages play an important part in the Italian national economy. In 1995 the production and trade of alcoholic beverages contributed to 1.3 per cent of the gross domestic product, and 9 per cent of the arable land was used for grape-growing. (Osservatorio Permanente sui Giovani e l'Alcool, 1996). The production of wine has been on the decrease in Italy at least from the late 1970s. In 1980 the production of wine was 87 million hectolitres. In 1995 it was 56 million hectolitres, which is about 65 per cent of the 1980 production level. At that time Italy was the largest wine producer in the world (World Drink Trends, 2002). In 1995 the exports of Italian wine were 17.8 million hectolitres. This was about the same as the average yearly amount of wine exports in the late 1970s and early 1980s. In 1995 the imports of wine were 0.3 million hectolitres (Hurst, Gregory & Gussman, 1997).

The strong decrease in wine production has also reduced the land area allocated to growing grapes. The drop in the number of vineyards has been noticeable. From 1982 to 1996 the number of vineyards decreased by half, from 1.6 million to approximately 0.8 million vineyards. The total cultivated area for growing grapes was reduced from approximately 1.2 million hectares to 0.9 million hectares (Allamani et al., 1995a; ISTAT, 1999). The decrease in grape

production resulted in a large reduction in small mixed farming businesses, especially in fringe areas. In these areas the reduction of vineyards has preceded and often led to collapse of the traditional family-run business. During the 1990s about 100,000 job opportunities have completely disappeared in the wine industry, and during the 1985–1995 period about 200 local wine cooperatives were closed. It has been the traditional wine consumption that has been on the decrease. At the same time the consumption of quality wines has begun to grow (Allamani et al., 1995a). Consequently, there is an increasing number of vineyards producing high-quality wines. In 1996 some 17.6 per cent of the vineyards were allocated for Denomination of Controlled Origin (DOC) wine, while the corresponding figure in 1990 was only 8.3 per cent (ISTAT, 1999).

In 2000, six brewing companies operated 16 breweries in Italy (Assobirra, 2001). Of the beer produced in Italy about 15 per cent was draught and the remaining 85 per cent packaged beer. In 1975 the production of beer was 6.5 million hectolitres, in 1985 it was 10.3 million hectolitres and in the 1990s about 12.0 million hectolitres a year. In 1975 the amount of imported beer was 0.7 million hectolitres. In 1985 it was 2.2 million hectolitres, and 3.0 million hectolitres in 1995, which means that in 1995 a fifth of the beer consumption in Italy consisted of imported beer. In 1999 Italy imported 3.8 million hectolitres of beer. Furthermore, a variety of foreign beers were produced in Italy under licence. From 1995 to 1999 some 0.4 million hectolitres of beer were exported annually.

According to the Ministry of Finance 1.1 million hectolitres of distilled spirits were produced in Italy in 1985. The corresponding figure in 2000 was 0.7 million hectolitres. The imports of distilled spirits in 2000 amounted to 0.2 million hectolitres. In the same year 0.1 million hectolitres of beer was exported.

The number of places selling alcoholic beverages on the premises keeps on decreasing in Italy. There were 258,000 on-premise establishments in 1992, and every year a further reduction has been experienced, down to 201,000 in 2000. This number includes restaurants, pizzerias, trattorias, restaurants in tourist villages, hotels or pensions, fast foods, bars and coffee houses, pubs and discotheques (Federazione Italiana Pubblici Esercizi, 1999).

Alcohol consumption

At the beginning of the twentieth century annual consumption of alcoholic beverages was in Italy about 15.5 litres per capita in terms of pure alcohol (Table 11.1). Over 90 per cent of the total alcohol consumption consisted of wine. On the average Italians consumed over 110 litres of wine a year. The annual beer consumption was less than one litre per capita. This means that the beer consumption accounted only for 0.3 per cent of the total alcohol consumption.

In the 1920s and 1930s the total consumption of alcohol was on the decrease. By 1940 the consumption of wine had decreased to 84 litres per capita and the consumption of distilled spirits to half a litre per capita in terms of pure alcohol, which means that the consumption of distilled spirits accounted for 2 per cent of the total alcohol consumption. Even if the consumption of beer had increased since the beginning of the twentieth century, in 1940 Italy was a country where 97 per cent of the total alcohol consumption consisted of wine.

Table 11.1. Consumption of alcoholic beverages in Italy by beverage categories, beer and wine in litres of the product per capita and distilled spirits and total alcohol consumption in litres of pure alcohol per capita, 1881–1940, averages for selected years

Year	Beer	Wine	Distilled spirits	Total alcohol consumption
1881/1890	0.8	95.2	1.7	13.3
1891/1895	0.6	93.4	1.2	12.8
1901/1905	0.8	114.2	1.3	15.5
1911/1915	2.1	127.0	0.3	15.4
1921/1925	3.6	111.1	0.7	13.8
1931/1935	1.1	90.7	0.2	11.8
1936/1940	1.4	84.2	0.2	10.3

Source: Cottino & Morgan, 1985.

In the early 1950s, the total alcohol consumption in Italy was about 10 litres per capita (Table 11.2). During the first decades after the Second World War the alcohol consumption was on the increase. In 1973 the total alcohol consumption reached a figure of 13.9 litres per capita. Since then the total alcohol consumption has declined, and in 2000 the Italian per capita alcohol consumption was 7.5 litres. This means that in two and a half decades the total alcohol consumption had decreased by almost 50 per cent.

TABLE 11.2. Consumption of alcoholic beverages by beverage categories in Italy in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Alcohol consumption	11.73	13.24	13.34	10.56	8.30
Consumption of spirits	0.92	1.52	2.00	1.26	0.78
Consumption of wines	10.66	11.31	10.69	8.30	6.41
Consumption of beer	0.16	0.42	0.66	1.00	1.11
Percentage of distilled spirits	8	11	15	12	9
Percentage of wines	91	86	80	79	77
Percentage of beer	1	3	5	9	14

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

The consumption of wine increased during the first decades after the Second World War, from 83 litres per capita in 1950 to 116 litres in 1968. Since the late 1960s the wine consumption has decreased and it is nowadays about 50 litres per capita a year. At the beginning of the 1950s wine accounted about 90 per cent of the total alcohol consumption. In 2000 the corresponding figure was 75 per cent.

Also the consumption of distilled spirits increased in the 1950s and 1960s, reaching in 1973 a figure of 2.2 litres per capita in terms of pure alcohol. By that time distilled spirits accounted for 15 per cent of the total alcohol consumption. In the mid-1950s the corresponding figure had been 8. Since the mid-1970s, the consumption of distilled spirits has decreased both in absolute and relative terms. Nowadays about 7 per cent of the total alcohol consumption consists of distilled spirits. In litres of pure alcohol per capita the annual consumption of distilled spirits is nowadays about 0.5 litres (World Drink Trends, 2002).

Beer consumption has gained in importance in the second half of the twentieth century. The starting level in 1950 was, however, very low, and even if beer consumption has increased almost continuously during the last five decades, its proportion of the total alcohol consumption is still under 20 per cent. In 2000 Italians were annually drinking about 28 litres of beer per capita, which is among the lowest figures in Europe.

In 1985 the consumption of alcoholic beverages in their beverage form was about 100 litres per capita. In 2000 it was 80 litres a year. In the latter year the consumption of commercial non-alcoholic beverages was 371 litres. It consisted of 140 litres of waters, 60 litres of milk, 50 litres of soft drinks, 14 litres of juices, 11 litres of tea and 96 litres of coffee. Since 1985 the consumption of soft drinks has increased by 26 litres, the consumption of waters by 91 litres, the consumption of juices by 10 litres, the consumption of milk by 9 litres, and the consumption of tea by 2 litres. The consumption of coffee has decreased by 6 litres per capita since the mid-1980s (Osservatorio Permanente sui Giovani e l'Alcool, 1992; World Drink Trends, 2002).

Drinking habits

In Italy wine is considered an important ingredient of the daily diet. Drinking wine daily at meals at home with the family and to a lesser extent in other social contexts was a deep-rooted Mediterranean pattern (Allamani et al., 2000). Despite the decrease in wine consumption, wine is still mainly drunk at home during meals. In 1994 nearly 90 per cent, and in 1997 about 88 per cent, of all wine was consumed at home. The reduction in the overall consumption of wine during the last three decades has been partly compensated for by an increase of more expensive high-quality wines, and to a minor extent by sparkling wines drunk on special occasions and even outside mealtimes. In general, there is a notable decrease in drinking wine at lunchtime.

Beer has traditionally been consumed at home or in bars, and especially during the warm season as a thirst quencher. Since the beginning of the 1950s consumption of beer has steadily increased, and especially among young people there has been a clear growth in the consumption of beer, but also the consumption of soft drinks has increased in the 1970s and 1980s. Distilled spirits are drunk occasionally together with friends at home or in bars, or after meals, usually in upper-class households. Sweet liqueurs and digestive are often drunk in the lower social class and among women.

According to some surveys about 23 per cent of Italians 15 years and older are abstainers. Some 15 per cent are occasional drinkers and 62 per cent are regular consumers (Cipriani, Landucci & Voller, 1999; Osservatorio Permanente sui Giovani e l'Alcool, 1998; Rossi & Tempesta, 1999). While the average per capita quantity of alcohol consumed per day has decreased, the total number of alcohol consumers in Italy has increased between 1994 and 1998 (Osservatorio Permanente sui Giovani e l'Alcool, 1998).

A large regional variability in drinking alcohol is evident in Italy, with lower consumption in southern than in northern Italy. In the family survey from 1991 conducted by the Italian National Statistical Institute (ISTAT), central regions scored highest in the amount of alcohol consumption with 21 grams of pure alcohol per capita per day, followed by north-western regions with 19 grams, north-eastern regions with 17 grams and southern regions with 15 grams of pure alcohol per capita per day. According to the ISTAT household surveys in the 1981-1991 period, wine consumption decreased by 45 per cent in the north-eastern, 41 per cent in the north-western, 34 per cent in central and 38 per cent in southern parts of Italy. In the same areas, in 1991 the wine consumption represented respectively 84, 81, 86 and 76 per cent of the overall alcohol consumption. Cross-sectional studies also report a higher alcohol intake in rural than in urban areas (Allamani et al., 1988). According to the latest national survey of the Osservatorio Permanente sui Giovani e l'Alcool, geographic differences were still present in 1997 (Osservatorio Permanente sui Giovani e l'Alcool, 1998).

Independently of the data source and of the geographic area, males consume on the average about three times more alcohol than females. Also the rate of abstainers is higher among females. Among youngsters, gender differences concerning the amount of alcohol consumed are now decreasing. Alcohol intake is higher among rural and blue-collar workers, craftsmen, employees in restaurants and bars, and low-educated people. According to Osservatorio Permanente sui Giovani e l'Alcool the proportion of those who had abstained during the last three months was 15 per cent among men and 30 per cent among women (Osservatorio Permanente sui Giovani e l'Alcool, 1998; Rossi, 1999).

While Italians frequently taste wine in their childhood, they are initiated to drinking when they are about 10 to 14 years old. At these early ages, they are mostly consuming small amounts of wine during meals on special occasions at home. During adolescence, around the ages from 14 to 19 years, beer intake increases, and wine intake decreases, presumably as a reactive behaviour to family rules. The 1997 national survey reported that 22 per cent of Italians between 15 and 24 years old were abstainers (Osservatorio Permanente sui Giovani e l'Alcool, 1998). In the age group from 18 to 20 years drinking increased regularly with age. Drinkers drank more, and many abstainers became drinkers. However, getting a job or getting married and having a baby is associated with a preference for the traditional wine-drinking pattern.

The relative amount of regular alcohol consumers is 33 per cent in the youngest age group, and this is the lowest figure for all age groups. This percentage increases in the group aged between 18 and 34, and there is a further increase in the age group between 35 and 64 years. In this age group 67 per cent are regular

alcohol consumers. In the oldest age group the regular drinkers include 63 per cent. As far as quantities are concerned, the age group between 15 to 24 years has the lowest consumption, 5 grams of pure alcohol per day. The quantities increase progressively after this to 8 grams a day between 25 and 34 years old, to 12 grams between 35 and 44 years old, and peak in the age group between 45 and 54 years old with an average daily consumption of 13 grams. In the age group 55 years and older the consumption decreases to 11 grams of pure alcohol per day (Osservatorio Permanente sui Giovani e l'Alcool, 1998; Osservatorio Permanente sui Giovani e l'Alcool, 2001).

Socio-economic conditions largely relate to the transmission of cultural values inside the family and influence the drinking habits. There is an inverse relation between alcohol consumption and social class. The higher the social class, the lower the level of alcohol consumption. People belonging to lower social classes tend to drink cheaper and inferior quality wine, often bought in larger quantities from a wholesaler or made at home, while upper class consumers drink less but higher quality wine. Non-traditional liquors like whisky, cognac, brandy, gin or rum are more common in upper classes of urban areas, while spirits distilled from grapes, lemon or tangerine are drunk largely by the middle and low class of the north-eastern and north-western regions. Older and tradition-oriented people often drink local alcoholic beverages, for instance in outlets by the market place.

Bars and cafés, often open till late at night, provide a context in which a mixed clientele can socialise. The types of drinks sold at these establishments include mineral water, coffee, soft and long drinks, distilled spirits, wines and beer. Ice cream, light food or a cake can also be consumed.

According to old rural traditions it was mandatory to offer wine to any male visitor. Nowadays hospitality consists of offering to all visitors, males and females, also other alcoholic beverages or non-alcoholic drinks. In connection with nearly all family and social rituals, wine is the main beverage, but also champagne and sparkling wine are consumed (Allamani et al., 2000).

To drink alcoholic beverages at the workplace was frequent in Italy. This culture is more rooted in the countryside and particularly among agricultural workers and residents of rural areas. Within the industrial sector, the amount of alcohol drunk among blue-collar workers was greater than among white-collar workers. Teachers are mainly women and they drink on an average less than any other professional group (Allamani et al., 1988; Allamani et al., 1995b). There are many informal control mechanisms, among which the most important has been to avoid drinking alcohol in the morning and between the main meals (Rossi & Anav, 1998).

Administrative structure of preventive alcohol policies

Many of Italian alcohol control measures essentially date back to the fascist period (Table 11.3). The laws passed during that period limited the production and distribution of alcoholic beverages, as well as reduced grape production in favour of grain production. The 1931 Penal Code, known as Code Rocco, reversed the previous principle according to which being drunk was considered an extenuating circumstance. Consequently, drunkenness in public became punishable and crimes committed by drunken persons became more severely punished than the same crimes by sober people (Cottino & Morgan, 1985). The 1931 Penal Code also fixed the minimum legal age for alcohol purchase at 16 years, which is still in force. However, alcohol as such was not an important policy issue until the late 1970s, when it began to gain importance in the political debate. In 1974 the provision of establishing a ratio between the number of alcohol outlets and the population in a locality was abolished (Moser, 1992).

In the late 1980s and early 1990s two alcohol-related issues gained in importance, namely drunk driving and alcohol advertising. In 1988 the Ministerial Decree 6/9/88 required the indication of alcohol content on the labels of alcoholic beverages. In the same year, another Ministerial Decree 10/8/88 established a blood alcohol concentration (BAC) limit of 0.08 per cent as the threshold above which a driving licence was suspended (see also Table 11.3). In 1990 the Jervolino – Vassalli law 26/6/90 on drug addiction and alcohol dependence promoted a strategy by which those drug and alcohol addicts involved in the criminal justice system who were sentenced to a maximum of four years' imprisonment were given a choice between prison or rehabilitation.

In the 1990-1992 period, six more alcohol-related laws or decrees were passed in the Italian parliament. Three of them were applications of EEC directives on alcohol advertising (Table 11.3). Of the other three, two regulated television advertisements and one updated the norms for the establishment and activity of public premises and prohibited the sale of beverages with more than 21 per cent of alcohol by volume at public performances such as concerts and sporting events.

In March 2001 the Italian parliament approved a law concerning general policy on alcohol and alcohol-related problems. It lowers the BAC limit when driving to 0.05 per cent, prohibits drinking alcoholic beverages in certain risky work settings and regulates the advertising of alcoholic beverages (Legge quadro in materia di alcol e problemi alcol-correlati, 2001)

TABLE 11.3. Alcohol-related laws in Italy

LAW	CONTENTS
CODE ROCCO (1931)	Minimum legal age 16 years. Repeated alcohol abuse punished.
Ministerial Decree, 6 September 1988, no. 438 Enforcement of the Dir. No. 87/250/EEC	Indication of the alcohol content on the labels of alcoholic beverages.
Ministerial Decree 22 May 1990, no. 196 Rules for the measurement of alcohol in the blood of the drivers	Introducing the use of breathalysers.
Law, 26 June 1990, no. 162 Updating of the Law 22 December 1975 no. 685, concerning drugs prevention and treatment, and rehabilitation of addictions.	Creation of the Central Service for the Addictions (Ministry of Health). Promotion and co-ordination of educational and information activities at national level (Ministry of Education).
Law, 6 August 1990, no. 223 Rules and regulations of the public and private radio and TV systems	Radio and TV advertising forbidden to those whose main activity is the sale or production of spirits with an alcohol content of more than 21% by volume.
Ministerial Decree, 4 July 1991, no. 439 Rules on the sponsorship of TV programmes	Radio and TV advertising forbidden to those who got the brands thanks to licences or agreements (concerns only spirits over 21% alcohol by volume).
Law, 25 August 1991, no. 287 Updating the norms on the establishment and activity of public premises	It is forbidden to serve alcoholic beverages stronger than 21% alcohol by volume (and sometimes even under 21% by volume) by the Mayor's temporary order in any place where young people can be present in the crowd.
Law 5 October 1991 no. 327 Ratification and enforcement of the European Convention (Strasbourg, 5 May 1989) on trans-border television	Alcohol advertisement shall not: Be openly addressed to minors. Link alcohol consumption with physical performances and driving. Suggest that alcohol has therapeutical properties. Encourage excessive consumption. Take the high content of alcohol as a good quality.
Ministerial Decree, 30 November 1991, no. 425 Regulations on the enforcement of the articles 13, 15 and 16 of the Council of the European Communities of 3 October 1989 (89/552/EEC) concerning TV advertising of tobacco and alcoholic beverages as well as minors' defence.	TV advertising of alcohol shall not: Be openly addressed to minors. Link alcohol consumption with physical performances and driving. Give the impression that alcohol consumption makes social or sexual success easier. Suggest that alcohol has therapeutical properties. Encourage excessive consumption. Take the high content of alcohol as a good quality.
Legislative Decree, 25 January 1992, no. 74 Enforcement of the Directive 84/450/EEC on deceptive advertising	Any advertising concerning products that can be dangerous to the health and safety of consumers without warning them, is considered deceptive, thus leading to disregard for the ordinary rules of safety and control.
Ministerial Decree, 3 August 1993 Guidelines for prevention, care, social recovery and epidemiological survey on alcohol addiction	Regions are entrusted with health promotion, prevention, care and social recovery of alcohol addicts. Establishment of teams for alcohol addiction at local level.
Law Decree, 28 December 1998, converted into Law 26 February 1999, no. 39 –Chapter "The aims of Health" pp. 17-18	Enforcement of the National Health Plan 1998-2000 should Decrease by 20 per cent the consumption of males drinking more than 40 grams alcohol per day and of females exceeding 20 grams alcohol per day. Decrease by 30 per cent the number of those who drink alcohol outside of meals. Carry out specific actions of primary prevention and promotion of moderate consumption, by national provisions and regional or local interventions.
Law 125, March 2001	Forbids advertising of alcohol and spirits beverages that: are broadcast during programmes addressed to minors and during the 15 minutes before and after the programmes. links alcohol consumption to therapeutical properties not acknowledged by the Health Ministry. shows minors drinking alcohol. These are forbidden as well: direct or indirect advertisement for alcohol or spirits on sites attended by minors (under 18). advertisement for alcohol and spirits on radio and TV from 4 p.m. to 9 p.m. any form of advertisement for alcoholic beverages on press addressed to minors. advertisement in cinemas during films addressed to minors. counter sales of spirits are forbidden in petrol stations located on highways from 10 p.m. to 6 p.m. private and public radios and TV will adopt by September 2001 the self-regulation code on advertising.
Self-regulation Code on Advertising Art. 22 (2001) –Alcoholic Beverages	Alcohol advertising shall not: encourage excessive consumption. show alcohol addiction. address to minors. link alcohol and driving. link alcohol and physical or mental efficiency. point out alcohol content.

Source: Osservatorio Permanente sui Giovani e l'Alcool, 2001.

The administrative structures for treatment and prevention are the same in Italy. Major changes have occurred since 1970 concerning the autonomy of regions and the creation of the health system. In 1970 regional administrations were established. Since then the regional administrations have been delegated the competence for health issues, while the national government retained the competence for enacting laws and approving specific guidelines. In 1975 a national health system was established, following the philosophy of the British national health system.

The Ministry of Health of the central government in Rome finances the health activities of each region, and can also fund special national health projects. Furthermore, it recommends guidelines to the regions, promotes the National Health Plan and approves national laws and acts for alcohol prevention. Regional health departments implement the national guidelines, laws and acts. They receive funding for this from the government. The health departments are responsible for the regional health budget and may directly fund some regional projects. Treatment and preventive activities are delegated to the local health agencies to carry out. The recent Italian law on alcohol and alcohol-related problems entitles the Italian regions to authorise both hospital and university units to treat patients affected by acute alcohol intoxication and to train health professionals about the alcohol issue. They are also allowed to establish half-way houses.

In each of Italy's 103 provinces there exists at least one local health agency (Azienda Sanitaria Locale, ASL). These agencies receive their funding from the regional level and implement both treatment and prevention projects. Prevention intervention may also be supported through the health education office of the ASL. Other initiatives can be taken through the social department of the provincial government or municipality. Some private agencies, such as consumers' or producers' associations or insurance, companies may support parts of the programmes.

Licensing policy

The Ministry of Finance grants licences for the production of beer, wine and distilled spirits, while the Technical Offices of Finance (UFT) established at the regional and provincial level exert a control over the excise. The licence is paid annually and re-confirmed. The annual payment is about 104 euro for wine and beer and about 260 euro for distilled spirits. A special office in each region assures the quality of the plants. The province administration controls the building of the plants.

Municipalities grant licences for importers and wholesalers of alcoholic beverages. The wholesalers have to enrol in the Chamber of Commerce in each municipality. After having checked the applicant's fiscal deposit and given a copy of the excise code, the Ministry of Finance authorises the licence through the municipality. The licence costs about 34 euro per year and has to be renewed periodically.

For off- and on-premise retailers the Municipality Office for Public Stores grants permanent licences to medium-size retailers, up to 150 m² in cities with less than 10,000 inhabitants and up to 250 m² in cities with more than 10,000 inhabitants, as well as to trade centres. The cost of the licence depends on the taxation in the municipality. In a city like Florence, for instance, the licence costs about 35 euro a year.

According to the law (25/8/91) a temporary licence can be granted by the municipal administration for on- and off-premise sales events of alcoholic beverages containing less than 21 per cent alcohol by volume in public events such as rock concerts and sporting. Until 1991 two kinds of licences to sell alcoholic beverages were required. One licence was for selling wine and beer, and another licence for selling distilled spirits. Both on- and off- premise retailers also had to pay yearly a delivery tax of about 95 euro to the municipality administration. Since 1991 there is just one licence for all alcoholic beverages and no delivery tax.

Special restrictions of availability

Legal age limits were set already in 1931 at 16 years both for on- and off-premise retail sales of alcoholic beverages. The limit refers to all kinds of alcoholic beverages. Another measure aiming at protecting young people concerns the prohibition of selling alcoholic beverages in events directed at youth, such as concerts and sporting events.

Alcoholic beverages are available during the normal business hours, which practically means that there is no legal limitation on the retail sale of alcoholic beverages even at night or in the early hours of the morning. In 1998 the Italian highway society prohibited the sale of alcoholic beverages containing more than 21 per cent alcohol by volume from 10 p.m. to 6 a.m. on premises built along highways. This prohibition has become part of the 2001 Italian alcohol act.

Alcohol taxation

In Italy excise duties are levied on all beer exceeding 0.5 per cent alcohol by volume. Beer excise duties are applied on the basis per hectolitre per degree Plato (Table 11.4). Excise duties on wine and intermediate products are calculated per hectolitre of the product. The excise duty rate for wine is, however, set at zero, which has been the practice for wines at or under 12 per cent alcohol by volume during the whole study period. Excise duty on distilled spirits is levied on the basis of hectolitres of pure alcohol in the finished product. Excise duties are payable when alcoholic beverages are released for consumption. These declarations are controlled by finance officers.

TABLE 11.4. Excise duty rates for alcoholic beverages in Italy in 2000 in Italian liras and in euro

Alcoholic beverage category*	LIT	EUR
Beer, per hectolitre per degree Plato in the finished product	2,710	1.40
Wine, and fermented beverages other than wine and beer, per hectolitre of the product	0	0
Intermediate products, per hectolitre of the product	96,000	49.58
Distilled beverages, per hectolitre of pure alcohol in the finished product	1,249,600	645.36

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

At the beginning of the 1970s excise duty on beer was calculated per degree Plato, and it was 400 liras per hectolitre per degree Plato in the finished product. Consequently, at 12 degrees the excise duty was 4,800 liras per hectolitre of the product (Brown, 1972). According to Brown (1978) in the mid-1970s the excise duty rate for beer had increased to 600 liras per hectolitre per degree Plato in the finished product, and at 12 degrees it was 7,200 liras per hectolitre of the product. In October 1979 the duty was increased by 67 per cent to 12,000 liras per hectolitre at 12 degrees. In 1982 the excise duty on beer was doubled to 24,000 liras per hectolitre of the product at 12 degrees. In 1988 the excise duty rate for beer was increased by 30 per cent from 2,000 to 2,600 liras per hectolitre per degree Plato in the finished product, and at 12 degrees the excise duty was 31,200 liras per hectolitre of the product. In January 1991 the excise duty rate was increased by 7 per cent as an adjustment to costs of living. At 12 degrees it was 33,240 liras per

hectolitre of the product. As table 11.4 indicates the current rate is set at 2,710 liras per hectolitre per degree Plato in the finished product, which means that at 12 degrees the excise duty on beer is 32,520 liras per hectolitre of the product.

At the beginning of the 1970s special taxes on distilled spirits consisted of an excise duty, a surtax and a state seal tax. The excise duty rate was 60,000 liras and the surtax 90,000 liras per hectolitre of pure alcohol in the finished product. The seal tax was set per bottle, and it amounted to about 100,000 liras per hectolitre of pure alcohol in the finished product. Taken together, special taxes on distilled spirits were 250,000 liras per hectolitre of pure alcohol in the finished product (Brown, 1972). According to Brown (1978) the excise duty rate had increased by the mid-1970s to 120,000 liras per hectolitre of pure alcohol in the finished product, and the seal tax was on the average 72,000 liras per hectolitre of pure alcohol in the finished product but it was only payable for distilled spirits made from cereals or sugar cane. Compared with the beginning of the 1970s special taxes on those distilled spirits which were not made from cereals or sugar cane had decreased to 210,000 liras per hectolitre of pure alcohol in the finished product.

According to Brown (1978) wine over 12 per cent alcohol by volume had also become taxable in the mid-1970s. Wine was taxed like distilled spirits for each percentage of alcohol exceeding 12 per cent alcohol by volume with the exception of seal tax.

According to Brown and Wallace (1980) special taxes on distilled spirits in the late 1970s before October 1979 consisted of an excise duty and a manufacturing tax, which was 120,000 liras per hectolitre of pure alcohol in the finished product. The excise duty was 130,000 liras per hectolitre of pure alcohol on distilled spirits other than those produced from fruit, wine, still wash or waste from wine production, which were freed from excise duty. Consequently, special taxes on domestic wine-based distilled spirits were now decreased to 130,000 liras per hectolitre of pure alcohol in the finished product while special taxes on cereal-based whisky were 250,000 liras, the same as on all distilled spirits at the beginning of the 1970s.

In October 1979 special taxation of distilled spirits became even more complicated than before because of the increase in different categories of distilled spirits that had different taxes. The excise duty on distilled spirits made from fruit or wine was 290,000 liras per hectolitre of pure alcohol in the finished product. For distilled spirits made from other materials it was 420,000 liras, but, for instance, for rum it was specified to 370,000 liras per hectolitre of pure alcohol in the finished product. Wine over 12 per cent alcohol by volume was taxed as distilled spirits made from fruit or wine for each percentage alcohol exceeding 12 per cent alcohol by volume (Brown, Dewar & Wallace, 1982).

In 1984 excise duty rates for distilled spirits were increased and the categories changed to comply with a ruling of the European Court of Justice (see Chapter 2). The excise duty on distilled spirits made from molasses was set at 420,000 liras per hectolitre of pure alcohol in the finished product, and on distilled spirits from other materials at 340,000 liras (Horgan, Sparrow & Brazeau, 1986; Sparrow et al., 1989). In May 1991 the excise duty rates for distilled spirits were increased by 172 per cent as the excise duty on distilled spirits made from molasses was increased to 1,146,000 liras and that made from other materials to 928,000 liras per hectolitre in the finished product (Sparrow et al., 1989). Since May 1991 the difference in excise duties between these two groups of products has been gradually decreasing at the same time as the excise duty rates for these two groups of distilled spirits gradually increased to reach in July 1996 a common rate of 1,249,000 liras per hectolitre of pure alcohol in the finished product for all distilled spirits.

Until July 1996, the excise duty on wine containing more than 12 per cent alcohol by volume was connected to the excise duty rate for distilled spirits made from wine or fruit. In 1996 the excise duty on aromatised and fortified wine as well as on all other intermediate products was set at 96,000 liras per hectolitre of the product.

The increases in excise duty rates for distilled spirits at the beginning of the 1990s must be seen in connection with the necessity to bring excise duty rates for distilled spirits, intermediate products and beer to comply with the EU minimum requirements (see Chapter 2). For beer the current rate is 87 per cent over the EU minimum rate. The current excise duty rate for intermediate products is 10 per cent over the EU minimum rate of 45 euro per hectolitre of the product, and the current excise duty rate for distilled spirits is 17 per cent over the minimum EU rate.

Changes in the excise duties referred to above are given in nominal values. During the 1970-2000 period the value of the Italian currency has decreased because of inflation. The increase in the price level in Italy in the 1960-2000 period as described by the consumer price index (CPI) is given in table 11.5.

TABLE 11.5. Consumer price index in Italy, 1960-2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	5.8	7.4	11.7	14.6	31.1	59.2	78.0	100.0	112.8

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

After taking inflation into account, it can be concluded that beer excise duty was on about the same real level in 1970, 1980 and 1990, but has since then decreased by a quarter. The real value of special taxes on distilled spirits was in 1990 about one fifth or one fourth of their real value at the beginning of the 1970s. By the year 2000 the real value of special taxes on distilled spirits has more than doubled. Still the real value of special taxes on distilled spirits in 2000 was about one half of their real value at the beginning of the 1970s.

A value added tax (VAT) of 20 per cent is nowadays applied to all alcoholic beverages. As table 11.6 shows, uniform value added taxes on all alcoholic beverages are of quite recent origin. In the 1970s, VAT was clearly lower both on table wine and beer than for distilled spirits. Making the VAT uniform by the year 1998 has meant increased VAT rates for beer and wine both in absolute terms and in relation to distilled spirits.

TABLE 11.6. Rates of value added taxes on alcoholic beverages by beverage categories in Italy, 1973–1999, per cent

Date	Beer	Spirits		Wine*	
		Brandy	Whisky	Still	Champagne
1973 January**	6	14	35	6-12	30
1981 January***	8	18	35	8-15-35	35
1982 August	10	20	38	8	38
1984 December	9	18	18	9	30
1987 September	9	18	18	9	19
1988 August	9	19	19	9	19
1990 July	19	19	19	9	19
1993 January	19	19	19	13	19
1995 January	19	19	19	16	19
1999 January	20	20	20	20	20

* According to Sparrow et al. (1992) the percentage for champagne in the 1987-1992 period was 38 per cent.

** Before 1973 the turnover taxes were 7 per cent for beer, 12 per cent for distilled spirits and 4 per cent for wine

*** 8 per cent for bulk wines, 15 per cent for bottled wines and 35 per cent for quality wines.

Sources: Brown, 1978; Sparrow et al., 1992; Hurst, Gregory & Gussman, 1997.

At the beginning of 1970s, pure alcohol in the form of distilled spirits was taxed about 100 per cent more heavily than in the form of beer. At the end of the twentieth century, pure alcohol in the form of distilled spirits was taxed 1.7 times more heavily than pure alcohol in the form of beer. If the VAT is included in the calculation, taxes on pure alcohol in the form of wine are half of the taxes on alcohol in the form of beer, and the taxes on alcohol in the form of distilled spirits are about 50 per cent higher than the taxes on alcohol in the form of beer.

In 1980 about 14 per cent of the price of beer consisted of different taxes. The corresponding rate for wine was 6 per cent and for distilled spirits it fluctuated from 20 to 40 per cent. In the late 1980s the corresponding rates were nearly 30, about 20 and 8 per cent. In the late 1990s taxes account for a third of the price of beer, some 40 per cent of the price of distilled spirits and about 17 per cent of the price of wine.

Besides taxes, there are many other different factors affecting the prices of alcoholic beverages. One of these is financial support to the alcohol industry. The wine sector, for instance, being the representative of traditional Italian drinking, is granted high support payments for production, as decided by the European Commission. The financial support amounted to 1,112 billion liras in 1996. Distilled spirits are subjected to the highest excise duty, but on the other hand spirits producers could in 1996 rely on support payments of 653 billion liras for production. Brewing receives the lowest support payments for production, 3 billion liras in 1996.

Wine dominates the total consumption of alcohol. Therefore, changes in wine prices also affect greatly the developments in average alcohol prices. According to Sulkunen (1978, 18), both the real price of wine and the real price of all alcoholic beverages increased by nearly 10 per cent from 1951 to 1958, decreased by over 10 per cent during the next two years and increased again somewhat in the 1960–1966 period. Consequently, in the mid-1960s the real prices of alcoholic beverages were on the same level as at the beginning of the 1950s. According to the data collected in the ECAS project, the real price of alcohol stayed about the same from the mid-1960s until the early 1970s. Then the real price started to decrease and this trend continued to the mid-1980s. In the second half of the 1980s as well as in the 1990s the real price of alcoholic beverages has been constant (Leppänen, 1999).

Alcohol advertising

Advertising of alcoholic beverages has existed on posters and magazines since the beginning of the twentieth century. Modern advertising of alcoholic beverages did not, however, begin until the 1970s. These modern advertisements associated alcoholic beverages mostly with social success, friendship, and sexual attraction. Advertising companies often used images of young women as bait. It is not until recently that women themselves were addressed in advertisements as potential consumers of alcoholic beverages (Beccaria, 1999).

Before 1991, alcohol advertising was not regulated at all. This was mainly due to the minor importance that the alcohol issue had as a social problem. As

early as in 1964, however, alcohol producers and manufacturers, media agencies, television and networks had subscribed to a voluntary self-regulation code on media advertising. This code underwent many revisions in the direction of greater restrictions. In 1996 the alcohol industry also subscribed to a self-regulation code. The norms for advertising of alcoholic beverages try to prevent advertising from deceiving the consumer. According to the code advertising should not

- encourage excessive alcohol consumption,
- show alcohol addiction,
- be addressed to minors,
- link alcohol and driving,
- link alcohol and mental or physical special performances, and
- present alcohol content as a good quality of the product.

In 1991 National Law 30/11/91, which was an application of the EEC directive 89/552/EEC, was approved by the Italian parliament. According to this law advertising spots on television should not

- clearly refer to minors or depict minors drinking alcoholic beverages,
- depict people driving and drinking alcoholic beverages,
- give the viewers the impression that drinking equals social or sexual success,
- lead the viewer to believe that alcoholic beverages possess therapeutic qualities or could resolve psychological problems,
- encourage abuse of alcoholic beverages or present abstinence or sobriety in an unfavourable light, and
- portray the alcohol content of alcoholic beverages as a positive quality of beverage.

Legislative decree 25/1/92, enforcing the directive 84/450/EEC on deceptive advertising, regarded any announcement of products without a warning as deceptive if consumption of the product can be harmful and the announcement leads consumers to disregard the ordinary rules of safety and control.

The 2001 Alcohol Act prohibits alcohol advertisements addressed to young people and establishes that a self-regulation code has to be provided together by broadcasting companies, advertisement agencies and producers. Advertisements for alcoholic beverages are forbidden if

- they are broadcasted during programmes addressed to minors and during the 15 minutes before and after these programmes,
- they link alcohol consumption to therapeutical properties not acknowledged by the Ministry of Health, and
- they show minors drinking alcohol.

It is also forbidden

- to advertise direct or indirect alcohol or distilled spirits in places attended by minors (under 18 years),
- to advertise alcohol and distilled spirits on radio and television from 4 p.m. to 9 p.m.,
- to advertise in any form alcoholic beverages in press addressed to minors, and
- to advertise alcoholic beverages in cinemas during films addressed to minors.

Education and information

In the health education sector, deterrent messages about the bad consequences of drinking have appeared since the 1980s. They showed the adverse effects of alcohol through dramatic descriptions and images. Such messages were used in school education programmes, and in posters in different educational contexts. At the beginning of the 1990s the World Health Organization (WHO), however, concluded that messages dwelling on the positive benefits of responsible drinking have the greatest impact on the target population, if compared with messages focusing on the negative consequences of drinking alcohol (European Alcohol Action Plan, 1993).

As to the means by which to convey the preventive message, two initiatives in the 1990s might serve as demonstrations for further projects in Italy. One is the alcohol community action carried out by the Permanent Observatory on Youth and Alcohol, in which health messages produced by young people for young people were conveyed through existing mass media channels (Osservatorio Permanente sui Giovani e l'Alcool, 1997a). The contents of the messages were suggestions to drink more responsibly knowing the risks of abuse. The messages were distributed by disc jockeys in discotheques, on local and national radio and through posters. Another example was the experiment of an outdoor display of a few schoolchildren's drawings about the consequences of drinking, created through a teaching and learning process within a network of local schools in the Rifredi Florence Community Project (Allamani et al., 1999a). A further project is being carried out by the Permanent Observatory on Youth and Alcohol and the Italian Automobile Club (ACI) to develop a video clip addressed to young drivers, aiming at informing them about the risks of driving after having drunk, or of underestimating the effects of alcohol on their capacities.

No comprehensive preventive alcohol policy was really pursued in Italy in the past decades (Cottino & Morgan, 1985; Moser, 1992). Also the planning of settings that promote general health was rarely considered until the 1990s, when a network of Healthy Cities began to be developed. All in all, Italy has been

traditionally tepid in starting programmes at the national level, even if more attention has been paid to the issue of alcohol-related problems in the 1990s. In spite of the lack of prevention programmes, the decrease in alcohol consumption during the last 30 years has been dramatic.

Since the 1980s, many alcohol education programmes have been put into effect especially in high schools, funded jointly by the public health agencies and the public school system. These were planned locally with no national or regional coordination. Also a wealth of information tools especially for the schools has been produced during the last years (Orlandini, 1999). Recently a CD-ROM called *Message in a bottle* was also presented (Beccaria, 1998). One of the main targets of every preventive action has been the youth. Nowadays nearly every school has one teacher who is in charge of planning and carrying out information projects on health, sometimes including alcohol.

Especially during the 1990s, prevention programmes gained some consideration in the opinions of students and the approach was changing from a perspective of top-down campaigns to one involving both formal and informal local actors. The European Regional Office of the WHO supported the philosophy of alcohol prevention and community action through the European Alcohol Action Plan (1993) and the European Charter on Alcohol (1995) (European Alcohol Action Plan, 1993; European Charter on Alcohol, 1995). This has stimulated a few preventive plans in Italy. One of them is a network created in Trento, northern Italy, in 1992, encompassing projects for general practitioners, driving, workplace and school, supported by some public health agencies and non-governmental organisations (NGOs) (Noventa, 1999).

At the local level a community action project was carried out by the Permanent Observatory on Youth and Alcohol in the provinces of Padova, Rimini-Forlì-Cesena and Bari and Biella, representing northern, central and southern Italy (Osservatorio Permanente sui Giovani e l'Alcool, 1997b). Meetings were held with the local authorities, the school representatives, as well as with informal operators, i.e. youth group leaders, bartenders and the like, a basic element of the community action. These meetings resulted in a suggestion of promoting "conscious drinking" (Rossi, 1996).

Another community alcohol project was the Riffredi Community Action Project, an intersectoral and multicomponent prevention project in Florence, promoted by the Centro Alcológico Integrato. The purpose of the project, which started in 1992 and concluded in 1998, was to increase the awareness of the risks involved when drinking alcohol, and to influence community policy when facing alcohol-related problems. The project was able to activate several formal and informal groups in the community. As to the outcome evaluation, the indicators demonstrated that at least 30 per cent of local residents had been involved in the preventive interventions. There was also a higher awareness than before of

hazardous alcohol drinking among both the population and the health professionals. Another outcome has been the building up of a coordinating group on healthy lifestyles, where 16 local associations were represented (Allamani, Ammannati & Basetti Sani, 1999; Allamani et al., 1999a).

Drunk driving

According to the ministerial decree 10/8/88 the BAC limit in Italy was set at 0.08 per cent. There are various tests, well-specified by the ministerial decree 6/9/1988, including blood analysis, to ascertain the BAC level. If a driver is found with a BAC over 0.08 per cent he or she is sent to prison for up to a month and has to pay a fine ranging from 250 to 1,000 euro. The driving licence is suspended from 15 days to three months. In the case of a repeater, he or she is sent to prison over a longer period of time. In March 2001 the Italian parliament approved a law that lowered the BAC limit to 0.05 per cent.

Administrative structure of treatment for alcoholism

In 1978 alcoholism was recognised as a disorder by the National Health Insurance. The increasing concern for alcohol-related problems in the 1990s led to the establishment of the Central Service for Alcohol and Drug Addiction and Drug Dependency Units, reporting to the regional authorities and to the local alcohol services (Law 26/6/90). Furthermore, hospitals were invited to supply treatment to alcoholics. In 1993 the Italian government issued a decree by which regions were delegated to provide prevention and treatment programmes to alcohol addicts based on a multi-professional approach. Hospitals were also urged to add beds for alcoholics. In 1994, as part of a national health reform, the local health units were transformed into local health agencies with budget responsibilities.

In August 1993, a Ministry of Health decree recommended a few guidelines to the Italian regions for the prevention and treatment of alcohol addiction. It stressed the need for multi-professional interventions at the local level and called for an increase in hospital beds, underlining the medical component in the system. It also recognised the importance of self-help groups and the rehabilitation side of treatment.

At the end of the 1970s, four national health services independently applied at least two specific treatment programmes for chronic alcoholics. In Udine, in north-eastern part of Italy, and in Arezzo, Tuscany, a treatment programme was operating according to the Club method of Vladimir Hudolin. On the other hand, a multi-modal approach was provided in Dolo, close to Venice, and in Florence. Developed to overcome the ineffectiveness of the traditional medical or social approaches, the programmes attempted to combine medical, psychological and social concepts and practices (Allamani et al., 1994).

Since the beginning of the 1990s several treatment programmes have started around the country. They were organised as a side activity of general medicine or gastroenterology units or of psychiatric services. Also the services for the recovery from drug dependencies (Servizi per le Tossicodipendenze, SERT), that was established within many local health agencies, may treat alcoholic patients. In 1996 the Italian Ministry of Health carried out a census that identified 280 alcoholic units with 22,000 clients (Ministero della Sanità, 1999).

Alcohol treatment programmes in Italy may be divided into hospital- and community-oriented. Clinicians in favour of the former approach claimed that medical diagnosis and therapy at the hospital bedside is necessarily the first opportunity for a well-organised biological and psycho-social treatment and the first occasion to tackle the problem. The increasing number of people supporting the community-oriented programmes claim that alcohol problems should be treated as much as possible in the context where they are experienced and defined, i.e. the family and the social network of friends and acquaintances. In fact, a trend is actually established that outpatient service is growing to the detriment of inpatient clinics.

The main NGOs involved in the treatment of alcoholics and their families are Alcoholics Anonymous (AA) and its derivations, i.e. AlAnon and AlAteen, relatives and children of alcoholics, respectively, and the Clubs for Alcoholics in Treatment. In 1997 about 40,000 people, 0.07 per cent of the whole Italian population, were estimated to be involved in either a 12-step or a club alcohol treatment programme. It could be estimated that nearly 50 per cent of these were women.

The Italian Society of Alcohol Research (SIA) was established in the late 1970s. SIA has sometimes taken the place of the university, which for a long time was not interested in or able to promote both scientific meetings and alcohol research. It is the only scientific society quoted in the new alcohol law.

The Italian AA was first established in Rome in 1972, and shortly after that extended to Florence and Milan (Allamani & Petrikin, 1996). In the late 1980s, AA started to expand. Another expansion occurred at the beginning of the 1990s. By the year 2000, there were about 450 Italian AA groups, with at least 10,000 participants, of which presumably 3,000 were women. These groups usually meet

more than once a week, and exist both in the metropolitan areas, and in small towns, more in the north-western part of Italy than in southern Italy. The first AlAnon group was opened in Rome in 1976. By 1979 there were nine groups in Italy, and from 1980 to 1989 they multiplied. By 2000, there were 398 AlAnon groups including Alateen, children of alcoholics, and AchoA, adult children of alcoholics. Altogether there could be about 20,000 participants of AA and AlAnon in Italy.

The other major NGO is the Italian Club for Alcoholics in Treatment (CAT), which stems from a multi-family group programme established in Croatia during the 1960s by Vladimir Hudolin (Hudolin, 1991; Patussi et al., 1996). In 1979 CAT was imported into Italy through experiences in Trieste and Udine. The clubs consist of groups up to 10–15 persons, where alcoholics and family members meet once a week, guided by a social or health professional or by a recovering alcoholic. This method had a rapid diffusion in many regions in Italy, especially in the late 1980s. In 1997 about 2,500 clubs were reported with about 20,000 members, of which about 50 per cent were women, referred to mainly from hospitals or social services, or from other alcoholic families. CAT actively cooperates with the public treatment systems for alcoholics and with the political authorities.

For a long time the relationship between AA and the public health institutions was far from optimal. However, because of more information becoming available through the mass media and the growing acceptability of spiritual issues in Italian culture, AA has become better known among professionals and health politicians, as well as lay people. It is a common practice these days that, after or contemporarily to a period of out- or in- patient treatment, the patients are referred to AA or to CAT.

Summary and discussions

In Italy the state has had a passive attitude towards preventive alcohol policies and prevention of alcohol-related problems. However, the question of alcohol use and abuse gained importance in the class-divided society of the nineteenth century, in connection with the industrial revolution. The debates within and between the major political parties changed the definitions of alcohol problems to an issue of law and order (Cottino & Morgan, 1985).

The first temperance organisation in Italy, La società di temperanza, was formed in Turin in 1863. Other organisations were started in the late nineteenth century, mainly in the provinces north of Rome. The Italian Temperance League was founded in 1892. Italian temperance groups were particularly concerned

with drinking among the urban proletariat. In 1889 the National Minister of Justice, Zanardelli, who was involved in the temperance movement, passed the first penal code resolution against public drunkenness as offensive or dangerous to the public. This law also punished those who caused such a state of intoxication in another (Cottino & Morgan, 1985). Restrictions on working-class drinking taverns began in 1913 with a law limiting the number of establishments to one for every 1,000 inhabitants.

Despite the developments in the late nineteenth and in the twentieth century it can still be argued that in Italy the general public has for a long time regarded, and still often regards, alcohol-related harms and alcoholism as individual problems related to a person's own behaviour rather than as a social problem needing a reaction at a community level. In any case, alcohol-related problems or alcoholism have not been considered a social problem in the same manner as has been the case with illicit drug use, nowadays often subject to wide educational campaigns, or even with smoking; the advertising of tobacco was prohibited in 1975. Accordingly, there prevails a diffused liberal attitude towards alcohol in the Italian society, where especially wine, but also beer, are usually perceived as items connected to food and to meals, and not as alcoholic beverages. Furthermore, quite generally the role of the state has tended to shift from regulations and control to the qualification of structures and services for social security and assistance. This has led to a division between different public functions, which have made it very difficult to enforce a coordinated preventive alcohol policy.

In the 1990s, alcohol issues and alcohol-related problems began to be a notable subject for media reports, political attention and some scientific studies. In recent years articles have also appeared about the benefits of alcohol with regard to the prevention of coronary heart disease. In any case, the alcohol problem has not got as high a social priority as, for instance, AIDS or drug addiction. The main concern with alcohol regards road traffic accidents involving young people.

The opinion of health professionals has generally been in favour of a standard for responsible drinking, taking into account both the Mediterranean tradition favourable to wine drunk during meals, and the risky behaviour when alcohol is somehow abused or when the drinking pattern gets away from the Italian cultural model. However, there are groups in the health sector, within the Hudolinian movement, that speak in favour of a sort of light prohibition. In such a context, the parties and the parliament seem to maintain a middle position, which reflects their uncertainty between the position of the Ministry of Agriculture and the wine lobby and other alcoholic beverages producers on the one hand, and the Ministry of Health and the health professionals' sector on the other hand (Rossi, 1991; Rossi, 1997).

The directives of the EU have affected most of all advertising and control measures of some specific aspects of the sale of alcoholic beverages. The most

influential outside action has, however, been taken by the WHO-EURO, which has affected health professionals' perception of alcohol-related problems and risks. The European Alcohol Action Plan's guidelines and the European Charter on Alcohol inspired both the chapter on alcohol in the Italian National Health Plan and the Italian general policy law on alcohol and alcohol-related problems.

Since 1992 many proposals for acts on alcohol issues have been put forward by political parties. These proposals treat alcohol as a potential social problem, especially for the younger generation. The proposals have concentrated mainly on prohibiting alcohol advertising or limiting sales. The latest proposal was finally approved in March 15, 2001, by a vast majority of the two chambers of the parliament.

However, it would be a mistake to claim that Italy had in the 1950s or has nowadays a comprehensive alcohol control system. This goes despite the fact that Italy as early as in the 1950s had a licensing system for the production, import, wholesale and retail sale of alcoholic beverages, as well as legal age limits on selling alcoholic beverages to youngsters. Moreover, it is a fact that during the last three decades Italy has begun to restrict alcohol advertising, and adopted a BAC limit for traffic. In fact, a relevant problem is that many of the aforementioned measures were infrequently enforced. On the other hand, as in the 1950s also in the year 2000 the excise duty on wine was zero liras. All this means that it would also be a huge exaggeration and misinterpretation to claim that the decrease in the consumption of wine and distilled spirits, and in the total alcohol consumption, during the last three decades could be explained by stringent alcohol control restrictions. On the contrary, social and cultural factors seem to have more explanatory power than legislative and control measures in affecting Italian drinking practices and in explaining the sharp decline of alcohol consumption in Italy from the 1970s.

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Chapter 12

Luxembourg

THOMAS KARLSSON AND ESA ÖSTERBERG

The country

Luxembourg, officially the Grand Duchy of Luxembourg, is situated in western Europe, bounded by Belgium on the west and north, Germany on the east, and France on the south. Together with Belgium, Luxembourg formed the Belgo-Luxembourg Economic Union in 1921. In 1947, the Benelux Customs Union was established between Luxembourg, Belgium and the Netherlands. In 1958 this customs union was extended into an agreement on full economic integration, and in 1960 the Benelux Economic Union became operative.

The country has an area of 2,586 km² and a population of 432,600 inhabitants in the year 2000, giving the country an overall population density of 167 persons per km². The capital and the largest city is Luxembourg City, also known as Luxembourg-Ville, with a population of about 80,000. The urban population accounts for about 89 per cent of the total population. The inhabitants of Luxembourg are mostly of German or French origin, but have a distinct national consciousness. As many as 97 per cent of the inhabitants are Roman Catholics. The national language, Luxembourgisch (Letzeburgesch), is a Germanic language. In addition to the national language, French and German are used in official publications and in schools.

Luxembourg is one of the world's most industrialised countries and has a high standard of living. In 1999 the gross domestic product (GDP) per capita was 41,640 euro. The stable, high-income economy features moderate growth, low inflation, and low unemployment. The industrial sector, dominated until recently by steel, has become increasingly more diversified to include chemicals, rubber, and other products. During the past decades, growth in the financial sector has more than compensated for the decline in steel industry. Services, especially banking, account for a growing proportion of the economy. Agriculture is based on small family-owned farms. In the mid-1990s about 26 per cent of the population worked in the industrial sector, approximately 4 per cent in the agriculture and about 71 per cent in the service sector.

Luxembourg is a constitutional hereditary monarchy which has been independent since 1866. The constitution provides for a democratic government, with legislative power vested in a unicameral chamber of deputies composed of 60 members elected every five years. The sovereign, the grand duke or duchess, has the constitutional right to organise the government. The government consists of the prime minister, who is head of the government, and at least three other ministers. A council of state, appointed for life by the sovereign, acts in an advisory capacity.

Alcohol production and trade

At the beginning of the twentieth century, there were a dozen breweries in operation in Luxembourg with a yearly beer production of 175,000 hectolitres. The number of breweries has dropped steadily during the twentieth century, and in 1995 there were only five breweries in operation, with annual sales of 515,000 hectolitres of beer. Three of these breweries are of almost equal size, covering 93 per cent of the beer market in Luxembourg. During the last decades domestic beer production has decreased. In 1975 the beer production in Luxembourg was 787,000 hectolitres.

Domestic lager beer is preferred over imported beer. In 1975, beer imports were 44,000 hectolitres which was about 10 per cent of beer consumption. The beer imports have, however, increased significantly during the past decade, and in 1995 the beer imports amounted to 106,000 hectolitres. The market share of imported beer of the total beer consumption was about 25 per cent (Hurst, Gregory & Gussman, 1997). In 1975 beer exports were 374,000 hectolitres, nearly half of the beer production. By 1995 they had decreased to 149,000 hectolitres which means that nearly 30 per cent of beer production was exported in 1995. The main destinations were Belgium and France (Hurst, Gregory & Gussman, 1997).

Wines produced in Luxembourg are characterised by their low alcohol content, usually around 11 to 12 per cent alcohol by volume. The most popular wine in Luxembourg is white wine, which also accounts for most of the wine production. Domestic wines have increased in popularity over the last decade, but their market share has fluctuated due to unstable climatic conditions for grape production (see Hurst, Gregory & Gussman, 1997, 273). In the 1985-1995 period approximately two thirds of the wine production were consumed domestically, while a third of the production was exported. Wine was exported mainly to Belgium, but during the 1990s also to a growing extent to Germany. In 1994, for instance, Germany imported an exceptionally large quantity of wine, accounting for 42 per cent of Luxembourg's total wine exports.

Between 1975 and 1982, wine consumption ranged in Luxembourg between 145,000 and 175,000 hectolitres a year. In 1983 and 1984 wine sales increased dramatically, probably due to the deflation of the currency, which led to increased purchases by tourists and cross-border shoppers. Since 1984 the consumption of wine has fluctuated between 195,000 and 233,000 hectolitres. In the mid-1990s about half of the wine consumption consisted of imported wine (Hurst, Gregory and Gussman, 1997).

Sales of distilled spirits increased considerably from 1960 to 1981, when the sales peaked at 35,000 hectolitres in terms of pure alcohol. Then the sales fell sharply, settling at around 23,000 hectolitres during the 1980s. The sales increased to more than 28,000 hectolitres in 1993, but they have since then declined to 21,000 hectolitres. In the mid-1970s about 80 per cent of the distilled spirits sold in Luxembourg was imported. In the mid-1990s the corresponding rate was about 96 per cent (Hurst, Gregory & Gussman, 1997).

Alcohol consumption

A large number of visitors travel to Luxembourg each year. Visitors include both ordinary tourists and cross-border shoppers from neighbouring countries who find Luxembourg attractive due to its low prices. Because Luxembourg is also the seat of the Court of Justice of the European Communities, the Secretariat of the European Parliament and the European Community for Coal and Steel Union, many foreigners visit the country each year (Hurst, Gregory & Gussman, 1997).

According to available statistics, total consumption of alcoholic beverages increased in the 1950s and 1960s from little over 8 litres of pure alcohol per capita to over 11 litres per capita. Since 1970, the per capita consumption of distilled spirits has been adjusted in official statistics in order to remove the beverages the visitors have bought either to be consumed while in Luxembourg or to be imported home. In 1990, visitors were estimated to account for 70 to 75 per cent of all sales of distilled spirits in Luxembourg. The beverages were bought primarily at the borders (Hurst, Gregory & Gussman, 1997).

Total alcohol consumption grew in Luxembourg from the early 1970s to the mid-1980s. The growth was especially strong during the first half of the 1980s, largely due to wine consumption which increased at an annual rate of 6.7 per cent between 1980 and 1984. During the same period, the total alcohol consumption increased by 3.5 per cent per year, reaching the all-time high in 1984 at 14.0 litres per capita (Hurst, Gregory & Gussman, 1997, 260). However, when exactly the same basic figures are used for consumption of distilled spirits in litres of pure alcohol and of wine and beer in litres of the product, a total

consumption figure of 12.7 litres of pure alcohol per capita is reached for the year 1984 (World Drink Trends, 2002, 82). The discrepancy of 10 per cent between these figures must, therefore, be explained by the different assumptions of alcohol content in beer and wine. With regard to the year 1992, the two sources end up to a discrepancy of 16 per cent by using exactly the same basic figures again (cf. Hurst, Gregory & Gussman, 1997, 260; World Drink Trends, 2002, 82). According to the different data sources, the total alcohol consumption has either stayed on about the same level or decreased somewhat since the mid-1980s (Table 12.1, World Drink Trends, 2002).

TABLE 12.1. Consumption of alcoholic beverages by beverage categories in Luxembourg in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995*
Alcohol consumption	9.01	11.11	12.53	13.48	13.27
Consumption of distilled spirits	0.86	1.29	1.74	1.65	1.60
Consumption of wines	3.37	4.00	4.99	6.32	6.29
Consumption of beer	4.78	5.82	5.80	5.51	5.38
Percentage of distilled spirits	10	12	14	12	12
Percentage of wines	37	36	40	47	47
Percentage of beer	53	52	46	41	41

* The figures for 1995 in table 12.1 have been calculated by using the same alcohol contents for beer and wine, 4.6 per cent and 11 per cent respectively, as Hurst, Gregory & Gussman (1997). Consumption figures for the years 1993-1997 have been taken from World Drink Trends (2002). The figure for total alcohol consumption in 1995 according to World Drink Trends is 11.98.

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

Counted as product litres per capita, the consumption of beer peaked in 1964 at a high of 132 litres. In the late 1970s, beer consumption declined to a level of about 120 litres. Since then it stayed on about this level until the early 1990s. In the 1990s beer consumption was again declining, reaching a level of 108 litres per capita in 2000 (World Drink Trends, 2002).

Wine consumption grew steadily between the early 1950s and the mid-1980s. Since its all-time high of 63 litres in 1984, the consumption of wine has levelled off. In the late 1990s, the consumption of wine per capita was about 60 litres per capita a year (World Drink Trends, 2002).

The consumption of distilled spirits grew from about one litre of pure alcohol per capita per year in the early 1950s to about 1.7 litres in the mid-1970s. Since then the consumption of distilled spirits has remained virtually unchanged. In 2000 the consumption of distilled spirits was 1.6 litres of pure alcohol per capita (World Drink Trends, 2002).

Beer's popularity as the beverage of choice has eroded over the last fifty years. In 2000 its share of the alcoholic beverage market was 38 per cent. Beer has mainly lost ground to wine, which has become immensely popular. Between the early 1950s and the end of the 1990s the market share of wine has increased from a good 30 per cent to 50 per cent. The market share of distilled spirits, which stood at 14 per cent in 1950, was about 12 per cent in the late 1990s.

Administrative structure of preventive alcohol policies

Only a few efforts have been made to consider the need for preventive measures on alcohol problems, apart from regulations on drinking by minors and on blood alcohol concentration (BAC) limit for drivers. The section Prevention of Drug Dependencies in the Ministry of Justice is the national agency responsible for prevention of alcohol-related problems. The National Council Against Alcoholism (Conseil National de Lutte contre l'Alcoolisme, CNLA) coordinates action against alcoholism and collaborates with state and local bodies. It has existed since 1980 and it is subsidised by the Ministry of Health (Global status report on alcohol, 1999).

The overall policy of the government in Luxembourg is not to get people to abstain, but to encourage them to drink responsibly. Priorities in the 1990s have been:

- mass media campaigns to encourage safer drinking,
- encouraging of lighter drinking in work settings,
- increasing the role of primary health care teams in the prevention and early detection of alcohol problems,
- developing the role of the social welfare system in the prevention and management of alcohol problems,
- developing specialised treatment for alcohol dependence and other alcohol problems, and
- addressing particular alcohol problems (Global status, 1999).

The government seems to trust in stricter enforcement of laws. An example of this is the stronger enforcement of impaired driving laws which has been going on since the mid-1980s. Billboards encouraging people not to drink and drive are used as well as breathalyser testing on roadside checks and even in cases of slight traffic violations (Hurst, Gregory & Gussman, 1997).

Licensing policy

Alcohol producers as well as importers and wholesalers of alcoholic beverages need a production or trade licence. The licence is not, however, alcohol-specific. Primarily because of tax purposes, the control on import, export, wholesale and production of alcoholic beverages is quite rigorous.

Off-premise retailers of alcoholic beverages are required to have a licence. The annual fee for a licence is based on population in the locality and is 1,200 francs or 30 euro at its maximum. For off-premise consumption, all alcoholic beverages may be bought in grocery stores. Beer may also be sold for consumption off-premise in premises selling food such as restaurants and snack bars (Hurst, Gregory & Gussman, 1997).

Also on-premise retailers of alcoholic beverages need a licence. As a result of the legislation passed in 1927, two types of licences exist for the sale of alcoholic beverages on the premises. The first type of licence, the so-called cabaret privilege licence was originally issued between 1910 and 1912, and it is tied to the premise forever, not to the innkeeper. The second type of licence for on-premise consumption, an ordinary licence, is issued by the local authorities to the innkeeper and it is not tied to the establishment. This licence is granted according to the number of establishments in ratio to the population. The purpose of the 1927 legislation was to gradually reduce the number of licences to a ratio of one premise per every 250 inhabitants.

The licensing system was amended in June 29, 1989, in an attempt to further reduce the number of outlets. The new ratio for all licences was set at one premise per 500 inhabitants (Oberlé, 1998). No new licences have been issued in areas where the ratio is too high. New premises are, however, still opened by innkeepers who have bought ordinary licences from others closing their establishments. In the city of Luxembourg, ordinary licences have obtained considerable market value. The price for an existing licence is estimated to be ten times higher than for a licence granted by the local authorities. The price for a new licence issued by the local authorities is between 62 and 250 euro, depending on the number of inhabitants in the area where the licence is granted. There is also an annual fee of 25 to 75 euro, which is paid by the licence-holder. The on-premise licence, when issued, applies to the sale of all alcoholic beverages. Because about one third of the 2,400 licences in Luxembourg are held by brewers, there are more outlets selling beer only than outlets selling all alcoholic beverages. In addition, about 90 per cent of the remaining licence-holders are under contract to sell only beer from a certain brewery (Hurst, Gregory & Gussman, 1997).

Restrictions of availability

There are no legal age limits for on-premise purchases of alcoholic beverages in Luxembourg. There are, however, recommendations that purchases of alcoholic beverages should not be allowed to persons younger than 16 years.

For on-premise sales, the legal age limit is 18 years for all alcoholic beverages. If accompanied by an adult, the legal age limit is 17 years. According to the decree from June 29, 1989, the retailer, if not serving alcoholic beverages in a responsible manner, can be subjected to a fine amounting from 62 to 248 euro. If the customer is under 16 years of age, the fine can go up to 990 euro.

There are no restrictions on days of sale or on type or location of outlets. The same trade regulations that are applicable to other merchants also apply to off-premise sale of alcoholic beverages.

Serving hours are regulated by local authorities. In most cases, on-premise places may be open between 6 a.m. and midnight or 1 a.m. (Hurst, Gregory & Gussman, 1997). In certain cases permitted hours can be extended to 3 a.m.

Alcohol taxation

The basis for collecting excise duties on alcoholic beverages has been quite similar in Belgium and Luxembourg because of the economic union between these countries. In both countries the method of taxation varies according to beverage category. Both countries levy, however, two excise duties on each alcoholic beverage category, a common excise duty applied in both countries and an individually applied excise duty. In general, because of higher individually applied excise duties in Belgium, alcohol excise duty rates have been higher in Belgium than in Luxembourg (cf. Tables 12.2 and 4.2; see Chapter 4 for alcohol taxation in Belgium).

In January 1, 1993, in accordance with the EU harmonisation of excise duties on alcoholic beverages, the excise duty on all wines was set at zero in Luxembourg (Table 12.2). This rate applies to grape wine, sparkling wine and other beverages fermented from fruits, whether sparkling or not. For beer, excise duty is levied per hectolitre per degree of Plato in the finished product. Breweries producing less than 50,000 hectolitres per year pay only half of the standard rate, i.e. 16 francs, and breweries producing less than 200,000 hectolitres pay 18 francs per hectolitre per degree of Plato in the finished product. Excise duties on intermediate products are applied on the basis of hectolitres of the product. The excise duty on distilled spirits is levied per hectolitre of pure alcohol in the finished product (Table 12.2).

TABLE 12.2. Excise duty rates for alcoholic beverages in Luxembourg in 2000 in Luxembourg francs and in euro

Alcoholic beverage category*	LFR	EUR
Beer, per hectolitre per degree of Plato in the finished product	32.00	0.79
Wine, and fermented beverages other than wine and beer, per hectolitre of the product	0.00	0.00
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	1,900.00	47.10
Over 15% alcohol by volume	2,700.00	66.93
Distilled beverages, per hectolitre of pure alcohol in the finished product	42,000.00	1,041.15

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

Excise duty rates given in table 12.2 became effective January 1, 1993, except the rate for distilled spirits which became effective January 1, 1994. In the early 1970s the excise duty levied on beer was calculated per hectolitre of pure alcohol in the finished product. The excise duty rate for beer was progressive on the basis of the yearly beer production of the breweries (see Table 12.3). The excise duty on distilled spirits was also levied per hectolitre of pure alcohol in the finished product. For wine the excise duty was calculated per hectolitre of the product. In the 1972-1992 period the excise duty rate per hectolitre was 1,500 francs for sparkling wine and 600 francs for imported non-sparkling wines (Hurst, Gregory & Gussman, 1997). In 1993, these excise duty rates were set to zero.

TABLE 12.3. Excise duty rates for beer in Luxembourg from 1972 to 1993 in Luxembourg francs per hectolitre per degree of alcohol according to the yearly production of breweries

From	First 10,000 hectolitres	10,001–50,000 hectolitres	50,000–1,250,000 hectolitres	Over 1,250,000 hectolitres
1972	21.60	25.80	31.20	35.40
1973	31.90	38.10	46.00	52.20

Source: Hurst, Gregory & Gussman, 1997, 61.

In 1972 the excise duty on distilled spirits was 17,000 francs per hectolitre pure alcohol. In January 1981, this rate increased to 24,000 francs, in January 1982 to 31,000 francs and in July 1983 to 38,000 francs. Next time the excise duty rate

was changed in January 1, 1993 in connection with the creation of the single European market. The new rate was 41,000 francs per hectolitre of pure alcohol in the finished product, and next January the rate given in table 12.2 was reached.

Luxembourg has a value added tax (VAT) that is levied at the time of sale on all products. The rate applied to alcoholic beverages, except table wine, is 15 per cent. Still wine with an alcohol content less than 13 per cent by volume is subject to a VAT rate of 12 per cent. In 1992 the VAT rate was adjusted in response to the EU agreement that the national standard rate of VAT should not be lower than 15 per cent. Before that date, the VAT rate for all alcoholic beverages except wine had been 12 per cent. Before 1972 the corresponding VAT rate had been 10 per cent. In 1992, the reduced rate for still wine was given one additional year to rise from 6 per cent to 12 per cent. The VAT rate of 6 per cent was reached in 1983. Before that year, the VAT rate for table wine had been 5 per cent.

In the mid-1990s, calculated on the basis of pure alcohol, the excise duty rate for spirits was 9.3 times that for beer. The VAT reduces the relative difference of the tax component between these beverages to 2.8 times. VAT included, the tax burden on still wine is half of that on beer (Hurst, Gregory & Gussman, 1997). In the mid-1990s, about 11 per cent of the price of wine constituted of taxes. The corresponding figures for beer and distilled spirits were 17 per cent and 54 per cent.

Changes in excise duty levels have been given in nominal values. During the 1950–2000 period the currency in Luxembourg has lost part of its value because of inflation. The increases in price level in Luxembourg in the 1960–2000 period, as described by the consumer price index (CPI), are given in table 12.4.

TABLE 12.4. Consumer price index in Luxembourg, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	23.0	25.6	29.7	42.0	56.4	80.3	87.1	100.0	108.0

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When comparing the excise duty rates for different alcoholic beverages with the CPI, it can be noted that in the year 2000 the real value of the excise duty rate for distilled spirits was about 30 per cent lower than it was in 1972. The excise duty rate for beer in real terms had fallen by 60 per cent, and for wine the excise duty disappeared in monetary terms in 1993. These decreases are only partly compensated by increases in VAT rates.

Alcohol advertising

There are no legal restrictions on the advertising of alcoholic beverages in Luxembourg. Advertising of all alcoholic beverages is therefore permitted in the print media, as well as on radio and television. The regulatory framework is provided by the Law on Foodstuffs from 1982, and by the voluntary advertising code by “Compagnie Luxembourgeoise de Telediffusion”.

In 1984 a voluntary advertising code was established by the brewers. The code prohibited the advertising of beer in connection with the workplace, performance sports, driving and children.

Another voluntary agreement on alcohol advertising was established in 1992 on the initiative of CNLA. The voluntary agreement was made between the Ministry of Health and the producers, distributors and retailers of alcoholic beverages in Luxembourg. This code has some similarities to France’s Loi Evin (cf. chapter 7). It is applied to all alcoholic beverages over 1.2 per cent alcohol by volume and imposes restrictions on the place, size, duration and content of advertisements. Although the code is voluntary and agreed upon by the producers, distributors and retailers of alcoholic beverages, it does not affect transborder advertising. However, the main foreign importers of alcoholic beverages have been informed of the voluntary agreement (Hurst, Gregory & Gussman, 1997).

Education and information

CNLA organises public information and provides short courses to army recruits three times a year. The Ministry of Health also launches different campaigns, including educational courses in secondary schools, courses for teachers in primary schools and distribution of health educational material on alcohol problems to all families (Moser, 1992; Global status, 1999). Alcohol has become an integrated theme in the curriculum of primary and secondary schools.

At the national level, campaigns against drunk driving directed at the general population are regularly organised by the Road Safety Organisation and the Ministry of Transport. In addition to drunk driving campaigns, education and information efforts by the occupational health services together with the trade unions are also aimed at informing and educating employees, especially in industries, on the hazards of alcohol in the workplace. There are also some information activities for the general public in communities.

Drunk driving

In Luxembourg the legal BAC limit for drunk driving is 0.08 per cent. If a driver presents manifestations of drunkenness, the police have the right to check the level of alcohol intoxication by breath tests or by ordering a blood level test to be made. At the beginning of the 1980s a driver with a BAC level of 0.12 per cent would automatically have had his driving licence suspended for three months. With BAC levels between 0.08 and 0.12 per cent, a tribunal would have decided on the suspension of the licence (Davies & Walsh, 1983). According to the Ministerial decree dated July 1, 1992, and modified in 1994, driving with a BAC of 0.08 per cent will result in imprisonment for 1–7 days and/or a fine of 1,000 to 5,000 francs or of 25 to 125 euro.

According to a law dated February 14, 1963, and modified in 1970, 1971, 1977, 1991, 1992 and 1993, the revocation of the driving licence is possible if a person shows obvious signs of intoxication by alcohol or other substances. In case of an offence against the law, a judge can pronounce a suspension of the driving licence for a period of 8 days to one year. In case of a crime the suspension could be from 3 months to 15 years. The usual sentence for a second or a subsequent offence is suspension of the driving licence. Random breath tests, although infrequent, are carried out by the police (Global status, 1999). An attempt to sharpen the enforcement of the drinking and driving legislation is, however, being made.

The administrative structure of treatment for alcoholism

Since 1978 there has been a specialised centre in Useldange, where a number of scientific treatment methods have been tried out. The system used is based on community therapy, where the patient is expected to take a large part of the responsibility for the outcome of the treatment (Moser, 1992).

Acute treatment like alcohol detoxification is offered in general hospitals, whereas long-term treatment is given in the Useldange therapeutic centre. The trend in treatment of alcoholism, however, is towards treatment in the community, depending though on the individual situation of the patient and his or her family. The minimum length of a treatment period is six weeks. On the average, however, treatment for alcoholism lasts for three to six months. The costs of treatment in hospitals etc. are covered by the patient's health insurance.

CNLA, in collaboration with Useldange therapeutic centre, gives advice to people with alcohol problems by telephone or through consultation if the person wishes to meet an expert or an ex-alcoholic. CNLA also collaborates with Alcoholics Anonymous (AA) as well as with SOS distress. Other self-help groups worth mentioning are AI-Anon and AI-Ateen (Global status,1999).

Summary

Luxembourg has the highest level of recorded alcohol consumption among the EU member states. Luxembourg is a small country with many visitors, tourists and cross-border shoppers. These phenomena as well as the fact that quite a substantial part of the working force employed in Luxembourg actually resides in the neighbouring countries means that alcohol consumption statistics based on the sales of alcoholic beverages in Luxembourg would give a biased picture of the actual alcohol consumption by the citizens of Luxembourg. Those responsible for keeping alcohol consumption statistics have, however, tried to correct the consumption figures for these distorting factors. As estimates on the amount of alcohol purchased in Luxembourg by visitors, tourists, cross-border shoppers or visiting workers may also be quite inaccurate, even the corrected official consumption figures may be biased.

On the other hand, there are also facts that could explain for the high alcohol consumption among the inhabitants in Luxembourg. For the first measured by GDP per capita, Luxembourg has an exceptionally high standard of living, and according to research findings a high standard of living correlates with a high alcohol consumption and vice versa (see e.g. Ornstein & Levy, 1983). Secondly, in the case of Luxembourg, high incomes go hand in hand with low alcohol excise duties and low prices of alcoholic beverages. Again alcohol research has shown that low alcohol prices correlate with a high alcohol consumption and vice versa (see e.g. Österberg, 2001). And if these explanations for the high alcohol consumption level are not sufficient, we are also able to remind the reader that the physical availability of alcoholic beverages in Luxembourg is very easy even when compared to the average situation in the EU member countries. And again, research has shown that easy availability correlates with a high alcohol consumption and vice versa (see e.g. Österberg, 1991; Stockwell & Gruenewald, 2001).

During the second half of the twentieth century Luxembourg has been a country with hardly any alcohol policy measures in force. There are no statutory controls on advertising of alcoholic beverages, only voluntary codes. There have not been legal age limits on buying alcoholic beverages off the premises, only

recommendations which have not been very strictly enforced or controlled. The legal BAC limit of 0.08 per cent in Luxembourg is, together with Ireland and the United Kingdom, the highest among the EU member states. In fact, Luxembourg has the highest BAC limit among continental EU member states meaning that all its neighbouring states have a lower BAC limit of 0.05 per cent. In Luxembourg alcohol producers as well as importers, wholesalers and off- and on-premise retailers need a licence. The licence is not necessarily alcohol-specific, and the licences are used primarily for collecting taxes and keeping track of the alcohol industry and trade.

All in all, Luxembourg can be regarded as one of the most alcohol liberal countries in the EU. It is still interesting to note that those few alcohol control measures in force in Luxembourg are targeted on the youth and on drunk drivers, and to a lesser extent on drinkers at the workplace. Furthermore, among the practised alcohol policy measures we find education and information activities as well as restrictions, even if voluntary, on alcohol advertising. One way to present the lessons from Luxembourg with regard to alcohol policy is to conclude that even the most alcohol liberal country has reacted to drinking amongst youngsters, drunk driving, alcohol in the workplace and alcohol advertising, and provides some alcohol information and education as well as treatment for alcoholics. Finally, we can conclude that during the last decade even Luxembourg has made attempts to sharpen the enforcement of the drunk driving legislation.

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Chapter 13

The Netherlands

THOMAS KARLSSON AND ESA ÖSTERBERG⁸

The country

The Netherlands, unofficially Holland, is situated in north-western Europe, west of Germany and north of Belgium and bordered on the west and north by the North Sea. The Netherlands Antilles and Aruba, islands in the Caribbean Sea, also belong to the country. The European part of the Netherlands has a total area of 41,526 km². The capital and largest city is Amsterdam. The second largest city, Rotterdam, is one of the largest harbour cities in the world.

With a population of more than 16 million inhabitants, the Netherlands is one of the world's most densely populated countries, with nearly 400 inhabitants per km². Some 89 per cent of the people live in urban areas. The official language in the Netherlands is Dutch. Roman Catholics constitute about 33 per cent and Protestants about 23 per cent of the population. About 39 per cent of the population are not members of any church.

Trade and services are essential parts of the Dutch economy. Industrial production was relatively unimportant until the development of chemical and electronics industries after the Second World War. Nowadays the Netherlands is the world's sixth largest exporting country, and the sixth largest source of investment. The work force numbers 6.8 million, and in the mid-1990s about 23 per cent of the population worked in the industrial sector, approximately 4 per cent in the agriculture and about 73 per cent in the service sector. In 1998 unemployment stood at around 5 per cent.

The Netherlands is a constitutional monarchy with a parliamentary system. The head of the state is the monarch. The parliament (Staten-Generaal) consists of two chambers, the indirectly elected First Chamber with 75 members and the directly elected Second Chamber, whose 150 members control the government

⁸ We would like to thank Henk Garretsen, Dike van de Mheen and Begoña San José from The Addiction Research Institute Foundation, IVO as well as Sandra van Ginneken and Theo van Iwaarden from the Ministerie van Volksgezondheid, Welzijn en Sport for assisting us in writing this chapter. For the Netherlands the ECAS Alcohol Policy Questionnaire (ECAS APQ) was filled in by Dike van de Mheen.

and propose legislation. Members of both houses serve a four-year term. The cabinet consists of ministers and is chaired by the prime minister.

Alcohol production and trade

Two producers, Heineken and Bols, dominate the production of distilled spirits in the Netherlands. They produce about 80 per cent of all Dutch distilled spirits. In 1996 total Dutch spirits production amounted to 486,500 hectolitres. Dutch consumers prefer domestic distilled spirits. For instance, in the mid-1990s about 70 per cent of the Dutch spirits consumption constituted of domestically distilled spirits. Exports of distilled spirits have been increasing in the 1990s. In the mid-1990s, exported spirits accounted for nearly 60 per cent of the total spirits production. Ten years earlier, the corresponding figure was 20 per cent (Hurst, Gregory & Gussman, 1997).

In 1996, there were 15 brewery companies operating altogether 17 breweries in the Netherlands. Two companies, Heineken and Allied Breweries, dominate the Dutch beer production, and they also produce the great majority of beer consumed in the Netherlands. In the mid-1990s only 5 per cent of Dutch beer consumption consisted of imported beer. On the other hand, nearly 50 per cent of all beer produced in the Netherlands was exported. In 1996 the total production of beer was 23.5 million hectolitres. In 1960 the corresponding figure was only 3.5 million hectolitres (Hurst, Gregory & Gussman, 1997).

In the Netherlands wine production is on a very low level because the climate is not suitable for growing grapes. Consequently, virtually all of the wine consumed in the Netherlands is imported (Hurst, Gregory & Gussman, 1997). This holds both for still and sparkling wine, as well as for fortified wine.

In the mid-1990s, there were nearly 2,700 off-premise licensed retail outlets for distilled spirits in the Netherlands. Their number has decreased by some 20 per cent during the last decade. Nowadays these licensed retail outlets account for about 40 per cent of total alcohol sales. Grocery stores without a licence cover about 85 per cent of beer sales and some 70 per cent of wine sales. There are about 49,000 on-premise licences in the Netherlands, some 34,000 being bars or restaurants open to the general public.

In 1998 around 8,500 people were employed in breweries and some 1,100 in plants distilling spirits. In the same year around 7,200 people were employed in the wholesale trade in alcohol, and around 7,200 in licensed liquor stores (Productschap voor Gedistilleerde Dranken, 1999; Productschap voor Bier, 1999).

Alcohol consumption

Drinking alcohol is nowadays deeply rooted in the Dutch society (Bongers, van de Goor & Garretsen, 1998). Alcohol consumption rose dramatically in the Netherlands from about 2 litres of alcohol per capita a year in the early 1950s to over 9 litres in the late 1970s (Table 13.1). Per capita alcohol consumption peaked at 9.4 litres in 1979. After the turn of the 1980s alcohol consumption decreased to a level of 7.9 litres per capita in 1993. In the mid-1990s alcohol consumption started to slightly increase again and in 2000 the consumption figure was 8.2 litres of alcohol per capita (World Drink Trends, 2002).

TABLE 13.1. Consumption of alcoholic beverages by beverage categories in the Netherlands in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995*
Total alcohol consumption	2.10	3.89	8.22	8.56	8.21
Consumption of distilled spirits	1.15	1.58	2.83	2.30	1.77
Consumption of wines	0.16	0.45	1.43	2.00	2.14
Consumption of beer	0.80	1.87	3.96	4.26	4.29
Percentage of distilled spirits	55	41	34	27	22
Percentage of wines	8	12	17	23	26
Percentage of beer	38	48	48	50	52

* Hurst, Gregory & Gussman (1997) and World Drink Trends (2002) are using somewhat different alcohol contents for wine and beer. According to World Drink Trends the figure for total alcohol consumption in 1995 is 8.0 litres.

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

The consumption of beer increased rapidly in the 1960s and 1970s. During these decades beer consumption more than tripled. In 1980 beer consumption was 96 litres per capita. In the first half of the 1980s beer consumption declined somewhat, numbering about 84 litres per capita a year in the mid-1980s. Since the mid-1980s, the figure for yearly beer consumption has fluctuated around 85 litres per capita, including an increase to about 90 litres in the early 1990s. This increase was attributed to a developing market for no- or low-alcohol beers. In 2000, however, beer consumption was down again to 83 litres per capita (World Drink Trends, 2002).

Wine consumption increased steadily from the early 1950s until 1984, when it reached the figure of 15 litres per capita. During the 1950-1984 period, wine consumption increased at a rate considerably faster than that of beer. In the latter part of the 1980s wine consumption was fairly stable but increased in the 1990s.

In 2000 the consumption of wine was 18.8 litres per capita (World Drink Trends, 2002).

The consumption of distilled spirits increased in the 1960s and early 1970s. It peaked in 1975 at 3.4 litres of pure alcohol per capita. Since then the consumption of distilled spirits has steadily decreased, and in 2000 it was 1.7 litres of pure alcohol per capita, which is half of the peak consumption level of distilled spirits in 1975 (World Drink Trends, 2002).

In the Netherlands the national spirits drink is jenever, a beverage that dates back to the sixteenth century. In the early 1980s it accounted for nearly 50 per cent of the consumption of distilled spirits. Another important feature in the Dutch consumption pattern has been the consumption of fortified wines. In the late 1970s fortified wines accounted for one third of the total wine consumption in the Netherlands (Brown, Dewar & Wallace, 1982).

The growth in beer and especially in wine consumption has resulted in a substantial decrease in the proportion of distilled spirits of the total alcohol consumption since the 1950s. In 1950 distilled spirits represented 71 per cent of the total alcohol consumption. In 1995 its proportion had declined to 20 per cent. For beer the development has been quite the opposite. In 1950, beer accounted for 26 per cent of the total alcohol consumption. By the mid-1960s, this figure had increased to nearly 50 per cent. Since then the consumption rate of beer has been quite stable. In 1995, it accounted for 52 per cent of the total alcohol consumption. The proportion of wine has increased from 4 per cent of the total alcohol consumption in 1950 to 24 per cent in 1995.

The consumption of alcoholic beverages is very common among the adult population in the Netherlands. A survey from 1998 showed that 85 per cent of the population aged 16 years and over consumed alcohol. As drinking in the Netherlands is closely associated with hospitality and sociability, much more alcohol is consumed in the home than in licensed establishments. Nearly 70 per cent of the beer consumed is purchased for consumption off the premise. For wine the corresponding figure is about 70 per cent and for distilled spirits about 80 per cent (Hurst, Gregory & Gussman, 1997). In 1950 the corresponding percentages were 30, 25 and 25 (Brown, 1972). Alcoholic drinks are traditionally not consumed with food in the Netherlands. In this regard the Dutch drinking patterns are very much like those in the Nordic countries (Davies & Walsh, 1983; see also Simpura & Karlsson, 2001).

According to Lemmens (2000), there is almost no illegal home production of alcoholic beverages in the Netherlands, and unrecorded alcohol consumption is also generally speaking of insignificant magnitude. He gives an educated guess stating that at maximum the unrecorded alcohol consumption could be some 3 to 5 per cent of the total alcohol consumption (Lemmens, 2000). According to Harkin (1995), there are signs of growing private imports of wine and distilled

spirits by Dutch tourists returning home (Harkin, 1995). The Dutch experts interviewed during this study could not, however, confirm any signs of large border trade in alcoholic beverages with the neighbouring countries. The other findings in the ECAS project with regard to unrecorded alcohol consumption include on the one hand Trollidal's (2001) estimate on tourist surplus and duty-free purchases and on the other hand Leifman's (2001) summary report of unrecorded alcohol consumption in the ECAS countries. In Leifman's summary report, the Netherlands together with Belgium are countries where unrecorded alcohol consumption is about 0.5 litres of pure alcohol a year, which is the smallest amount of unrecorded alcohol consumption in the ECAS countries (Leifman, 2001).

Counted in litres of the beverage, consumption of alcoholic beverages was about 108 litres per capita in 1980. In 2000 it was about 107 litres. In the same year the consumption of commercial non-alcoholic beverages was about 480 litres per capita. It consisted of 151 litres of coffee, 93 litres of milk, 97 litres of tea, 90 litres of soft drinks, 33 litres of juices and 17 litres of bottled waters. Since 1980 the consumption of soft drinks has increased by 31 litres per capita, the consumption of juices by 15 litres, the consumption of tea by 14 litres, the consumption of milk by 10 litres and the consumption of bottled waters by 11 litres per capita. During the last two decades the consumption of coffee has decreased by 32 litres per capita (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

In the Netherlands the present alcohol control legislation goes back to the year 1881 when a law was enacted introducing the so-called maximum system for both off- and on-premise retail sales of distilled alcoholic beverages. This legislation required a municipal licence for retailing distilled alcoholic beverages, and the number of licences to be issued was dependent on the size of municipal population (de Lint, 1981; Armyr, Elmér & Herz, 1982).

The 1881 legislation was completely renewed for the first time in 1904 and later on both in 1931 and in 1964. After the last reform, the law was called the Alcohol Licensing and Catering Act. It came into force in 1967, and was amended in 1996 and recently in the year 2000. Other laws that could be seen as parts of alcohol control system are the Commodity Act, which regulates the quality of alcoholic beverages, and the Road Safety Act, which regulates the legal blood alcohol concentration (BAC) limit in traffic.

Dutch alcohol control legislation from the early 1880s till 1967 tried to control the retail sales and the distribution of alcoholic beverages mainly by limiting the number of licensed outlets on the basis of the number of inhabitants in the area to be served. After 1967, licences were issued on the basis of guarantees for the commercial viability of the business according to the 1964 Alcohol Licensing and Catering Act (Hurst, Gregory & Gussman, 1997). This act contained restrictive rules on the retail sales of alcoholic beverages and formed a central part of alcohol control legislation in the Netherlands.

In 1995 the government decided as part of the general policy trend towards a more liberal business climate, to withdraw the proposed Retail Trade Licensing Act. Instead, the government decided to amend the 1954 Company Establishment Act and the 1964 Alcohol Licensing and Catering Act. Consequently, from the beginning of 1996, all applicants for a licence to retail alcoholic beverages must apply for two separate licences: an alcohol licence from the municipality, under the amended Alcohol Licensing and Catering Act, and an establishment permit from the Chamber of Commerce, under the Company Establishment Act. Only a small part of the earlier regulations stayed in the amended Alcohol Licensing and Catering Act.

In 1975, in response to a growing concern over alcohol misuse, the Health Minister advocated a policy of discouragement. This resulted in the installation of a special commission of the Health Council. However, this did not lead to any new regulations, because the commission did not get enough political support. It took several years before the time was ripe for a new initiative. In 1982, the existing Inter-ministerial Committee on Drugs Misuse Policy was charged with the development of an alcohol policy and was, therefore, transformed to the Inter-departmental Steering Group on Alcohol and Drugs Misuse Policies. The steering group included a number of key governmental departments and acted as an advisory committee to the Ministry of Health. Finally the government published a policy document in 1986 entitled *Alcohol and Society (Alcohol en Samenleving, 1986)*. This policy document advocated a more comprehensive preventive alcohol policy (Bongers, van de Goor & Garretsen, 1998, 141). The new policy retained the total alcohol consumption model, but began to pay more attention to problems arising from excessive use of alcoholic beverages, to problems from alcohol consumption by vulnerable groups and to problems from alcohol consumption in high-risk situations. More emphasis was also put on developing treatment and preventive activities (Hurst, Gregory & Gussman, 1997; Bongers, van de Goor & Garretsen, 1998).

In the last decades the priorities in the national alcohol policy have been directed at reducing the availability of alcoholic beverages, mass media campaigns to encourage moderation, encouraging non-drinking in work settings, increasing the role of primary health care in the prevention and early detection of alcohol

problems, using tax and price policy to reduce the demand for alcoholic beverages, developing the role of the criminal justice system in the prevention and management of alcohol problems, especially drunk driving, developing specialised treatment for problem drinkers, and addressing particular alcohol problems such as drinking among adolescents (Harkin, 1995).

The intentions of the alcohol policy document of 1986 were only partly realised, and the realising of them took a very long time. Various proposals in the Alcohol and Society document were not accepted until 2000. Some of the proposals in the 1986 document, for instance, the proposed ban on radio and television commercials of alcoholic beverages, were never realised because of the effective lobbying of the alcohol industry. Instead, a number of voluntary agreements were reached with the alcohol industry on how they should advertise. The use of excise duties to restrict the availability of alcohol was never realised. One immediate outcome of the proposal was the launching of the national alcohol campaign “drinking can break your heart” (Drank maakt meer kapot dan je lief is), started in 1986 (Dutch policy on alcohol on the move, 1999).

In November 2000 a new amendment to the Alcohol Licensing and Catering Act came into force. The main new restrictions and changes are:

- a ban on selling alcoholic beverages in non-food stores and petrol stations,
- a statutory obligation for alcohol suppliers to check the age of all customers,
- authorisation of the Ministry of Health to regulate alcohol advertisements, and
- authorisation of the Ministry of Health to ban alcohol sales at soccer stadiums, schools, swimming pools, hospitals etc.

The new Act, however, will not lead to great changes in the preventive alcohol policies. The main purpose of the new bills are to sharpen the control of existing policy measures and to ensure that the existing rules are better followed (Dutch policy on alcohol on the move, 1999, 2–3).

In December 2000, only one month after the amended Alcohol Licensing and Catering Act came into force, a new policy memorandum (Alcoholnota; nota over de intensivering van het beleid tegen alcoholmisbruik, 2001–2003) was sent to the parliament. This document gives an overview of new alcohol policy proposals for the coming years, such as higher alcohol excise duties, tougher penalties for licensing law offences, a ban on the commercial sale of alcohol in schools, more education and an extra budget for treatment and the Food Inspection Department.

There are nowadays several authorities responsible for preventive alcohol policies in the Netherlands. The primary responsibility lies with the Ministry of Health, Welfare and Sport. In this ministry, the Directorate for Mental Health

and Addiction Care is responsible for the care of alcoholics, and the Directorate of Public Health for the preventive alcohol policy and for the prevention of alcohol misuse. The ministry consults independent researchers or commissions outside its organisation to undertake special projects. As an example, the Trimbos Institute (the Netherlands Institute of Mental Health and Addiction) was commissioned to do health surveys on the use of drugs, alcohol and tobacco in the Netherlands in 1984, 1989, 1992 and 1996 (Hurst, Gregory & Gussman, 1997). The National Institute for Health Promotion and Disease Prevention (NIGZ) gives advice on alcohol prevention and education matters and carries out the national alcohol campaign.

The responsibility for alcohol prevention at the local level is mainly given to the municipal health services in accordance with the Collective Preventive Public Health Act. All facilities involved in the treatment of addiction also have a preventive task. There is also a movement towards a joint approach to issues related to alcohol, drugs and tobacco. Joint education programmes already exist related to these issues. Price policy is used to reduce demand for alcohol and tobacco, and there are bans and restrictions for advertisement on alcohol and tobacco and joint services for alcohol and drug addicts (Harkin, 1995).

Licensing policy

There is a licence required for producing alcoholic beverages in the Netherlands. The licence is required, however, only to facilitate collecting excise duties, and not for public health reasons *per se*. Dutch importers and wholesalers do not need a licence to operate (ECAS APQ, 1999).

Off-premise retailers of alcoholic beverages need a licence for selling distilled spirits but not for selling beer or wine. Present licensing legislation in the Netherlands came into force in 1967 and was amended in 1996 and 2000. All food stores have the right to sell any alcoholic beverage of less than 15 per cent alcohol by volume. In addition, normal fortified wines with an alcohol content of over 15 per cent by volume can also be sold in ordinary grocery shops. Ordinary fortified wines include port, sherry, vermouth and beverages that are sold as established products in the country of origin.

A special licence is required for selling distilled alcoholic beverages with an alcohol content of over 15 per cent by volume off the premises. These special liquor stores may also sell beer, wine and soft drinks, and some minor goods related to drinking, like glasses. No food, however, may be sold from these outlets. A local authority, usually the municipal government, grants the licence. The decision of a granted licence is sent to the Ministry of Health to be confirmed.

Normally, the licence will be valid after six weeks from the date of approval by the local authority. During this period, however, the Ministry of Health can announce that the licence should not be granted, in which case the local authority has to cancel the licence.

The licensing terms are fairly strict. Firstly, the personal situation of the applicant is examined. The applicant should not have committed any serious crimes during the last five years or be a habitual offender of less serious crimes, like drunk driving. In addition to this, the applicant should have passed a course on management of alcohol affairs and other issues of social hygiene. Generally the course is included in the syllabus of restaurant schools. If the applicant has not studied the trade, he or she has to pass a special course. These requirements do not apply to the licence candidate only, but also to the person who tends the shop. If one of these persons is changed, a new licence is required. The permit is valid until further notice, but since one of the licensees will often change, there are a lot of renewals. The licence-holder and the tender should be at least 21 years old.

Another important matter is the terms concerning the outlet. The outlet has to be a separate establishment, or it should not be in direct connection with an ordinary food store. In practice, this means that the liquor store has to be at least divided by a wall from any ordinary food store, so that the licensed liquor store has a separate entrance. Consequently, to buy distilled spirits, the customer has to enter the liquor store through a separate door. The minimum area of a liquor store is 15 m². Alcoholic beverages are not allowed to be sold in kiosks; that is, through a window. Neither is it since many years admissible to have an off-premise retail outlet and an on-premise retail outlet in the same establishment with the exception of enterprises with old licensees gaining from transitional provisions in the law. Therefore, restaurants are not entitled to sell alcoholic beverages to be taken away.

Local authorities can put special requirements on licences, but they should not be in conflict with the nationwide regulations. In other words, the local restrictions can make the general regulations more stringent, but not more liberal. In principle, the licence has to be granted if the applicant complies with the national and local conditions. The same administrative organ that has originally issued the licence can also cancel it, if the licensee has broken the rules. According to the licensing law the Food Inspection Department acts as supervisor. Both this department and the police are entitled to do criminal investigations. The most serious offence is selling to an underage person. The offence also goes through the normal criminal procedure. Matters dealing with the licence can be appealed to an administrative court.

Licence fees vary greatly according to municipalities and places. The lowest fee is about 16 euro and the highest around 364 euro. There is no fee for

supervision. There have been attempts by some local authorities to introduce a supervision fee but they have not succeeded in these attempts.

The licence system also applies to on-premise drinking places, i.e. to bars and restaurants. There are about 49,000 on-premise licences, some 34,000 being bars or restaurants open to the general public. There are different categories of licences for on-premise retail sales depending on the type of alcoholic beverages on sale (ECAS APQ, 1999).

Special restrictions on alcohol availability

In the Netherlands the legal age limit for buying alcoholic beverages is 16 years for beer, wine and intermediate products, and 18 years for distilled spirits stronger than 15 per cent alcohol by volume. These age limits apply both to off- and on-premise alcohol retail sale (ECAS APQ, 1999).

There are some general restrictions on hours and days of off-premise retail sale of alcoholic beverages and on types of outlets retailing alcoholic beverages. Liquor stores and supermarkets have to be closed during evening hours and on Sundays, except on 12 Sundays a year. The opening hours are from 6 a.m. to 10 p.m. These rules are not, however, alcohol-specific but general, and regulate opening hours of all kinds of stores. The current rules have been in force since 1996. Before 1996 these rules were more restrictive (ECAS APQ, 1999).

There are no general alcohol-specific country-wide restrictions concerning on-premise sale of alcoholic beverages. Local governments have the right, however, to impose restrictions on on-premise sale of alcoholic beverages (ECAS APQ, 1999). Although there are no formal restrictions regarding sale of alcoholic beverages in work canteens, alcoholic beverages are very rarely available there. In theatres and concert halls and during normal sporting events alcoholic beverages are available. Concerning football matches that are regarded as high-risk events, local restrictions regarding sale of alcoholic beverages may be imposed.

Alcohol taxation

In the Netherlands excise duties are levied on all alcoholic beverages containing more than 0.5 per cent alcohol by volume. For beer, the excise duty rises progressively with the alcohol content, and is levied within certain intervals according to categories expressed in degrees of Plato (Table 13.2). For wines the excise duty is different for beverages containing at most 8.5 per cent alcohol by

volume and for stronger wines. Inside these categories the excise duty is also different for still and sparkling wine. For intermediate products the excise duty is different for products containing at most 15 per cent alcohol by volume and for those over 15 per cent. With regard to intermediate products, the Dutch taxing system also makes a difference between still and sparkling beverages. For distilled spirits, the excise duty is levied as a set amount per hectolitre of pure alcohol in the finished product.

TABLE 13.2. Excise duty rates for alcoholic beverages in the Netherlands in 2000 in Dutch guilders and in euro

Alcoholic beverage category*	HFL	EUR
<i>Beer, per hectolitre of the product**:</i>		
Not exceeding 7 degrees of Plato	20.00	9.08
Over 7 to 11 degrees of Plato	35.20	15.97
Over 11 to 15 degrees of Plato	46.90	21.28
More than 15 degrees of Plato	58.65	26.61
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product:</i>		
Not exceeding 8.5% alcohol by volume, still	53.75	24.39
Not exceeding 8.5% alcohol by volume, sparkling	69.50	31.54
Over 8.5 to 15% alcohol by volume, still	107.50	48.78
Over 8.5 to 15% alcohol by volume, sparkling	366.50	166.31
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	132.75	60.24
Over 15% alcohol by volume, still	187.00	84.86
Over 15% alcohol by volume, sparkling	366.50	166.31
Distilled beverages, per hectolitre of pure alcohol in the finished product	3,315.00	1,504.28

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

** Breweries that produce less than 200,000 hectolitres per year get a 7.5 per cent reduction in their excise rates.

Source: European Commission, DG XXI, Excise Duty Tables, November 2000.

In the early 1970s, the excise duty on beer was set on the basis of hectolitre per degree of alcohol in the finished product and it was graduated on the basis of the amount of beer produced. In 1972, for instance, the excise duty rate for beer was 4.12 guilders per hectolitre per degree alcohol in the finished product for the first 50,000 hectolitres produced, 4.50 guilders from 50,000 to 1,250,000 hectolitres, and 4.75 guilders per hectolitre per degree alcohol in the finished product for production over 1,250,000 hectolitres (Table 13.3). On wine there was a basic

excise duty per hectolitre of the product for all wines up to 12 per cent alcohol by volume. An additional tax was charged for stronger wines for each alcohol percentage over 12 per cent by volume at rates dependent on the strength of the wine. For spirits the excise duty was set on the basis of hectolitre of pure alcohol in the finished product.

TABLE 13.3. Excise duty rates for beer in the Netherlands from 1972 to 1991 in Dutch guilders per hectolitre per degree alcohol in the finished product according to the yearly production of breweries

From (year and month)	First 50,000 hectolitres	First 10,000 hectolitres	10,000–50,000 hectolitres	50,001–1,250,000 hectolitres	Over 1,250,000 hectolitres
1972	4.12	-	-	4.50	4.75
1973, 1	-	3.76	4.06	4.45	4.76
1982, 1	-	7.52	8.12	8.90	9.52
1984, 1	-	8.12	8.76	9.61	10.28
			Less than 90,000 hectolitres	First 800,000 hectolitres	Over 800,000 hectolitres
1985, 3	-	-	8.69	9.19	10.28

Source: Hurst, Gregory & Gussman, 1997.

In 1950 the average excise duty rate for strong beer (zwaar beer), by far the most popular beer in the Netherlands with an alcohol content of five per cent alcohol by volume, was 19.10 guilders per hectolitre. In 1960 the corresponding figure was 17.81 guilders. By 1970 the excise duty rate for strong beer had increased to 23.92 guilders per hectolitre, which means that in the 1950–1970 period excise duty rate for beer went up by 25 per cent in nominal terms (Brown, 1972). The excise duty rate for beer stayed the same throughout the 1970s but increased by 96 per cent in January 1982, increasing the average excise duty rate for strong beer to 47 guilders per hectolitre (Brown, Dewar & Wallace, 1982). In January 1984 the excise duty rate for beer was further raised, increasing the average excise duty rate for beer to 50 guilders.

In March 1985 the system for setting the excise duty on beer was altered to reduce the number of excise duty rate categories. The excise duty rate for beer produced by large breweries did not change to any significant degree, but the rate increased for the smallest breweries. The tax effect on the brewing industry overall was considered to be neutral. However, according to Brazeau et al. (1992), the average excise duty rate for strong beer decreased to 47.50 guilders per hectolitre of the product. The current system for setting the excise duty on beer, as well as the current excise duty rates for beer, came into effect in October 1991 without changing the average excise duty rate for strong beer.

In 1960 the excise duty rate for wine with 12 per cent alcohol by volume was 43.44 guilders per hectolitre of the product (Brown, 1972). As a harmonisation measure, the excise duty rate was decreased in January 1973 to 41.38 guilders (Brown, 1976). Next time the excise duty rate for wine was changed was in January 1984, when it was increased by 100 per cent to 82.76 guilders per hectolitre of the product (Table 13.4). The current excise duty rate, 107.50 guilders per hectolitre of the product, was reached in January 1994, which meant an increase of 30 per cent in the excise duty rate taxes for wine.

TABLE 13.4. Excise duty rates for distilled spirits and wine in the Netherlands from 1972 to 2000 in Dutch guilders per hectolitre of pure alcohol in the finished product for distilled spirits and in Dutch guilders per hectolitre of the product for wine

From (year and month)	Distilled spirits	Wine at most 12% alcohol by volume	Additional duty for wine over 12 to 15% per cent alcohol by volume*	Wine over 15 % alcohol by volume
1972	1,700	43.44	78	123
1973, 1	1,593	41.38	75	118
1976, 1	2,100	41.38	75	118
1980, 1	2,667	41.38	75	118
1981, 1	2,740	41.38	75	118
1982, 1	2,740	41.38	75	118
1984, 1	3,178	82.76	75	118
1985, 3	3,178	82.76	75	118
1991, 10	3,178	82.76	75	118
		Wine under 8.5% alcohol by volume	Wine at most from 8.5 to 15% alcohol by volume	
1994, 4	3,315	53.75	107.50	187

* Additional duty is calculated for each per cent of alcohol by volume over 12 per cent alcohol by volume.

Source: Hurst, Gregory & Gussman, 1997.

In 1950 the excise duty rate for distilled spirits was 550 guilders per hectolitre of pure alcohol in the finished product. In 1960 the corresponding figure was 1,193 guilders and by 1970 it had increased to 1,700 guilders. Consequently, in two decades the excise duty rate for distilled spirits had increased by over 200 per cent (Brown, 1972). After a small decrease to 1,593 guilders per hectolitre of pure alcohol in the finished product in January 1973, the excise duty rate for distilled spirits has been on the increase (Table 13.4). It increased in January 1976 to 2,100 guilders, in January 1980 to 2,667 guilders, in January 1981 to 2,740 guilders, in January 1984 to 3,178 guilders and finally in April 1994 to the current level, 3,315 guilders per hectolitre of pure alcohol in the finished product.

A value added tax (VAT) of 17.5 per cent is nowadays applied to all alcoholic beverages. In 1972 the VAT was only 14 per cent. It increased in 1973 to 16 per cent, in 1976 to 18 per cent, in 1984 to 19 per cent and in 1986 to 20 per cent. In 1989 it was reduced to 18.5 per cent and in 1992 to the current 17.5 per cent VAT rates (Hurst, Gregory & Gussman, 1997).

Current excise duty rates are about the same for beer and still wine when calculated per centilitre of pure alcohol. On the other hand, the excise duty rate for distilled spirits per centilitre of pure alcohol is 3.5 times that of beer or still wine. If the VAT is also included in these calculations the relative difference between these beverages is reduced and taxes on distilled spirits are 2.5 times the taxes on beer and still wine (Hurst, Gregory & Gussman, 1997).

There have been quite important changes in the relative burden of excise duties on different beverage categories. In 1950 alcohol in the form of distilled spirits was taxed 50 per cent more than alcohol in the form of strong beer. By the year 1970 this relation had grown to 3.6 to 1 and in 1980 to 5.6 to 1. In 1980 alcohol in the form of beer was taxed 40 per cent more than alcohol in the form of still wine.

Nowadays some 34 per cent of the price of beer consists of the VAT or excise duties. The corresponding rate for still wine is 28 per cent, and for distilled spirits 82 per cent (Hurst, Gregory & Gussman, 1997). In the early 1980s, the corresponding rates were 38 per cent, 28 per cent and 83 per cent.

The changes in the excise duty levels referred to above are given in nominal values. During the 1950-2000 period the value of the Dutch currency has decreased because of inflation. The increase in the general price level in the Netherlands in the 1961-2000 period as described by the consumer price index (CPI) is given in table 13.5.

TABLE 13.5. Consumer price index in the Netherlands, 1961-2000, 1995 is 100

Year	1961	1965	1970	1975	1980	1985	1990	1995	2000
CPI	23.1	26.9	34.0	51.3	68.7	84.3	87.4	100.0	111.4

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When relating changes in alcohol excise duties to developments in the consumer price index it can be concluded that the real burden of alcohol excise duties has decreased in the 1961-2000 period by half. This has most certainly affected the developments in the real prices of alcoholic beverages. However, these figures do not describe the developments in real prices of alcoholic beverages, as excise and value added taxes only form a part of alcohol prices.

Referring to a report from the EC, Sulkunen (1978) concluded that real prices of wine decreased in the Netherlands by a third in the 1951-1967 period

(Sulkunen, 1978, 18). According to the same report, the real price index for all alcoholic beverages was about the same in 1951 and 1967. However, there had been a fall of some 10 per cent from 1951 to 1956, and then an increase of the same magnitude in 1957. Between 1957 and 1965 there was a fall in the real prices of alcoholic beverages of some 15 per cent, and again an abrupt increase in 1966. This was caused by the sharp increase in the excise duty rate for distilled spirits in 1966. According to Engelsman (1990), alcohol became 38 per cent cheaper in relation to the consumer price index in the 1960–1983 period (Engelsman, 1990). Combined with the data presented by Sulkunen, this leads to the conclusion that alcoholic beverages were on the average some 40 per cent cheaper in 1983 than they were in the early 1950s. As the burden of the excise duties on beer, wine and distilled spirits increased in real terms during the first half of the 1980s, also the real prices of alcoholic beverages may have increased during that time. According to the data collected in the ECAS project, the real price of alcohol decreased by a third during the 1970s, increased somewhat in the 1980s, and has decreased a little in the mid-1990s, reaching in the late 1990s the same level as prevailed in the early 1980s (Leppänen, 1999).

State revenues from alcohol excise duties have risen from 860 million guilders in 1970 to 1,955 million guilders in 1997 in nominal terms. This means that in real terms state revenues from alcohol excise duties in 1997 were some 75 per cent of their level in 1970.

Alcohol advertising

Marketing and advertising of alcoholic beverages are not controlled in the Netherlands by legislation. There is, however, a Committee for Advertisement Rules, which was founded in 1963 and which has set up codes of behaviour for all kinds of advertising. The committee consists of representatives from the business community. A code of practice governing advertising of alcoholic beverages has been in effect since 1977.

In 1987 the alcoholic beverage industry was given responsibility for regulating its own advertising and promotional activities. Negotiations between the industry, government and the Advertising Code Foundation resulted in a strengthening of the existing rules and the establishment of the Code for Alcoholic Beverages, which took effect in September 1, 1990. In 2000 the Code was completely renewed and renamed Advertising Code for Alcoholic Beverages. The Code is incorporated as a special rule of conduct in the Dutch Code for the Advertising Community. A penalty up to 100,000 guilders (about 46,000 euro) can be imposed in the event of infringements. Complaints are handled by the Dutch Foundation for the Responsible Use of Alcohol.

Among other things, the Code states that the object of advertising may not be to increase alcohol consumption. Generic advertising is also prohibited. The Code also prohibits messages that are critical towards moderate alcohol consumption or dismissive of non-alcoholic beverages or that promote immoderate alcohol consumption. Advertising may not suggest that drinking is healthy or be aimed at pregnant women. Advertising may not either be aimed at minors or show persons who appear to be underage. Advertisements are also not allowed if a quarter or more of the audience is younger than 18 years of age. Therefore, alcoholic beverage advertisements are prohibited during and immediately before or after TV or radio programmes or films aimed at young people. Advertising of alcoholic drinks at pop music channels are also prohibited. Moderation or educational slogans such as “Enjoy a drink, but only in moderation” must also appear in advertisements of alcoholic beverages. All audio-visual advertisements and 40 per cent of all advertisements on television must contain an educational slogan (Bongers, van de Goor & Garretsen, 1998). The word “free” is not allowed in advertisements for alcoholic beverages.

Education and information

In addition to the Ministry of Health, various general and specialised private institutions are engaged in alcohol information and education at the national level. Popular and scientific publications are distributed on a broad scale.

In 1986, a widespread mass-media campaign known as the Alcohol Education Project (AEP) was launched (van Ginneken & van Iwaarden, 1989). The campaign, started by the Ministry of Health in cooperation with private organisations, employed a variety of media to achieve more knowledge and awareness and to promote moderation. The goal of the AEP was to distribute information about the risks of alcohol, change the attitude to drinking and to decrease both the frequency of alcohol consumption and the amount of alcohol drunk per occasion. The target group consisted of drinkers between 15 and 40 years who consume between 15 and 50 glasses a week. Originally the AEP was planned to last three years, but it is now being executed on a continuous basis with different target groups and themes. In the first years the campaign budget was 1.5 million guilders.

Since 1996 the AEP is carried out by the National Institute for Health Promotion and Disease Prevention (NIGZ). The campaign budget (3.2 million guilders or 1.5 million euro per year) comes indirectly from the Ministry of Health. Many national alcohol prevention actions are organised in the AEP, with the help of 16 regional offices operating as preventive departments of treatment facilities.

In addition to this, treatment facilities have their own education programmes. Also local authorities (Municipal Health Services) have health education departments in which alcohol education and information is included. In addition to this the Society for Safe Traffic and the Trindeborch Foundation (section Alcon) participate in different education and prevention campaigns.

In 1982 the producers and importers of beer, wine and distilled spirits in the Netherlands established the Dutch Foundation for the Responsible Use of Alcohol (STIVA). The objective of the group is to contribute to a decrease in alcohol misuse by encouraging responsible use of alcoholic beverages. STIVA has its own public information campaigns with the slogan: "Enjoy your drink, but be moderate."

Drunk driving

Since November 1, 1974 it has been an offence to drink and drive if the BAC level is higher than 0.05 per cent. Lower BAC levels are also punishable if the driver in the judgement of a police officer cannot drive safely. In 1974 compulsory evidential blood testing was also introduced. It, however, began to be phased out in 1987, and since October 1, 1989 breath testing has been in use throughout the country. An offence is punishable by a prison sentence for a blood alcohol content over 0.25 per cent and by a fine and licence suspension or only a fine for lower BAC levels.

The cabinet decided recently to send a bill to the parliament, and a discussion has started to lower the blood alcohol level for novice drivers to 0.02 per cent. The new law will probably come into force in 2003.

Administrative structure of treatment for alcoholism

Treatment of alcoholism in the clinical and outpatient settings is primarily the responsibility of the Ministry of Health. Treatment of alcoholism in the ambulatory setting on the other hand is primarily the responsibility of local authorities (Municipal Health Services).

Considerable attention is paid to the treatment of alcoholics, much of which is carried out through community facilities. There are extensive social welfare and subsidised treatment facilities that can be used to deal with alcohol problems.

During the 1990s there has been a growing commitment to reinforcement of programmes concerning the management of problems in the employment environment.

There are psychiatric hospitals and specialised addiction clinics and many consultation bureaux (80 branches) that deal with alcohol clients. In 1996 the number of patients in inpatient facilities was 5,606, and in 1999 the number of patients in consultation bureaux was 22,554. Secondary prevention of alcohol problems is well-developed and is provided by the general mental health service as well as by the eight specialised addiction clinics (such as the Jellinek Clinic in Amsterdam).

Summary

Statistics pertaining to the sale of alcoholic beverages have been routinely collected in the Netherlands since the beginning of the nineteenth century. In the 1830-1910 period alcohol consumption fluctuated around 6 litres per capita. The lowest rates of alcohol consumption during its recorded history are to be found during the First and Second World Wars, from 1916 to 1918 and from 1942 to 1945 (de Lint, 1981). In the 1930s as well as in the 1950s alcohol consumption was about 2 litres per capita in the Netherlands, which is quite low when compared to alcohol consumption figures in the neighbouring countries. In Belgium, for instance, per capita alcohol consumption was about 6 litres per capita in the mid-1950s. One way to try to explain this situation is to consider the temperance activities that began to affect the Dutch alcohol field round the mid-1850s.

The Society for the Abolition of Strong Beverages, founded in 1842, advocated a reduction in the number of outlets for on-premise consumption of distilled beverages, the removal of beer taxes, and the prohibition of distilled beverages in governmental institutions like military bases or prisons. The Society later joined with the People's League against Alcohol Abuse which campaigned for a reduction in the number of liquor outlets and was engaged in activities like the establishment of public houses where only beer, coffee, milk and soft drinks were to be served, and also lobbied for cheaper beer. Surprisingly, the temperance activists did not seek to increase taxes on distilled spirits as a means to discourage alcohol consumption. The logic behind this was that according to the temperance activists the state was already too dependent on revenues from liquor trade and high taxes on distilled spirits would only worsen the widespread poverty (de Lint, 1981).

The activities of the temperance movement were directed to members of the parliament and the cabinet. In the 1880s the actions of the temperance movement led to government action when the so-called Maximum System was introduced.

It required municipal licences for the sale of distilled beverages for on- and off-premise consumption. The number of licences to be issued was dependent on the size of the municipal population. However, the requirements for a licence were very easily met. In 1904 a new Alcohol Act passed the parliament. In this piece of legislation the central government, and no longer the municipality, specified the requirements for a licence to retail distilled beverages. Licences to sell beer and wine for on-premise consumption were also needed, although not subjected to a maximum rule. As before, all licences had to be obtained from the municipal governments. No licence, however, was needed for the sale of beer and wine for off-premise consumption.

To the members of temperance movement the 1904 Alcohol Act was a disappointment, because they felt it allowed too many outlets and did not include any local option. Thus the temperance movement continued to put pressure on the government and collected in 1912 almost 700,000 signatures to demand the right for local option, which was finally introduced in a proposed bill in 1921. However, the local option was withdrawn from the final bill accepted in 1931. In other words, despite the fact that dry sentiment was widespread in the Netherlands during the first half of the twentieth century only a few alcohol control measures were ever implemented, and even those few that were implemented did not have a great impact on alcohol availability.

The low rates of alcohol consumption until the 1960s may be seen as the result of a large reservoir of dry sentiment, the massive anti-drink propaganda during the early twentieth century and the temperance atmosphere. Since the Second World War, the dry sentiment as well as the temperance movement have in practice disappeared in the Netherlands. For instance, in the mid-1970s, when alcohol consumption had already reached the current level of over 8 litres per capita, anti-drink groups were only able to collect 50,000 signatures for a petition demanding government actions on the promised discouragement policy (de Lint, 1981, 99).

Garretsen and Knibbe (1985) speculate that in addition to the increase in leisure time and disposable incomes, drinking habits in the neighbouring countries and a secularisation process reducing the influence of calvinistic attitudes have also contributed to the development of alcohol consumption. The proportion of drinkers within the adult population was estimated to be 83 per cent as early as in 1958 (de Lint, 1981). Therefore, the increase in alcohol consumption in the second half of the twentieth century cannot be attributed to an increase in the proportion of drinkers. The percentage of daily drinkers, on the other hand, has increased from about 9 per cent of all drinkers in 1958 to about 23 per cent in 1976. Garretsen and Knibbe (1985, 153) summarise changes in drinking habits by saying that in the late 1950s the large majority drank occasionally and rather small amounts. In the mid-1980s the younger generation

drank quite a high number of glasses per drinking occasion at weekends, and in the older male age groups drinking had become a regular element of daily life at home.

It is commonly agreed in the Netherlands that neither the decrease in alcohol consumption in the first half of the twentieth century nor the increase in alcohol consumption in the second half of the twentieth century can be explained with changes in alcohol control measures (de Lint 1981, 88; Armyr, Elmer & Herz, 1982, 66, 71; Garretsen & Knibbe, 1985). The Netherlands entered into the 1950s with considerable alcohol control legislation. It is, however, hard to see any changes in alcohol control measures in a more liberal direction in the 1950s and 1960s which could explain the more than tripling of alcohol consumption in the 1960s and 1970s.

It is true that in the 1952-1965 period real prices of alcoholic beverages decreased some 15 to 20 per cent but increased again to the 1952 level in 1966. After 1966 real prices of alcoholic beverages seem to have fallen until the late 1970s by at least a third, which of course is one contributing explanatory factor for the growth in alcohol consumption during that period. Since the late 1970s real prices seem to have stabilised. From the 1950s to the 1980s, excise duties on distilled spirits became heavier relative to excise duties on beer and wine, and this may have contributed to changes in the structure of alcohol consumption by beverage categories (see Table 13.1).

The standstill in alcohol consumption in the 1980s and 1990s could be better in line with developments in alcohol control. Even if alcohol control has not been very strict during these decades in the Netherlands, these decades have nevertheless seen an introduction of certain preventive alcohol control measures, including some voluntary and statutory restrictions in alcohol advertising, making use of blood alcohol levels in controlling drunk driving, and introducing national programmes on alcohol education and prevention.

Along with increases in alcohol consumption since the Second World War, the Netherlands has also experienced a strong increase in the numbers of heavy alcohol consumers, in alcohol-related morbidity and, to a lesser extent, in alcohol-related mortality (van Ginneken, van der Wal & de Zwart, 1983; Garretsen & Knibbe, 1985). The negative consequences of alcohol consumption, however, seem not to have affected public attitudes to drinking or alcohol control. The percentage of Dutch people who would not mind their close relative being occasionally tipsy has increased greatly between the late 1950s and the mid-1990s. The percentage who would mind if their relatives were to be drunk every week has decreased slightly from the late 1950s to the mid-1990s, but was still on a very high level in the mid-1990s (Bongers, van de Goor & Garretsen, 1998, 144). In the mid-1990s the great majority of Dutch people were in favour of restricted alcohol consumption in public places, and a majority was in favour of

raising the age limits for buying alcoholic beverages (Bongers, van de Goor & Garretsen, 1998, 146). On the other hand, only about one third was in favour of reducing the number of off- or on-premise retail shops for alcoholic beverages, raising the prices of alcoholic beverages significantly or prohibiting alcohol advertisements.

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Chapter 14

Norway

THOMAS KARLSSON AND ESA ÖSTERBERG⁹

The country

Norway is situated in northern Europe, occupying the western and northern parts of the Scandinavian Peninsula. Norway is bounded on the north by the Barents Sea, in the north-east by Russia and Finland, in the east by Sweden, in the south by the Skagerrak Strait and the North Sea, and in the west by the Norwegian Sea. The Norwegian coastline reaches for about 2,740 km, but including all the fjords and offshore islands, the coastline totals about 21,930 km. Norway has a land area of 385,639 km² and a population of 4.5 million inhabitants. This gives Norway the lowest population density in continental Europe, with 12 persons per km². Oslo, situated in the southern Norway, is the capital and the largest city, with a population of about half a million inhabitants. About 25 per cent of the total population of Norway lives in the vicinity of the capital.

Norway was previously first and foremost known by its close connection to the sea and a large part of the Norwegians worked in fishing, farming and shipping. In the twentieth century Norway experienced a great industrial expansion primarily based on extensive and inexpensive waterpower resources, but also aided by the exploitation of offshore mineral resources. Norway is now Europe's largest exporter of petroleum and natural gas. The country has one of the highest standards of living in the world. In the mid-1990s, about 23 per cent of the population worked in the industrial sector, approximately 5 per cent in the agriculture and about 72 per cent in the service sector.

Norway is a hereditary, constitutional and parliamentary monarchy. The king has only nominal powers and administrative duties are carried out by the Council of the State headed by the Prime Minister. Legislative authority is vested in the parliament, called the Storting. The parliament consists of 165 members, popularly elected every four years. Norway is divided into 19 counties (fylker).

⁹ The ECAS Alcohol Policy Questionnaire (ECAS APQ) for Norway was filled in by Ole-Jørgen Skog from the University of Oslo and Sturla Nordlund from the Norwegian Institute for Alcohol and Drug Research (SIRUS). We would also like to thank Øyvind Horverak and Astrid Skretting from the Norwegian Institute for Alcohol and Drug Research (SIRUS) for assisting us to write this chapter.

The counties are further divided into rural and urban municipalities, each of which has a governing council, elected every four years.

Unlike the rest of the countries included in the ECAS project Norway is not a member of the European Union (EU). Twice, in 1972 and 1994, the Norwegians have voted against joining the EU. Norway has, however, since the beginning of 1994 joined the European Economic Area (EEA) agreement.

Alcohol production and trade

Norway has traditionally produced quite small quantities of alcoholic beverages, mainly in the form of beer. Domestic beer production doubled between 1960 and 1986, when it reached a level of more than 2 million hectolitres a year. Exports and imports of beer have also been small. In the mid-1990s one per cent of the beer production was exported, and imported beer accounted for 3 per cent of the domestic beer consumption. In 1995 nearly 75 per cent of domestic consumption of distilled spirits was of foreign origin. (Hurst, Gregory & Gussman, 1997). The production of wine from grapes is non-existent in Norway due to the climate.

In Norway beer production has been the only branch of alcohol industry that has not been taken care of by the state alcohol monopoly. In 1982 there were 18 breweries in Norway, employing a total of 2,600 persons. All but one of these breweries were organised in a national cartel, with full agreement on prices and on where the different breweries were allowed to trade (Davies & Walsh, 1983). In 1995, 15 breweries were operated by a total of nine companies, one of which, Ringnes, accounted for about 60 per cent of the beer production (Hurst, Gregory & Gussman, 1997). In 1995 Ringnes merged with the Swedish brewery Pripps, becoming the second largest brewery in the Nordic countries. In May 2000 Pripps-Ringnes merged with its biggest Nordic competitor, the Danish brewery Carlsberg. Together these breweries constituted the world's fifth biggest brewery company, named Carlsberg Breweries. In 2001 the Carlsberg Group had over 27,000 employees worldwide and produced almost 68 million hectolitres of beer (Carlsberg annual report, 2001).

Alcohol consumption

Recorded consumption of alcoholic beverages in Norway, in terms of pure alcohol per capita, has been among the lowest in Europe (World Drink Trends, 2002). The rise in alcohol consumption was, however, quite rapid in the first decades following the Second World War from about 2 litres per capita in the early 1950s to about 4.5 litres in the late 1970s. After that recorded alcohol consumption was on the decline reaching the figure of 3.7 litres in 1993. Since 1993 recorded alcohol consumption has again increased and in 2000 it was 4.3 litres per capita.

TABLE 14.1. Consumption of alcoholic beverages by beverage categories in Norway in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	2.23	2.84	4.24	4.10	3.93
Consumption of distilled spirits	1.09	1.35	1.82	1.32	0.81
Consumption of wines	0.19	0.22	0.43	0.63	0.86
Consumption of beer	0.95	1.27	1.99	2.15	2.26
Percentage of distilled spirits	49	47	43	32	21
Percentage of wines	8	8	10	15	22
Percentage of beer	43	45	47	53	57

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

Distilled spirits was the preferred alcoholic beverage in Norway in the 1950s and 1960s (Table 14.1). The rate of distilled spirits of the total consumption decreased from a little over 50 per cent in 1950 to a little over 40 per cent in the late 1970s. During that period, however, the amount of distilled spirits consumed rose from 1.2 to 1.8 litres of pure alcohol per capita. Since then it has declined to 0.9 litres in 2000 when it accounted for 20 per cent of the total recorded alcohol consumption (World Drink Trends, 2002).

The most popular type of distilled spirits in Norway is vodka. A very traditional spirits drink in the Nordic countries, aquavit, which is a flavoured vodka-type beverage distilled from potatoes, accounts for over 8 per cent of spirits consumption. The second most popular spirits drink in Norway is grape brandy, followed by whisky (Hurst, Gregory & Gussman, 1997).

In 1950 beer consumption was 0.8 litres of pure alcohol per capita and it accounted for 37 per cent of the total recorded alcohol consumption. In the late 1970s beer consumption was a little over 2 litres of pure alcohol per capita a year. At that time it accounted for 47 per cent of the total alcohol consumption. Since the late 1970s there has not been any bigger changes in the Norwegian beer consumption. In 2000 about 50 litres of the product, or 2.4 litres of pure alcohol per capita, was consumed in the form of beer, and beer accounted for about 55 per cent of the total recorded alcohol consumption (World Drink Trends, 2002).

Wine consumption was very low in the early 1950s, just about 1 litre of the product per capita, accounting for 7 per cent of the total recorded alcohol consumption. The consumption of wine rose in the 1950s but still in the mid-1960s its rate of the total alcohol consumption was about the same as in the early 1950s. Since the mid-1960s the consumption of wine has increased almost steadily. In 2000 the Norwegian wine consumption was nearly 10 litres of the product or about 1 litre of pure alcohol per capita. In 2000 wine accounted for 27 per cent of the total recorded alcohol consumption (World Drink Trends, 2002). Red wines are twice as popular as white wines and table wines are preferred for fortified wines.

In Norway alcohol has traditionally been consumed mostly at home (Nordlund, 1974; 1985; Brun-Gulbrandsen, 1988). In 1994 it was estimated that about 30 per cent of alcoholic beverages were consumed away from home in on-premise establishments (Hurst, Gregory & Gussman, 1997). The old pattern of relatively infrequent alcohol consumption but periodic heavy drinking has very slowly begun to change towards a more frequent use of weaker alcoholic beverages (Moser, 1992). However, most drinking still occurs at weekends and on holidays and special festive occasions, for instance on the national day on 17th May (Mäkelä et al., 1999). Alcohol consumption is also very unevenly distributed in the population. About 10 per cent of the population consumes more than half of all alcohol (Harkin, 1995).

Norway shows features of a typical low-consumption country with high abstinence rates and low frequencies and volumes of consumption among drinkers. The abstinence rate among adult population was high in the 1950s. In 1956 it was 32 per cent, but since the mid-1960s it shows a slow albeit steady decline. Women's proportion of alcohol consumption has increased from 22 per cent in 1973 to 30 per cent in 1994. The age-group between 20 and 30 years and younger has had the highest alcohol consumption since the 1970s. Daily drinking is very uncommon and only 2.3 per cent of men and 0.9 per cent of women drank 4 to 7 times per week in 1995. The annual frequency of drinking 6 drinks

or more per occasion in 1996 was 8.8 per cent for men and 2.9 per cent for women (Simpura & Karlsson, 2001).

Statistics on registered consumption of spirits and wine, and from 1993 also of strong beer over 4.75 per cent alcohol by volume, have traditionally been based on information obtained from the sales of the off-premise retail alcohol monopoly (Vinmonopolet), on the sales to establishments which retail alcoholic beverages on the premises and on the sales of beer to grocery stores. After the monopoly on wholesale supply was revoked on January 1, 1996, these statistics have been based on figures of production and import from the Directorate of Customs and Excise. This change in method of registration has, however, had little effect on the figures, apart from the fact that statistics on 1996, in addition to the quantity of spirits and wine sold, also include a certain amount of goods stored by importers and producers. Light beer, with an alcohol content between 0.7 and 2.75 per cent alcohol by volume is also included in the Norwegian statistics even though drinks with less than 2.5 per cent alcohol by volume are not defined as alcoholic beverages according to the Alcohol Act.

In addition to the registered alcohol, a considerable amount of unregistered alcohol is consumed in Norway. Unregistered alcohol includes legally and illegally produced and imported alcohol. The most important sources of unrecorded alcohol consumption are smuggled spirits, home-distilled spirits, home-made wine and tax-free imported alcohol. Illicit production of distilled beverages is mostly carried out in homes. In Norway, unregistered alcohol consumption has been estimated to be around one third of total alcohol consumption (Reinås, 1991; Nordlund, 1992; Leifman 2001; see also Holder et al., 1998, 139; Norström 1998). Because Norway is not a member of the EU it still can keep low quotas on tax-free imports by travellers. In 2000, a traveller returning back to Norway could still take with him or her duty-free only 1 litre of distilled spirits, 1 litre of table or fortified wine and 2 litres of beer or 2 litres of table or fortified wine and 2 litres of beer (cf. Holder et al., 1998, 43).

While the annual per capita consumption of alcoholic beverages is nowadays about 63 litres, the consumption of commercial non-alcoholic beverages goes up to 534 litres per capita. The per capita consumption of non-alcoholic beverages includes 154 litres of coffee, 147 litres of milk, 116 litres of soft drinks, 75 litres of juices, 26 litres of tea and 15 litres of bottled waters in a year. Since the mid-1980s the yearly consumption of juices has increased by 60 litres, that of bottled waters by 10 litres and that of soft drinks by 5 litres. The consumption of tea has stayed about the same while the consumption of coffee has decreased by about 16 litres and that of milk by 10 litres (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

One of the freedoms achieved after Norway got its independence from Denmark in 1814 was the right of individuals to distil spirits (Hauge, 1986; 1998). As a result, during the 1830s alcohol consumption in Norway rose probably to the highest level ever, between two or three times the present alcohol consumption. This high consumption and related social problems combined with the desire for higher state revenue gradually increased public demand for amendments to existing legislation (Holder et al., 1998).

A strong temperance movement arose in Norway in the middle of the nineteenth century demanding action against the consumption of distilled spirits. The parliament prohibited home distillation in the mid-1840s and introduced a compulsory permit for the sale of alcoholic beverages. The first steps toward a retail sale monopoly date back to 1870 when first locally authorised liquor stores, following the Swedish Gothenburg system, were established in Norway.

During the 1890s the municipalities were empowered to organise referenda on the right to sell distilled spirits. The majority of municipalities did indeed prohibit sales of distilled spirits by 1914. During the First World War, a nearly complete alcohol prohibition was introduced in Norway.

A nation-wide referendum on total prohibition in Norway was organised in 1919. The outcome of the referendum was that distilled spirits and fortified wines were totally prohibited (Hauge, 1998). The prohibition of fortified wines was, however, revoked as early as in 1923, and that of distilled spirits, after a new referendum, in 1927 (Armyr et al., 1982). In 1927 a comprehensive Alcohol Act was introduced.

The main objective of the Norwegian alcohol policy since the prohibition has been to minimise alcohol-related health and social problems. Norwegian alcohol policy has tried to reach this objective with four basic policy principles. The first principle has been that private economic interest should be eliminated to the greatest possible degree. The second principle has been the obligation to have a licence in order to be able to sell alcoholic beverages. The third principle has been the local right to decide whether alcoholic beverages may be sold, what kinds of beverages can be sold and who will receive a licence to do so. The fourth basic principle has been that prices of alcoholic beverages should be maintained at a high level by means of high taxes (Hurst, Gregory & Gussman, 1997).

The state-owned alcohol monopoly company, Vinmonopolet, was originally established in 1922 to control the import and off-premise sale of table wine. The company's powers were gradually expanded, and by 1938 it had become a state monopoly controlling import, wholesale and off-premise sale of distilled spirits,

fortified wine and table wine, import of beer and export of distilled spirits. Vinmonopolet was also the country's only producer of distilled spirits. The manufacture and sale of beer remained, however, outside the control of the monopoly and domestic beer could be sold off the premises in ordinary grocery stores. The 1927 Alcohol Act gave the right to sell alcoholic beverages on the premises to ordinary restaurants (Horverak, 1979; Holder et al., 1998).

The 1927 Alcohol Act remained in effect until 1990 when a new Alcohol Act was introduced. In the beginning of the 1990s Norway also began negotiations for joining the European Economic Area (EEA), which meant a great challenge for the future of the Norwegian alcohol monopoly system (Holder et al., 1998).

In April 1994 the government appointed a commission of inquiry to undertake a broad review of national alcohol policy. The main emphasis of the commission's report in October 1995 was an assessment of the instruments available for attaining policy goals previously set by the parliament (NOU 1995:24). The commission observed that the main consideration underlying the government's decision to propose changes to the sales system in line with the recommendation of the European Free Trade Association Surveillance Authority was its belief that this was the best way to safeguard the existence of the off-premise retail alcohol monopoly.

Since January 1, 1996, Vinmonopolet has no longer had a monopoly on the import, export and wholesale of alcoholic beverages, due to the EEA agreement between the European Communities (EC) and the European Free Trade Association (EFTA), to which Norway belongs (Holder et al., 1998; Ugland, 2000; 2002). As a result of this, the monopoly was split into two companies. Vinmonopolet continues as a monopoly in regard to off premise retail sale of distilled spirits, wine and strong beer. The other part of the former comprehensive alcohol monopoly, Arcus, continued as a state-owned company carrying out export and import and wholesale sale of alcoholic beverages in competition with newly established privately-owned alcohol companies. Arcus first also retained the monopoly on production of distilled spirits in Norway (Holder et al., 1998). State monopoly on the production of distilled spirits was later abolished after the majority of the shares of Arcus were sold off to a private company in 2001 (Bye, 2002).

In Norway the Ministry of Social Affairs co-ordinates the national alcohol policy and has a general responsibility for alcohol and drug issues concerning secondary prevention and treatment. In 1969 the National Directorate for the Prevention of Alcohol and Drug Problems was established. The directorate, which reported directly to the Ministry of Social Affairs, was to co-ordinate and partly implement and provide advice in the field of primary prevention. In January 2002, the directorate was transferred to the newly established Norwegian Directorate for Health and Social Affairs as a separate department.

According to the mission statement of the Norwegian Directorate for Health and Social Affairs the directorate's main object is to contribute to the prevention of alcohol and drug problems. In doing this the directorate administrates and controls legal measures in the Alcohol Act and implements national prevention tasks in order to encourage a lifestyle without drugs and misuse of alcoholic beverages. In addition, the directorate implements part of the government's policy on drugs and alcoholic beverages. The directorate's main tasks are:

- Administration of the licensing, granting licences for the wholesale and production of alcoholic beverages as well as supervision of the licences.
- Administration of and information about, for instance, the prohibition against alcohol advertising, administration of intermediaries selling alcoholic beverages, authorising import of alcoholic beverages for personal use.
- Administration of a system with tests for ascertaining whether certain persons have satisfactory knowledge of the Alcohol Act.
- Administration and distribution of public grants to NGOs preventing alcohol and drug problems.

Initiating countrywide information measures and campaigns to influence people's attitude and behaviour towards the use of drugs and alcohol as well as production and distribution of information material.

In the context of the European Alcohol Action Plan, Norway describes its alcohol policy as comprehensive. Priorities of the last years have been regulating alcohol availability; mass media campaigns to encourage safer drinking; using price policy to reduce alcohol demand; developing the role of the criminal justice system in the prevention and management of alcohol problems; and addressing particular alcohol problems such as drunk driving and alcohol and young people (Harkin, 1995).

Licensing policy

As a result of Norway's participation in the EEA agreement, the 1990 Alcohol Act had to be altered, and a new licensing system was introduced from the beginning of 1996. This gave private persons and firms an opportunity to receive a licence for wholesale selling of alcoholic beverages. The wholesale licence permits the licensee to import or export alcoholic beverages and to sell wholesale within the country. However, alcoholic beverages can only be sold to licensed restaurants, to Vinmonopolet with regard to distilled spirits, wine and strong beer, and to

grocery stores or municipally-licensed beer monopolies with regard to beer. By the end of 2000 there were 173 wholesale firms in Norway (Bye, 2002).

Licensees with a wholesale licence can also be given the right to bottle alcoholic beverages, but not to produce them. In order to produce alcoholic beverages a production licence is needed. Included in a production licence is also the right to sell wholesale. By the end of 1997, 24 such licences had been granted (Holder et al., 1998). One of the licensees was the then still state-owned Arcus.

On-premise retail sale of alcoholic beverages in Norway depends upon licences which, for the most part, are issued by local municipalities.

In 1949 only 27 per cent of Norway's municipalities permitted retail sale or serving of alcoholic beverages. In 1959, 1969, and 1979 the corresponding numbers were 43, 69 and 80 per cent. Also the number of licences in each municipality has increased. In 1954 there were 3,547 licences granted for off-premise retail sale of alcoholic beverages, mostly beer, and 1,417 licences for serving alcoholic beverages. The corresponding figures in 1980 were 4,729 and 2,439, and in 1966 the corresponding figures were 4,788 and 5,642 (Holder et al., 1998).

In 1967 the permission was given to open off-premise retail monopoly outlets in all municipalities, not just in towns. In 1980 there were 92 retail outlets of Vinmonopolet in Norway. This represented an increase of 40 monopoly outlets since 1951 and 24 since 1970 (Davies & Walsh, 1983). At the end of 2001 the number of retail monopoly outlets was 156. Of them 21 were self service-shops (Bye, 2002).

Licences are given for one, two, three or four years, but not beyond the term for which the municipal council is elected. Licences for the monopoly stores may be granted for the rest of the election period, for a maximum of four years. There is no automatic renewal of a licence and therefore the licence is subject to a new consideration every time it comes up for renewal.

Restrictions on availability

For off-premise consumption, distilled spirits, wine and strong beer are only sold by the government liquor stores. Prior to 1993, strong beer could also be sold in licensed grocery stores but after March 1993 it has been sold in Vinmonopolet stores only. Medium strength beer is primarily sold through licensed grocery stores. Some municipalities, however, grant licences for the sale of medium beer to a local monopoly, which is usually a brewer or a brewers'

agent, who is entitled to open one or more special outlets for the sale of medium beer in the municipality. Light beer and light wines containing less than 2.5 per cent alcohol by volume are exempt from these rules, since they are not defined as alcoholic beverages.

At the beginning of the 1980s the retail sale of distilled spirits and wines from Vinmonopolet's stores was restricted to about 35 hours a week, and in general restaurants were only permitted to serve distilled spirits between 3 p.m. and midnight. Beer, however, could be retailed more freely. The prohibition against on-premise sale of distilled spirits on Saturdays was repealed in 1974. In 1997 amendments to the Alcohol Act established a maximum closing hour of 3 a.m. for serving beer and wine, and the prohibition on serving of distilled spirits in restaurants on Sundays and national holidays was repealed (Holder et al., 1998; see also Tigerstedt & Sutton, 2000).

There are many more outlets for beer than for spirits and wine, but between 1970 and 1983 there was a sizeable reduction in beer outlets and an increase in outlets for stronger alcoholic beverages. Some of the decline in the number of grocery stores with a licence to sell beer was caused by a general movement away from small neighbourhood stores in favour of larger, centrally located chain stores.

As a rule the off-premise retail monopoly shops are nowadays open from 10 a.m. to 5 p.m. from Monday to Wednesday and to 6 p.m. on Thursday and Friday. On Saturdays the retail monopoly shops are open until 3 p.m. and on Sundays all shops are closed. Grocery shops with a municipal licence to sell medium beer can do so until 8 p.m. on weekdays and 6 p.m. on Saturdays although the municipality may impose an earlier time for halting beer sales.

The number of establishments serving beer only has markedly decreased during the last two decades. At the same time, the number of establishments with a licence to serve stronger types of alcoholic beverages has increased. The number of licensed premises varies, however, from county to county. Most licensed premises are found in Oslo and the surrounding capital area. As a result of the increase in the number of municipalities where licences to sell or serve alcohol have been granted, alcohol is now available in nearly all Norwegian municipalities. In 1996 there were 6 out of 435 municipalities where alcohol could not be sold off the premises and 9 municipalities where alcohol could not be served on the premises. Only one municipality in the whole country did not have some kind of licence for sale or serving of alcoholic beverages.

In Norway beers and wines can be retailed off the premises or served to anyone aged 18 years and over. The minimum age for the off-premise retail sale or serving of distilled spirits, however, is 20 years. Before 1974 the age limit for all alcoholic beverages and both for off- and on-premise retailing was 21 years (Davies & Walsh, 1983). It is also forbidden to sell alcoholic beverages to intoxicated persons.

Alcohol taxation

High prices of alcoholic beverages in Norway have been to a great extent due to the high excise duties on alcoholic beverages. In Norway excise duties on alcoholic beverages are based on alcohol contents. For all alcoholic beverages with an alcohol content at most 4.75 per cent alcohol by volume, alcohol excise duty rates are set per hectolitre of the product within certain intervals of the strength of the beverages (Table 14.2). For all alcoholic beverages with an alcohol content exceeding 4.75 per cent by volume, alcohol excise duty rates are set on the basis of pure alcohol in the finished product. For all beverages at most 22 per cent alcohol by volume, the excise duty rate is the same. Consequently, one centilitre of ethyl alcohol in the form of strong beer, table wine or fortified wine is taxed exactly the same. For distilled spirits the tax rate per one centilitre alcohol is almost twice that for strong beer, table wine and fortified wine.

TABLE 14.2. Excise duty rates for alcoholic beverages in Norway in the year 2000 in Norwegian crowns and in euro

Alcoholic beverage category	NKR	EUR
<i>All alcoholic beverages exceeding 0.5 per cent alcohol by volume and up to 4.75 per cent alcohol by volume, per hectolitre of the product:</i>		
– Up to 0.7 per cent alcohol by volume	158.00	19.16
– Over 0.7 to 2.75 per cent alcohol by volume	251.00	30.44
– Over 2.75 to 3.75 per cent alcohol by volume	945.00	114.59
– Over 3.75 to 4.75 per cent alcohol by volume	1,637.00	198.50
<i>All alcoholic beverages exceeding 4.75 per cent alcohol by volume, per hectolitre of pure alcohol in the finished product:</i>		
– Over 4.75 to 22 per cent alcohol by volume	36,500.00	4425.85
– Over 22 per cent alcohol by volume	70,400.00	8536.44

Source: Norwegian Directorate of Customs and Excise.

Until the Second World War wine was not subject to special taxation. During the war, however, wine became also subject to excise taxation, and all excise duties on alcoholic beverages were raised substantially on several occasions both during the war and the first years after it. The tax increases were deliberate acts taken by the Parliament to restrict the use of foreign currency reserves but they were also motivated by social policy and public health objectives (Horverak, 1979). Despite some changes in the taxation system for alcoholic beverages at the end of 1950s and in connection with Norway's membership in EFTA in 1960, the main

principles of the alcohol excise taxation system were upheld until the beginning of the 1990s.

The excise duty rate for beer was a fixed amount per litre in two different categories, the excise duty rate for strong beer being clearly higher than that for medium beer. The excise duty on table wines, fortified wines and distilled spirits was based partly on a fixed amount per litre in different alcohol content categories. The higher the alcohol content, the higher the duty rate. There was also an additional tax based on the value of wines and distilled spirits which implied that expensive beverages had a higher tax than cheap beverages, regardless of whether the alcohol content was the same (Horverak & Österberg, 1992). To some degree this arrangement favoured domestic beverages over imported ones.

In connection with the EEA negotiations that commenced in 1990, questions were raised as to whether the existing alcohol excise duty system functioned in a discriminating manner, and shortly thereafter the alcohol taxation system began to be altered. On July 1, 1992, a conversion of the tax system was initiated involving a reduction of the ad valorem duty applied to wines and distilled spirits and an increase in the rates of the basic excise duty. This process was completed in 1995 when the ad valorem tax on wines and distilled spirits was abolished altogether and when seven new excise duty classes for beer were introduced. Since the beginning of 1995 the excise duties on alcoholic beverages have been based only on alcohol content, resulting that the prices of the cheapest beverages in each beverage category increased while prices for the more expensive beverages decreased. By 1997, the various types of alcoholic beverages were classified in four main groups. For all groups the excise duty rate increased with alcohol content (see Holder et al., 1998, 110). In the later years the system has become even more straightforward (Table 14.2).

Despite Norway's entry into the EEA, there were little if any easing of the excise duty rates for alcoholic beverages (Horverak & Österberg, 2002). Not until later years there have been some decreases in alcohol excise duties. In 2002 the excise duty rate for alcoholic beverages over 22 per cent alcohol by volume was decreased by 15 per cent and that of beverages over 4.75 and at most 22 per cent alcohol by volume by 5 per cent mostly motivated by affecting the increased cross-border trade in alcoholic beverages.

Norway has a value added tax which remained at 20 per cent on all goods and services until 1993, when it was increased to 22 per cent. In 1995 it was raised to 23 per cent, and the current 24 per cent tax rate became effective on January 1, 2001. In 1993, Norway introduced new container regulations whereby the amount of tax on beverage containers is determined by the reuse and recycling rates. The full tax is applied to alcoholic beverage containers with return rates below 25 per cent. Containers with return rates 25 per cent and above are charged a tax inversely proportional to the return rate (Hurst, Gregory & Gussman, 1997).

Prices of alcoholic beverages

In 2000 real prices of alcoholic beverages were in Norway higher than they had been in the late 1970s. Only the real prices of fortified wines were lower reflecting the change in alcohol excise duties in 2000 when fortified wines began to be taxed in the same manner as table wines. During the last two decades real prices of beer have increased by about 35 per cent, that of table wines by about 20 per cent and that of distilled spirits by about 10 per cent (Table 14.3). Table 14.3 also shows that the change in alcohol excise tax system in the first half of the 1990s did not lead to decreases in real prices of alcoholic beverages.

TABLE 14.3. Real price index for alcoholic beverages by beverage categories in Norway, 1979–2001, 1998 is 100

Year	Distilled spirits	Fortified wine	Table wine	Beer
1979	87.2	83.7	82.2	74.0
1980	80.8	78.8	76.8	69.3
1981	90.0	97.7	87.7	76.4
1982	91.6	90.7	90.7	79.1
1983	93.4	91.7	92.7	82.2
1984	88.1	88.0	88.0	85.7
1985	84.0	86.7	86.7	86.1
1986	85.1	84.9	87.3	86.9
1987	85.7	85.8	86.7	87.0
1988	87.1	87.4	83.2	87.8
1989	89.9	86.1	85.9	87.6
1990	92.7	86.6	90.1	89.2
1991	97.7	92.8	91.3	92.0
1992	101.6	100.4	93.4	96.2
1993	98.2	100.6	96.0	97.2
1994	90.2	96.9	95.2	98.4
1995	90.5	93.4	93.0	96.1
1996	91.7	94.5	92.7	96.3
1997	95.6	96.1	95.5	97.7
1998	100.0	100.0	100.0	100.0
1999	97.1	97.9	100.4	100.1
2000	96.6	71.8	98.5	101.6
2001	96.0	70.5	101.6	100.6

Source: Bye, 2002, 60.

Alcohol advertisements

In Norway there is in force a total ban on the advertising of all alcoholic beverages containing more than 2.5 per cent alcohol by volume. The ban on advertising was introduced in two stages. First, from 1975 there was a ban on advertisements in newspapers, weekly magazines, journals and in other printed matters. Then, from 1977 a comprehensive ban was invoked including illuminated advertisements, poster advertisements, advertisements on restaurant fixtures and equipment.

There were, however, some minor exemptions. For instance, advertisements in foreign printed publications, which are imported into Norway are exempted from the ban. Exempted also are trade journals, and advertisements for places of sale or licensed places of refreshment. The advertising of light beer under 2.5 per cent alcohol by volume is permitted, as according to the Alcohol Act it is not considered an alcoholic beverage (Davies & Walsh, 1983). The Alcohol Act of June 2, 1989, introduced a ban on alcohol advertising which made no real changes from the previous law. The advertising ban applies to all alcoholic beverages over 2.5 per cent alcohol by volume. The ban extends to national terrestrial broadcasts, but according to the Council Directive 89/552/EEC Norway is not allowed to censor satellite television advertisements.

The Alcohol Act from 1997 states that any kind of advertising of alcoholic beverages aimed at consumers is forbidden. The Act also contains other limitations on the advertising of beer and light wines. Advertising such products is forbidden whenever the advertisement contains or makes use of a name, name of a company, logo, slogan, or symbols which associate the advertised product with alcoholic beverages. This means that also products containing less than 2.5 per cent alcohol by volume or none at all must have a distinguishable trademark or name which separates them from alcoholic beverages. Producers are, however, allowed to state their name when advertising other products, provided that the information is given in an ordinary manner that cannot be understood as advertising of alcoholic beverages. This exception does not apply to importers and wholesalers of alcoholic beverages.

During the late 1990s several Norwegian breweries began to challenge the ban on alcohol advertising by sponsoring different sports teams and sporting events. The breweries' actions led to a lengthy legal proceeding, which ultimately resulted in the victory of the brewing industry. The ruling was, however, later overturned by the Supreme Court, maintaining the ban for alcohol advertising (Karlsson, 2001).

Education and information

Public education about alcohol and its effects plays a central part in Norwegian policy for preventing alcohol problems. Such education has been given in public schools since the 1890s. Much of this work, however, is undertaken by voluntary organisations such as the temperance movement and teetotallers' associations (Davies & Walsh, 1983).

Under the Act of 1932, temperance committees were set up in each municipality, and these committees were specifically charged with a responsibility for spreading information and for educational activities. Alcohol education is also undertaken by AKAN, the Norwegian Tripartite Committee for the Prevention of Alcohol and Drug Problems in the Workplace. The Committee was founded in 1963 by representatives from the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Business and Industry (NHO). Today the committee board consists of two representatives from LO, two from NHO and one from the Ministry of Social Affairs. These parties are financing the activities of the AKAN.

AKAN's activities are based on the collaboration between employers and employees in the field of work, and its main objective is to contribute to the prevention and solving of alcohol and drug problems in Norwegian enterprises.

According to AKAN's statutes, its aim is to prevent alcohol and drug problems in Norwegian enterprises and to provide help and assistance for employees having developed a substance problem. Through its work and activities, AKAN also aims at qualifying employees and employers for constructive collaboration when encountering the challenges of alcohol and drug problems in the workplace.

To promote an alcohol-free lifestyle, the authorities, both at local and national level, have given considerable financial support to temperance and the anti-drug organisations. A fund for alcohol-free hotels and serving places gives loans at an interest considerably below market level. There is also a national provision for financial contributions to people, organisations or municipalities which plan to establish alcohol-free restaurants, dance halls, public serving places and other arrangements such as rock clubs aimed at young people.

Drunk driving

The drunk driving regulations in Norway are without doubt some of the strictest in the whole world. Legislation to deal with drunk driving in Norway goes back to 1912 when the Motor Vehicle Act obliged the driver of a motor car to remain sober while driving. In 1926 driving under the influence of alcohol was punished with a fine whereas the punishment for drunk driving was imprisonment. However, the Act of 1926 contained no provision on how it was to be proved that the driver in question was driving under the influence of alcohol or drunk.

In 1930 another Motor Vehicle Act was passed which gave police the powers to subject a person suspected of having driven a motor vehicle while under the influence of alcohol to a medical examination. It was, however, not until 1936 that a blood alcohol concentration (BAC) in excess of 0.05 per cent was introduced in the Norwegian Road Traffic Act. The BAC limit of 0.05 per cent was in force for the rest of the century.

The BAC limit in Norway has always been enforced quite effectively. On conviction for a first offence of driving above the permitted BAC, suspension of driving licence and/or imprisonment is usual. Random breath testing is carried out frequently (Harkin, 1995). Prior to September 1988, any motorist convicted with exceeding 0.05 per cent blood alcohol level received an unconditional sentence of at least 21 days of imprisonment, plus a loss of licence for a period of time which varied according to whether he or she was a first-time or repeat offender. Prosecutions for driving under the influence of alcohol or drugs have fluctuated in the broad range of 6,300 to 7,400 between 1975 and 1993, a period in which the number of cars in Norway doubled (Hurst, Gregory & Gussman, 1997).

Changes introduced in September 1988 varied the sentence in line with the blood alcohol level and removed the requirement for a mandatory jail term for a blood alcohol level of 0.05 per cent (Hurst, Gregory & Gussman, 1997). The law required a fine and a suspended sentence for driving with blood alcohol levels of between 0.05 and 0.1 per cent; a fine, suspended sentence or jail sentence if the reading is between 0.1 and 0.15; and a jail term for levels above 0.15 per cent. The minimum mandatory jail term has also been reduced from 21 days to 14 days. In January 1, 2001 Norway lowered the BAC limit to a level of 0.02 per cent.

Administrative structure of treatment for alcoholism

Traditionally, health services for people with alcohol and drug problems in Norway have been organised separately from the ordinary health and social services. Special institutions for people with alcohol problems have existed for 90 years, and a special law regulated these activities. Originally the focus was on alcohol problems only, but during the 1950s legislation was amended to include drugs.

Since 1985 the nation-wide alcohol abuse treatment system became the responsibility of county authorities. The county may, however, decide to buy treatment services from facilities run by private organisations. Primary health and social services are the responsibility of the municipality.

Thus, the major objective of developing treatment and rehabilitation programmes for substance abusers in Norway has been to have a comprehensive treatment system based on county and municipal responsibilities. To get into treatment paid by the county the client normally has to go through the municipal social service. However, there are also several private commercial institutions, mainly based on a 12-step treatment philosophy, mainly used by clients whose treatment is privately founded.

The main principle in Norway is that of voluntary treatment. However, from 1993 it has been possible to use compulsory treatment for substance abusers limited to a period of 3 months. The Act on Execution of Punishment provides for transference of addicts from prison to treatment institution. This can be used as a condition for suspended sentences.

The establishment of outpatient services has recruited new groups of clients. These are often people at risk of developing alcohol problems, but are still socially relatively stable. The family is now viewed as a single unit requiring treatment. The entire family, not only the problem drinker, must change if lasting improvements are to be achieved. Growing concern has also been given to children of problem drinkers. The therapeutic necessity of sometimes having to treat the entire family had led to the idea of transforming some of the alcohol treatment units into family treatment units.

Cooperation between treatment centres and self-help groups has increased. Most inpatient units have developed special services for women with alcohol-related problems.

Summary

In 2000 the level of alcohol consumption in Norway was one of the lowest in Europe. However, this has not always been the case as in the mid-eighteenth century alcohol consumption in Norway was at least twice the current level. At that time Norway was clearly a spirits drinking country whereas Norwegians nowadays clearly favour beer over distilled spirits. Also the consumption of wine has increased during the last decades.

Norway has probably had the most restrictive alcohol policy in Europe during the twentieth century. The main objective of the Norwegian alcohol policy has been to minimise alcohol-related health and social problems. The principal policy instruments adopted to control the misuse of alcohol included comprehensive state alcohol monopoly, a licensing system based on local issuing of licences, and high alcohol taxes in order to keep up the prices of alcoholic beverages.

During the study period alcohol control has become less stringent in Norway. The number of Vinmonopolet stores has increased as well as the number of restaurants and age limits have been lowered just to mention a few changes increasing alcohol availability. On the other hand alcohol excise duties have constantly been kept on a high level, the BAC level has been lowered and as late as in 1993 strong beer was moved away from grocery stores to be sold only in off-premise retail monopoly stores. As a consequence Norway even nowadays has the most stringent alcohol control system in the ECAS countries. Also the temperance movement is still today quite strong and will be heard in making alcohol policy decisions. Despite all this there are even in Norway strong domestic factors wanting to have a more liberal alcohol policy and better customer service. This pressure means that Vinmonopolet will even in the future open many more new outlets and change the existing outlets to self-service stores and try also otherwise to give its customer better service. This policy is partly self-defending as too stringent alcohol availability through monopoly stores would mean even louder demands for abolishing the last piece of the former comprehensive alcohol monopoly system.

Norway is not a member of the EU but has joined the EEA agreement. Therefore, Norway was in a way a control country in the ECAS study with regard to the effects of EU membership. It can be seen that also in Norway a deeper European economic integration has moulded the alcohol control system. In 1996 Norway was forced to give up its monopoly on import, export and wholesale monopolies on alcoholic beverages. Production monopoly on distilled spirits were given up only in 2002. On the other hand Norway has been able to retain its border control and strict travellers' allowances for alcohol import. Still today a Norwegian returning home from Sweden or some other EU member country can legally only bring with him or her one litre of spirits or two litres of wine, and two litres of beer without paying taxes on them making it easier to keep excise duties on alcohol on a high level.

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Chapter 15

Portugal

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The country

Portugal is situated on the Iberian peninsula in south-west Europe, bounded by Spain from the north and east and the Atlantic Ocean by south and west. The Azores and the Madeira Islands in the Atlantic Ocean are autonomous regions of the republic. Portugal has a total area of 91,906 km². Lisbon is the largest city and the capital of the country.

The Portuguese ethnic identity derives from the Iberians, Romans, Visigoths and Moors. Nowadays there are 9.9 million inhabitants in Portugal and the population density is 107 persons per km². The countryside has largely been deserted and nowadays most people live in urban villages near the ocean. Officially the urban population accounts for 36 per cent of the total population. Nearly all inhabitants practice Roman Catholicism. The official language is Portuguese.

Among the European Union (EU) member states Portugal has the lowest gross domestic product (GDP) per capita. In 1999 the GDP per capita was 10,420 euro. The manufacturing industry has increased its importance in the Portuguese economy during the latter part of the twentieth century, now employing over 30 per cent of the labour force. Major manufactures include processed food, textiles, machinery, and chemicals. Agriculture is, however, still vital and engages nearly a fifth of all the workers. Portugal is one of the world's leading producers of olive oil and cork, and it is also known for wine, especially port and madeira wine. Tourism is also of great importance to the Portuguese economy. In 1998 foreign exchange receipts from tourism amounted to 2.5 billion euro and helped to compensate for the chronic trade deficit. In the mid-1990s about 32 per cent of the population worked in the industrial sector, approximately 12 per cent in the agriculture and about 56 per cent in the service sector.

In the 1960s and early 1970s, Portugal faced independence movements in its overseas territories Angola, Mozambique, the Cape Verde Islands, Guinea-Bissau, São Tomé and Príncipe, which all attained independence in 1974 and

¹⁰ While writing this country report we have used the ECAS Alcohol Policy Questionnaire (ECAS APQ) filled in by Carlos Morais from Centro Regional de Alcoologia de Porto (CRAP). We would also like to thank Rosa Encarnação from CRAP and José Barrias from Instituto de Alcoologia for informing us of the recent development in the alcohol field in Portugal.

1975. In 1968 Marcello Caetano succeeded the dictator Salazar, who had reigned since 1932, and continued Salazar's repressive policies. Advances made by the African liberation movements threatened Portugal's economic stability and led to the 1974 overthrow of Caetano by army officers. Returning exiles, colonial soldiers and refugees from the newly independent nations further increased unemployment and political unrest. In the 1980s an austerity programme was agreed upon, and Portugal negotiated its entry into the EU in 1986.

Portugal is a republic governed under a constitution promulgated in 1976 and revised in 1982. The head of state is the president, popularly elected for a five-year term. The president appoints the prime minister, who presides over a cabinet of ministers. The 230 members of the Assembly of the Republic are elected for four-year terms based on a system of proportional representation. At the local level, authority is vested in the 18 district governors and district legislatures. Each district is further subdivided into parishes, each with an elected assembly and council.

Alcohol production and trade

Portugal produces a wide range of alcoholic beverages, wine being the most important amongst them. The variety of wines includes red and white wine, rosé and sparkling wine as well as many different fortified wines like madeira, moscatel, caravelos and port, Portugal's most famous fortified wine. In 1995 madeira and port accounted for almost half of Portugal's wine exports (Hurst, Gregory & Gussman, 1997). In 1980, the value of total exports of alcoholic beverages from Portugal was 28 times higher than the value of the imports of alcoholic beverages, and in 1985 it was nearly 35 times as high (Moser, 1992).

There are 13 regions in Portugal where wines designated as quality wines from a specified region are produced and 28 other regions with wine production (Hurst, Gregory & Gussman, 1997). In the 1980s there were almost 180,000 wine producers in Portugal, half of them being members of wine cooperatives (Moser, 1992). About 5 per cent of the active population was employed in viticulture, and more than a tenth of the population was economically dependent on wine production and trade (Moser, 1992). Vineyards cover some 380,000 hectares, or approximately 8 per cent of the country's usable agricultural land (Hurst, Gregory & Gussman, 1997).

With a wine production of 9.7 million hectolitres, Portugal came fifth in the list of wine producers in Europe in 1985, although wine production was clearly

smaller in the mid-1980s than it had been in the 1950s and 1960s (Moser, 1992). In the mid-1950s, the yearly wine production was about 11.5, and in the mid-1960s around 13 million hectolitres. In 1994, Portugal ranked as the tenth largest wine producer in the world, with a production of 6.4 million hectolitres. During later years, the wine production has fluctuated greatly. In 1996 it was 9.5 million hectolitres, but in 1998 only 3.6 million hectolitres. Wine exports have decreased from about 1.4 million hectolitres at the beginning of the 1980s to 0.9 million hectolitres in 1995. In 1995, wine exports constituted 12 per cent of the total wine production (Hurst, Gregory & Gussman, 1997).

Four brewing companies operated a total of eight breweries in Portugal in 1995. The two largest ones were nationalised in 1977 following the 1974 revolution, but they were again privatised in 1990. These two brewing companies produced almost 98 per cent of all domestic beer in 1990. In 1995, domestic beer production was 6.9 million hectolitres. It has stayed about the same since the late 1980s. In the early 1960s beer production was only 0.4 million hectolitres, in the early 1970s it was about 1.3 million hectolitres and in the early 1980s about 3.5 million hectolitres a year (International Statistics, 1977; Hurst, Gregory & Gussman, 1997).

In 1995, about 10 per cent of the beer production was exported. The corresponding figure in 1985 was about 2 per cent and in 1990 5 per cent. In 1995 lager accounted for 95 per cent of the beer market, and imported beers about 4 per cent. In addition, two foreign brands of beer were produced under licence by domestic breweries, accounting for 3 per cent of the Portuguese beer production (Hurst, Gregory & Gussman, 1997).

Distilled spirits are derived mostly from grapes but also fruit-based brandies are produced. The production of distilled spirits has remained at a low level.

Alcohol consumption

Table 15.1 shows the consumption of alcoholic beverages by beverage categories from the mid-1960s to the mid-1990s, both in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption. Neither World Drink Trends nor the surveys of the Brewery Association of Canada include any consumption data on Portugal in the 1950s. The book *International Statistics on Alcoholic Beverages* (1977) only gives figures for wine and beer consumption in the mid-1950s.

Table 15.1. Consumption of alcoholic beverages by beverage categories in Portugal in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	..	13.45	13.14	12.42	11.84
Consumption of spirits*	..	0.52	0.86	0.95	1.62
Consumption of wines	13.17	12.67	10.75	9.49	6.91
Consumption of beer	0.08	0.26	1.53	1.98	3.31
Percentage of distilled spirits	..	4	6	8	14
Percentage of wines	..	94	82	76	58
Percentage of beer	..	2	12	16	28

* World Drink Trends (2002, 104) gives higher figures for the consumption of distilled spirits from 1986 on than the earlier editions or the surveys of the Brewers Association of Canada (see Hunt, Gregory & Gussman, 1997, 366). In table 15.1 we have used these corrected figures from World Drink Trends (2002). According to the 1998 edition of the World Drink Trends, the figure for the consumption of distilled spirits in 1995 is 0.80 litres and that of total recorded alcohol consumption 11.0. For 1985 the corresponding figures are 0.80 litres and 12.26 litres.

Sources: International Statistics, 1977; Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

In terms of pure alcohol, recorded consumption of alcoholic beverages has declined in Portugal from the early 1960s to the late 1990s from about 14 litres per capita to about 11 litres (Table 15.1). The consumption of wine and beer was only a little higher in the mid-1950s than in the mid-1960s. Therefore, even if we do not know the figures for the consumption of distilled spirits before 1964, we can quite safely conclude that per capita alcohol consumption in the mid-1950s was a little higher or on about the same level as in the mid-1960s.

Especially wine consumption has decreased in the last three decades. At the beginning of the 1950s as well as in the early 1960s the yearly wine consumption was, counted as litres of the product, more than 110 litres per capita in a year. At that time, wine accounted for more than 95 per cent of the total alcohol consumption. By 2000, the wine consumption had declined to 50 litres per person (World Drink Trends, 2002).

Consumption of distilled spirits was stable in the 1960s and increasing at the outset of the 1970s. After this increase the consumption of distilled spirits was more or less stable until the mid-1980s, when it rose, counted in litres of the product, from 2.0 litres to 4.5 litres per capita by 1990. During the 1990s, the consumption of distilled spirits has decreased to 3.6 litres, equivalent to 1.4 litres of pure alcohol per capita.

In the early 1950s, beer consumption was very low in Portugal, only a few litres per capita. Since then it has been growing almost constantly. In litres of the product, the consumption of beer has increased from 5 litres per capita at the

beginning of the 1960s to 65 litres per capita in 2000. During the last eleven years the beer consumption has, however, remained almost unchanged (World Drink Trends, 2002).

Despite the increases in beer and spirits consumption, Portugal is still a wine drinking country. The consumption rate for wine of the total alcohol consumption has, however, decreased from 95 per cent at the beginning of 1960s to about 56 per cent in 2000. The beer consumption nowadays accounts for 30 per cent of the total recorded alcohol consumption, and distilled spirits just under 15 per cent.

It should be borne in mind that each year there is a great number of visitors to Portugal, drinking part of the registered alcohol consumption. For instance in 1995, approximately 24 million people visited Portugal, so the tourists have undoubtedly had an effect on the recorded alcohol consumption figures (Hurst, Gregory & Gussman, 1997). In an earlier edition of the Brewers Association of Canada's survey it was estimated that without the tourist industry the consumption of alcoholic beverages would be 10 per cent lower than the statistics show (Brazeau et al., 1992). In the next edition this figure was, however, left out. In any case, if the tourist industry has an effect on the recorded alcohol consumption figures, this effect should be larger in the 1990s than, for instance, in the 1960s as the flow of tourists has clearly increased during the last decades. Tourism cannot, therefore, be an explanation for the decrease in the recorded total and wine consumption during the last two decades.

Other estimations of the impact of tourism on recorded alcohol consumption figures give clearly lower estimates. For instance, according to Trolldal (2001) the impact of tourism on Portugal's consumption data is about 1 per cent (Trolldal, 2001).

Recorded wine consumption may be an underestimation of true wine consumption through the whole study period, as it does not take into account the production of wine by private vineyards for home consumption (Hurst, Gregory & Gussman, 1997). This home consumption comes mostly from small vineyards, which may also sell some of the wine to other people (Brazeau et al., 1992). In addition, small-scale production of spirits still exists on a broad scale and it has not been taken into account in total recorded consumption of distilled spirits (Oberlé, 1998). On the other hand, as wine production has become more and more commercialised, this underestimation should also become smaller each decade and, therefore, it cannot be an explanation for the decrease in recorded wine consumption.

According to Leifman (2001), the unrecorded alcohol consumption has been on about the same level in the 1972–1994 period. His estimate of the unrecorded alcohol consumption in the 1990s is around 1 litre, with the assumption that the net effects of tourist surplus and duty-free quantities are

small. One further assumption is that Portugal should have approximately the same level of unrecorded alcohol consumption as Spain (Leifman, 2001).

In Portugal both men and women tend to consume alcoholic beverages daily, particularly in the form of wine with meals. There is also still a widespread attitude that alcoholic beverages are a necessary element of daily nutrition (Moser, 1992). Consumption of beer in private homes has increased. In 1975, off-premise sales of beer accounted for 22 per cent of total beer consumption. This rate was estimated to have risen to 37 per cent in 1990 (Hurst, Gregory & Gussman, 1997; see also Simpura & Karlsson, 2001).

According to World Drink Trends (2002), the consumption of alcoholic beverages per capita in 2000 in the form actually consumed was 119 litres, and that of non-alcoholic beverages a little over 315 litres per capita, consisting of 95 litres of milk, 78 litres of coffee, 66 litres of waters, 49 litres of soft drinks, 25 litres of juices and 3 litres of tea. With the exception of tea, all these beverages have gained in importance since the late 1980s. The consumption of bottled waters has increased 36 litres per capita, that of milk 24 litres, that of coffee 24 litres, that of juices 23 litres and that of soft drinks 15 litres (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

While the sale and distribution of alcoholic beverages are quite free in Portugal, production and trade in wine are controlled through different agencies. Instituto da Vinha e do Vinho (IVV) is the official government agency responsible for controlling the domestic table wine market from production to retail sale. It oversees quality control of these products and is responsible for the country's Denomination of Origin system. The agency also exercises control over vineyards, authorising types of wines and setting the limits of acreage which can be planted. Port wines are controlled by Instituto do Vinho do Porto (Hurst, Gregory & Gussman, 1997).

In 1977 the normative dispatch no. 176/77 initiated the Commission Against Alcohol Problems. Under the jurisdiction of the General Directorate of Health it aims to promote information and interest of the population in alcohol-related problems, creating multidisciplinary teams in some psychiatric hospitals that begin to inform the population and specific groups of the problems caused by alcohol (ECAS APQ, 1999).

Until November 1988, there were no explicit policy statements concerning alcohol. The Portuguese Committee Against Alcoholism had, however, prepared a basis for such a policy in the form of proposals which were presented to the

Minister of Health at the end of 1986. The following relevant documents had been drawn up:

- Suggestions and recommendations for legislation in the field of preventive alcohol policy, including measures concerning controls of production, distribution and consumption of alcoholic beverages, alcohol education and training, and publicity and special committees.
- A proposal for a comprehensive national alcohol programme that defines priorities, outlines programmes for prevention, treatment and research, considers the available and required human and material resources, the means of developing priorities and implementing plans for training, the roles of the three zone centres for different regions of the country and the need to develop decentralised prevention and treatment of alcohol problems.
- A proposal for establishment of an inter-ministerial coordinating committee for the prevention of alcohol problems (see Moser, 1992).

Decree no. 41/88, issued by the government in November 1988, led to the implementing and setting up of regional alcoholology centres in accordance with the government health programmes. Centres have been established in Coimbra, Lisbon and Oporto. Their main objectives were to prevent and treat alcohol-related diseases, rehabilitate the patients, coordinate the prevention activities, and teach, educate, inform and investigate in the alcohol area, and coordinate the activities concerning alcoholism and treatment in their respective zones. This was to be done in collaboration with the regional health administrations and health centres, general clinical institutes and all other institutions and groups responsible for the health and well-being of the community (ECAS APQ, 1999).

The first alcohol action plan approved by the Regional Office of the World Health Organization in 1994 and the European Charter on Alcohol from the 1995 Paris Conference were important background documents in putting alcohol issues on the agenda of the Portuguese health strategy for the years 1998-2002. In this document, preventive alcohol policy goals and objectives were for the first time officially presented in Portugal. This process further resulted in a resolution of the Council of Ministers (no. 40/99) in May 1999, establishing an inter-ministerial commission to draft a proposal for an action plan in the alcohol field to reinforce and strengthen the implementation of the health strategy.

In the year 2000, the decree no. 218/2000 substituted the decree no. 41/88 and the earlier degree no. 269/95 in defining the judicial nature and the attributes of the three regional alcoholology centres. They were now to be called alcoholology regional centres from the centre, south and north, and worked under supervision of the Ministry of Health. Amongst other things, these centres are expected to promote different types of interventions, training actions, education, prevention, treatment and rehabilitation in the alcohol fields. They should also promote and

conduct epidemiological and biopsychological studies and develop methodologies for alcohol prevention, treatment and rehabilitation.

On November 2, 2000 both a resolution from the Assembly of the Republic (no. 76/2000) dealing with fight against alcoholism and a resolution of the Council of Ministers (no. 166/2000) were approved. The resolution of the Assembly of the Republic recommended that the government would adopt a national alcohol programme, including promoting a national campaign alerting to the perils of excessive consumption of alcohol targeted on pregnant women, children, teenagers and excessive drinkers, considering raising the legal drinking age, regulating the advertising of alcoholic beverages and the business hours of bars and coffee shops near schools. The council resolution approved the action plan against alcoholism and assigned the competent members in the government to act for the execution of the measures recommended in the plan (Chapter II of the Action Plan is enclosed as Appendix 15.1).

Licensing policy

Producers of alcoholic beverages, as well as alcohol importers and wholesalers, need a licence to operate in Portugal. Also on-premise retailers of alcoholic beverages need a licence, whereas off-premise retailers do not need a special licence for retailing alcoholic beverages. As in any other commercial establishment, only a licence for opening the off-premise outlet is necessary. There have been no important changes in this system since 1950 (ECAS APQ, 1999).

The licence to wine producers is given by the IVV, which is a national agency. The licence is permanent and it is a guarantee that the rules in wine production are followed. There have been no important changes in this procedure since 1950. The licence for the import and wholesale of alcoholic beverages is permanent, without any costs. There have been no important changes in this system since 1950 either (ECAS APQ, 1999).

On-premise retailers of alcoholic beverages do need a licence (D.L. no. 168/97, 4/7). It is granted by the Municipal Department for Economic Activities, which is a local institution in the city administration. The licence is permanent. The renewal of the licence is, however, necessary in case of any change in the field of activity or any change in the person running the establishment (ECAS APQ, 1999).

Presently, the licensing is under the jurisdiction of the Municipal Department for Economic Activities. In 1997 the former police regulation was cancelled and it is now the decree no. 168/97 that regulates licensing. Before this change, the

district government was responsible for the licensing of on-premise sale of alcoholic beverages.

Restrictions on availability

There are no legal age limits on off-premise retail sale of alcoholic beverages in Portugal. For on-premise sale there is a legal age limit of 16 years. However, this age limit is not strictly enforced. It is important to mention that youngsters under 16 years are allowed to enter on-premise retail sale establishments and drink when accompanied by parents. In the 1950s, Portugal did not have a general rule about the age limits, but each city had its own rules.

According to D.L. no. 48/86 from the Ministry of Economy, the following rules guide opening hours:

- The establishments selling goods and services to the general public, including those in shopping centres, can be open from 6 a.m. to 12 p.m. every day of the week.
- Coffee shops, beer shops, teashops, restaurants and snack bars can be open until 2 a.m. every day of the week.
- Convenience stores can be open until 2 a.m. every day of the week.
- Clubs, cabarets, dancing places, fado houses and like establishments can be open until 4 a.m. every day of the week.
- Exception is made to the limits stated earlier for establishments located at bus stations and terminals, railway stations, airports and ports, as well as open petrol stations.

Business hours have been extended since 1950 in shopping centres, petrol stations and convenience stores. There are no other restrictions on the physical availability of alcoholic beverages in Portugal, and there have not been any important changes in this respect since the 1950s (ECAS APQ, 1999; see however Appendix 15.1).

Alcohol taxation

Currently the excise duty on distilled spirits is calculated on the basis of hectolitres of pure alcohol in the finished product. The excise duty on beer containing more than 0.5 per cent alcohol by volume is levied on the basis of volume and strength as measured by the degree of Plato, i.e. per hectolitre per degree of Plato. In the

case of still wine, the excise duty is set on the basis of hectolitre of the product but the excise duty rate has been set at zero. For intermediate products, the excise duty rate is defined on the basis of hectolitres of the product. The excise duty rates for alcoholic beverages effective from January 1, 1996 are shown in table 15.2. For independent small breweries producing at most 200,000 hectolitres in a year, the excise duty rates are half of the standard rates for beer presented in table 15.2.

TABLE 15.2. Excise duty rates for alcoholic beverages in Portugal in 2000 in Portuguese escudos and in euro

Alcoholic beverage category*	ESC	EUR
<i>Beer, per hectolitre of the product</i>		
<i>per hectolitre of finished product:</i>		
Over 0.5 but less than 1.2% alcohol by volume	1,125.00	5.61
At most 8 degrees of Plato	1,410.00	7.03
Over 8 to 11 degrees of Plato	2,250.00	11.22
Over 11 to 13 degrees of Plato	2,820.00	14.07
Over 13 to 15 degrees of Plato	3,380.00	16.86
More than 15 degrees of Plato	3,950.00	19.70
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product</i>		
	0.00	0.00
Intermediate products, per hectolitre of the product	9,500.00	47.39
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product:</i>		
Standard rate for Portugal	163,200.00	814.04
For the autonomous regions of the Azores and Madeira	81,600.00	407.02

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

At the beginning of the 1980s there was a special tax on beer, based on the amount of beer, at a rate of 1,200 escudos per hectolitre, which constituted about 30 to 45 per cent of the price of beer. Special taxes on spirits and wine were set as turnover taxes or as ad valorem taxes. The rates of these ad valorem taxes were differentiated on the basis of the nature and price of the product. For instance, the rate for brandy or rum with a price of less than 100 escudos per litre was 15 per cent, and 45 per cent for the same beverages with a price of more than 100 escudos per litre. For gin or aquavit with a price of less than 100 escudos per litre, the rate was 90 per cent, and for more expensive gins and aquavits, as well as for all whisky and vodka, it was 110 per cent. On table wine with a price of less than 40 escudos per litre, there were no special taxes, whereas on table wine with a price from 40 to 75

escudos per litre, the tax was 15 per cent. On table wine with a price from 75 to 100 escudos per litre, as well as on all fortified wine with a price of less than 200 escudos per litre, the tax was 30 per cent. On table wine with a price of more than 110 escudos per litre, as well as on all fortified wines with a price of over 200 escudos per litre, the special tax was 45 per cent. Furthermore, there were also some smaller taxes levied on wine such as a production tax, bottling tax and area tax (Brown, Dewar & Wallace, 1982).

Because of the methods of taxation it is difficult to give precise comparative figures for the tax burden of different alcoholic beverages in the early 1980s. It can, however, be mentioned that the price of a litre of pure alcohol in the form of ordinary beer included 282 escudos as taxes. At the same time a litre of pure alcohol in the form of cheap brandy was taxed at 35 escudos, a litre of alcohol in the form of vodka at 687 escudos, and a litre of pure alcohol in the form of cheap table wine at 8 escudos. The special tax on medium-priced wine ranged from 100 to 280 escudos per litre of pure alcohol, and in a litre of fortified wine the special tax depended on the price, either 337 or 568 escudos per litre of pure alcohol. Consequently, the relative weight of special taxes in relation to alcohol content was the smallest for inexpensive table wine. Also, inexpensive popular distilled beverages such as bagaco, brandy and rum carried only half of the taxes of alcohol in ordinary beer. On the other hand, alcohol in red wine of better quality or in moderately priced gin or in better quality port was taxed at twice the rate for alcohol in the form of beer (Brown, Dewar & Wallace, 1982). In the mid-1980s, the total tax burden as percentage of the price of the beverage was 19 to 23 per cent for beer, 15 per cent for popularly priced brandy and from zero to 15 per cent for inexpensive or moderately priced wine (Horgan, Sparrow & Brazeau, 1986).

From 1986 on, the special tax on beer continued to be levied per hectolitre of beer, whereas special taxes on distilled spirits and wine were changed to a production tax and a package tax, the package tax being the more important. This change was based on Portugal's entry into the European Communities (EC), when a broad-based value added tax (VAT) system replaced the earlier turnover taxes. In this new system, the VAT on ordinary commodities (including most alcoholic beverages) was 8 per cent, while it was 17 per cent on most other commodities, and 30 per cent on luxury commodities including old brandies and the like. For basic commodities, including the cheapest wines, the VAT was put at zero. Even after this change, alcohol in the form of cheap wines and spirits was much less taxed than alcohol in the form of beer (Sparrow et al., 1989).

In 1988 the alcohol tax system was changed again. Beer continued to be taxed on the per hectolitre basis. In 1985 the tax rate for beer was increased to 1,500 escudos per hectolitre, but then decreased again to 1,200 escudos in 1986. After 1988 the special tax on beer was increased by 300 escudos each year, reaching

the level of 2,400 escudos in 1992. From 1988 on, distilled spirits have been taxed on the basis of the alcohol content. In 1988 the tax rate was 50,000 escudos per hectolitre of pure alcohol in the finished product. In 1991 it was raised to 100,000 escudos. Since 1988 wine has not been subject to excise duties. By 1991, the alterations to the excise duty and value added tax system have changed the relative burden of taxes on alcoholic beverages so that alcohol in the form of beer was taxed twice as heavily as in wine, and the tax burden per litre of alcohol in distilled spirits was 2.5 times the tax burden of alcohol in beer.

Since 1992, the excise duty rate for beer has been increased five times before reaching the current level of 2,820 escudos per hectolitre for the most common beer or beer over 8 to 11 degrees of Plato. The excise duty rate for distilled spirits has been raised five times since 1991, and it is now 162,200 escudos per hectolitre of pure alcohol in the finished product. The excise duty rate for wine is still zero escudos per hectolitre of the product.

Under a budget law in March 1992, major alterations were made to the system of VAT rates, as part of the government's efforts to increase revenues by 31 per cent. The zero tax rate was abolished and replaced by a reduced rate of 5 per cent. The rates of 8 and 17 per cent for most other goods were converted to 16 per cent. All products previously subject to zero VAT rate, and certain products formerly at the VAT rate of 8 per cent, including table wine, were to be taxed at 5 per cent. Beer, which had been taxed at 8 per cent, was subjected to the higher rate of 16 per cent. A VAT of 30 per cent still applied to distilled spirits (Hurst, Gregory & Gussman, 1997). The standard VAT rate was raised to 17 per cent in 1995, and nowadays this rate is applied to beer, distilled spirits and intermediate products. The reduced VAT rate of 5 per cent is still applied to table wine.

Calculated on the basis of alcohol included in the beverages, the total tax burden, VAT and excise duties, is highest on distilled spirits. It is nearly twice the tax burden on beer. Alcohol in beer, in turn, is taxed nearly six times as much as alcohol in the form of table wine. Because of the VAT, 5 per cent of wine prices consist of taxes. In beer prices, the total tax burden, including excise duties and VAT, is about 28 per cent, and about half of the prices of distilled spirits consists of special taxes on alcoholic beverages (Hurst, Gregory & Gussman, 1997).

Changes in excise duty levels referred to above are given in nominal values. During the 1950–2000 period, the value of the Portuguese currency has decreased because of inflation. The increase in general price level in Portugal in the 1960–2000 period as described by the consumer price index (CPI) is given in table 15.3.

TABLE 15.3. Consumer price index in Portugal, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	1.6	1.9	2.5	5.1	14.5	41.2	70.6	100.0	114.1

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When comparing the changes in excise duty rates to the CPI, it is quite clear that excise duty rates in real terms have increased for distilled spirits during the 1990s. They have in fact doubled in real terms. The excise duty rates for beer have increased in the 1990s along with general prices, but in the 1980s the general prices clearly increased faster than the beer excise duties, which meant decreases in the real excise duty levels for beer. Also the changes in VAT have increased the real tax burden of alcoholic beverages in the 1990s. One should, however, remember that taxes are only one component of prices.

The real price of all alcoholic beverages shows quite large changes. There was first a decrease of 20 per cent in the first half of the 1960s, followed by an increase of 75 per cent in the 1965–1974 period. After some fluctuations in the second half of the 1970s, the real price dropped by about 40 per cent in the first half of the 1980s, but increased again by 50 per cent from 1987 to 1989. After that the real price decreased somewhat, but increased again in 1992. In the mid-1990s, the real price index of alcoholic beverages is on the same level as in the early 1970s, some 25 per cent higher than at the beginning of the 1960s (Leppänen, 1999).

Alcohol advertising

Alcohol advertising was regulated for the first time by the law 29/81, the base for consumers' defence, from August 22, 1981. According to article 16 of this law, special legislation shall rule the prevention and repression of misleading advertising and dishonest activities or restraining competition. Law Decree (303/83) from July 28, 1983 created the Advertising Code, according to which no advertising of alcoholic drinks was allowed between 6 p.m. and 10 p.m.

The law of the base for consumers' defence (330/90) was revised in 1995 (law 6/95). According to the law, advertising of alcoholic beverages on television and radio is prohibited between 7 a.m. and 9.30 p.m., and television commercials are not allowed to show alcoholic beverages being consumed. The alcohol industry follows a self-regulating code which states the conditions under which alcohol advertising is allowed, regardless of the media used. Advertising will only be allowed

- when it is not directed at minors and does not encourage them to drink alcoholic beverages,
- when it does not encourage excessive alcohol consumption,
- when it does not underrate non-drinkers,
- when it does not suggest success, social acceptance or special aptitudes as a result of alcohol consumption,
- when it does not imply the existence of therapeutic properties or stimulant or sedative effects in alcohol consumption,

- when it does not associate the consumption of alcoholic drinks with sports activities and driving,
- when it makes no reference to alcoholic content as a positive trait, and
- when advertisements for alcoholic beverages cannot be shown in hospitals or places of relaxation.

These restrictions are fairly effectively enforced. The advertising of beer and distilled spirits is also banned on billboards and in cinemas (ECAS APQ, 1999).

The advertising of alcoholic drinks, along with the promotion of tobacco or any kind of pornographic material, is not legal in teaching establishments, as well as in publications, programmes or activities specially dedicated to minors. It is important to mention that the law on advertising tries to separate alcohol from sports and cultural activities (ECAS APQ, 1999).

Education and information

The Education Programme for Health was drawn up some years ago by the Ministry of Education and the Ministry of Health. It seeks to prevent alcoholism and dependencies on toxic substances in general and to promote healthy lifestyles. Themes related with alcohol were introduced in the elementary and secondary school curriculum.

Responding to the European Charter on Alcohol and the targets set in the European Alcohol Action Plan of the World Health Organization (WHO), the General Directorate of Health published its alcohol-related goals for the year 2002 and the objectives for 2007. To educate teachers and health personnel accordingly, the health centres, in coordination with the health sub-regions and with the support of the alcoholism centres, should train 20 per cent of the teachers each year until 2002, and provide local health technicians with knowledge, in order to reduce alcohol consumption by 10 per cent by 2002.

Since 1985, Portugal has been involved in the WHO collaborative study on Community Response to Alcohol-Related Problems. The objectives of the study were to find out the nature and extent of alcohol problems in urban and rural areas, to identify high-risk groups and to seek alternative solutions to alcohol-related problems through analysis of attitudes and responses in the communities. A number of private sector organisations have been involved in programmes aimed at reducing drinking and driving. In several wine producing regions, programmes have been introduced in primary schools to address problems related to high consumption of wine by young people. The Department of Education, in

cooperation with various organisations, has developed several campaigns targeted on families, and young boys in particular, to encourage consumption of milk in lieu of alcoholic beverages. According to an EC survey of youth, 77 per cent of those interviewed in Portugal had received alcohol education at school. It was the highest number amongst the member nations (Hurst, Gregory & Gussman, 1997).

No public and school education on alcohol problems has been carried out nation-wide, but some action has been taken through the three zone centres. In the Coimbra and Oporto zone, particular efforts have been made in the two areas where the WHO collaborative study on community response to alcohol-related problems was located. These efforts have concentrated on providing education on alcohol problems to schoolteachers and pupils and their parents, and to pregnant and nursing mothers, in the collaboration with key personnel in the communities. Training courses were given to over one third of the general practitioners working in the district of Viseu, and to some other health personnel (Moser, 1992).

In Oporto, following a survey of drinking habits in a large public transport enterprise, the results were discussed at meetings with members of the staff, and a preventive programme was established comprising training of workers in alcoholism and preparation of educational and information materials. In Coimbra, the Centre for Rehabilitation of Alcoholics has participated since 1987 in the country-wide integrated intervention programme of non-communicable diseases supported by the WHO. A strategy of preventive activities has also been developed, with an evaluation every five years. Integrated health action will be carried out in the district of Setubal, and probably extended to other areas (Moser, 1992).

In 1988 three regional alcoholology centres were established. Their main objectives were to educate and inform of the prevention of alcohol-related problems. The technical council on alcoholology, started by the dispatch from the Secretary of State for Health no. 275/93, resulted in a proposal to increase the ministry's interest in matters concerning alcohol. Three of the participants in this commission in 1988 were the directors of the regional alcoholology centres.

There are no nation-wide non-governmental organisations acting as pressure groups for preventive alcohol policy. On the other hand, there are organisations like the League of Friends of Health and Wine (LASVIN) and the CONFRARIAS being much interested in increasing wine consumption. LASVIN was founded in 1995 to promote moderate consumption of wine. At the League's inauguration ceremonies, the Minister of Agriculture stated: "Wine is not an enemy of well-being. On the contrary, it is a friend of health when it is consumed in moderation." (Hurst, Gregory & Gussman, 1997).

Drunk driving

At the beginning of 1982 the blood alcohol (BAC) limit was set at 0.08 per cent. According to article 292 of the penal code, those who by gross negligence drive a vehicle with a BAC rate equal to or higher than 0.12 per cent can be fined or sentenced to one year's imprisonment. According to traffic legislation from 3 January, 1998, it is not permitted to drive under the influence of alcohol. The driver with a BAC equal to or higher than 0.05 per cent is defined as under the influence of alcohol. Drivers who are caught will be fined and their driving licence will be suspended.

A new Law Decree (162/2001) from May 22, 2001, which came into force in October 2001, further decreased the BAC limit to 0.02 per cent. Drivers who are caught with a BAC higher than 0.02 but lower than 0.05 per cent are fined. A judge can also suspend the driving licence of an offender or, as an alternative depending on the offender's previous behaviour, sentence him/her to collaborate in prevention campaigns against drunk driving or to participate in promoting traffic safety. On November 30, 2001, however, the Republic Assembly decided to postpone the decrease of the BAC-limit for a period of 10 months.

Blood alcohol levels are verified by a breathalyser test, and individuals may request a blood test in confirmation. Licence suspension periods for impaired drivers are determined by a judge (Hurst, Gregory & Gussman, 1997). Drunk driving laws are quite effectively enforced (Harkin, 1995).

Portugal does not have any special law concerning public drunkenness or drinking in a public place. Only if drunken individuals are aggressive and threaten the safety of other people will the police react.

Administrative structure of treatment for alcoholism

The current administrative structure of treatment for alcoholism is exactly the same as for prevention, and the changes since 1950 in the structure of treatment for alcoholism are also the same as those for the prevention of alcohol problems (ECAS APQ, 1999).

Summary

At the beginning of the 1950s, Portugal did not have any comprehensive or conscious alcohol policies or similar structures. In many reports Portugal was in fact mentioned as one of the last fortresses of alcohol industries, without any preventive alcohol policies. However, Portugal has a long history with viticulture, and wines have been an important economic issue for many centuries. This means that Portugal had a certain kind of alcohol control structure in the 1950s for safeguarding the economic interests involved in wine production and export. Producers, wholesalers and importers of alcoholic beverages needed a licence, whereas off-premise retailers of alcoholic beverages have been freed from any licences.

There has never been a real temperance movement in Portugal. Despite this and despite the quite effective informal social control there have been age limits set at 16 years for on-premise consumption by youngsters. There have also been regulations on permitted hours, which have, however, not been specific to alcohol. Alcoholic beverages, especially beer and distilled spirits, have been taxed, and nowadays the taxes are somewhat higher than the minimum rates required by the EU. There are also regulations concerning alcohol advertising, and government-funded action on alcohol education and information.

The collaborative WHO study called the Community Response to Alcohol-Related Problems in the 1980s to a considerable extent acted as a catalyst for the current alcohol policy discussions and measures in Portugal. The three regional alcoholology centres were founded in the late 1980s, and activities in the alcohol field greatly increased in the late 1980s. Also the European Alcohol Action Plan and the European Alcohol Charter accepted in Paris in 1995 are very often mentioned as the motivation for national preventive alcohol policy measures in Portugal. It is perhaps too much to say that Portugal at the moment has an alcohol control system but it definitely has an alcohol action plan, and the coming years will show how the proposals accepted by the Council of Ministers in December 2000 will be enforced.

During the last fifty years, total alcohol consumption has decreased in Portugal, and during the last decades alcohol policy activity has increased. It is still totally clear that developments in alcohol consumption cannot be explained by changes in alcohol control measures. From the point of view of alcohol research, the fact that preventive alcohol policy issues have been put on the political agenda is, however, very important, and Portugal may offer a fine case for conducting a study of how alcohol issues have been raised and put on the political agenda.

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Appendix 15.1. Resolution of the Council of Ministers NR. 166/2000

Chapter II

Action orientations and measures to implement

I – Promotion and education for health

- 1) Develop and support promotion and education programmes for health in the ambit of alcoholology, including development of public information campaigns, consideration in the school curriculum and awareness actions and training for specific groups that pay attention to the risks of an excessive, inopportune or inconvenient consumption of alcoholic drinks, namely at the level of:
 - a) Pernicious consequences to the foetus and baby's health from maternal consumption during pregnancy and suckling period;
 - b) Induction of instability and emotional and organic perturbations among children and youngsters, with interference in the learning level and with intellectual capacities in general, as well as in adaptation capacity to the social environment, due to living with excessive consumers or alcohol addicts or to consuming alcoholic drinks themselves;
 - c) Increase of disturbances in family relationships, particularly as concerns the domestic violence, violence towards youngsters and social violence;
 - d) Potential risk behaviours among consumers and those around them, particularly acute intoxication among youngsters, such as:
 - Aggressive and violent attitudes;
 - Dangerous driving;
 - Sexual relations without protection and/or unwanted relations and with casual partners;
 - Higher susceptibility to the consumption of drugs and disturbances in nutrition, attempts at suicide, and suicide;
 - e) High levels of labour and traffic accidents;
 - f) Interference with the productivity and quality of labour activities;

- g) Other direct and indirect repercussions at the mortality and morbidity level, particularly:
 - By repetitive lesions in several organs and systems in the digestive system (in particular, the liver, the stomach and the pancreas);
 - The relationship with the induction of malign tumours (specially in the digestive system, liver, larynx and potentially the breast of young women) and several pathologies of the central nervous system and the cardiovascular system (particularly, arterial hypertension and hemorrhagic cerebral vascular accidents).
- 2) To publish and divulge the European Charter on Alcohol, adopted by the European Conference on Alcohol (Paris, 1995), as well as the European Action Plan on Alcohol (2000-2005) elaborated by the WHO.
- 3) To promote and disseminate epidemiological studies and research on the evolution of alcohol-related problems.
- 4) To promote information and awareness campaigns for health professionals, as well as for educators and the police, keeping in mind all those problems and taking into consideration the situations of use (and abuse) of alcoholic drinks by youngsters, so as to effect articles No. 3 and No. 2 of the Law of Protection for Children and Youngsters at Risk, reporting such cases to the competent authorities (child and youth protection commissions and courts of law).

II – Clinical action and investigation

To create a national network, based on the alcoholology regional centres (with a coordination function) and the mental health local services, with links to primary health care units and to general hospitals, which assures the cooperation on effective and accessible preventive actions and diagnosis methodologies and treatment, as well as support to structures of psychosocial rehabilitation for alcohol addicts and alcoholic patients, together with the investigation of alcohol-related problems.

III – Legislation and fiscalisation

- 1) Definition of alcoholic drink - in the context of this action plan, an alcoholic drink is any drink that, by addition or fermentation, contains an alcohol level higher than 0.5°.
- 2) In the ambit of the Advertising Code:
 - a) To broaden the period of prohibition of advertising any alcoholic drinks on television and radio until 10.30 p.m., by means of alteration to the Advertising Code;

- b) To include in the labels of all alcoholic drinks, messages informing about the damages caused by its consumption, specially by youngsters, pregnant women and women in the suckling period, and that excessive, inopportune or inconvenient consumption causes serious damages to the health;
 - c) To prohibit the sponsoring of any sporting events by trademarks of alcoholic drinks, as well as cultural and recreational activities directed to youngsters;
 - d) To assure that the national symbols are not associated with the advertising of alcoholic drinks (article 7, No. 2, paragraph a) of the Advertising Code);
 - e) To prohibit the sponsoring of the national selections by any trademark of alcoholic drinks.
- 3) In what concerns the sale/consumption of alcoholic drinks in shops or enterprises:
- a) To prohibit the sale and consumption of alcoholic drinks at the site of sale to persons of less than 18 years of age, and to adults who are obviously under the influence of alcohol, in any commercial establishments, with responsibility given to the sellers, and to report an offence of violating this prohibition, foreseeing that the repeated offences shall result in penalties of increasing severity and, as an auxiliary measure, providing for the potential revocation of the permit or licence of utilisation;
 - b) To reinforce the supervision on the sale and consumption of drinks in restaurants and other places where persons under 18 years of age frequently go;
 - c) To provide for the affixing of the norms mentioned in paragraph a), in a visible location, at all places where alcoholic drinks are sold;
 - d) To provide for the explicit differentiation at self-service commercial establishments, regardless of their size, of the places where alcoholic and non-alcoholic drinks are displayed;
 - e) To prohibit the availability of alcoholic drinks by means of vending machines;
 - f) To define an area around schools of any levels and any other establishments directed to children or youngsters where new establishments selling alcoholic drinks shall be prohibited, including movable facilities providing alcoholic drinks;
 - g) To prohibit the sale and consumption of alcoholic drinks at service areas on the freeways from 8 p.m. to 6 a.m.;
 - h) To prohibit the sale and availability of alcoholic drinks at the workplaces of the public administration, with the exception of fermented drinks at defined major meal times;

- i) To prohibit the sale and availability of any kinds of alcoholic drinks at restaurants accessible to the public at health establishments;
 - j) To include in the curriculum of restaurant professionals training in method of dealing with intoxicated customers, as well as means of intervention in the prevention of intoxication;
 - k) To call the attention of the associations of alcoholic drinks producers, industries and sellers to the elaboration of a code of self-regulation, following the example of so many countries in the European Union.
- 4) In what concerns traffic accidents:
- a) To reduce the maximum value of alcohol in the blood allowed to the drivers of emergency vehicles and school transportation to 0 per cent;
 - b) To deduce the maximum value of alcohol allowed in the following groups of drivers to 0.03 per cent:
 - drivers of taxis and buses or trucks transporting merchandise;
 - persons whose driving licence for any kind of motorised vehicles has not yet reached two years.
- 5) In fiscal and financial matters – to finance promotion and education for health campaigns and the development of research, treatment and rehabilitation measures:
- To introduce taxes on consumption applicable to different classes of alcoholic drinks, varying as a function of the kind of drink and alcoholic grade;
 - To implement the applicable penalties for infractions in the areas of advertising and selling of alcoholic drinks;
 - To change the Code of Judicial Fees so that there is a reversion of part of the value of the legal actions related to infractions involving by the abuse of alcoholic drinks.

Source: The Appendix is a translation from Republic Diary – 1 Series, B, No. 276, 29th November 2000, 1841–1843.

Chapter 16

Spain

THOMAS KARLSSON AND ESA ÖSTERBERG¹¹

The country

Spain is situated in south-western Europe, occupying most of the Iberian peninsula which is surrounded on the east and south-east by the Mediterranean Sea, on the south-west and west by the Atlantic Ocean and on the north by the Bay of Biscay.

Spain has a population of 39.2 million inhabitants. The total area of the country is 505,990 km² and the population density 77 inhabitants per km². The capital and largest city is Madrid, with 2.9 million inhabitants. About 77 per cent of the people are living in towns and cities. Although most of the Spaniards are still registered in the Roman Catholic church, active religious practice has dropped dramatically, while civil weddings, unmarried couples living together and divorces have increased considerably.

Despite a climate of high temperatures and generally low rainfall, nearly one third of the Spanish territory is suitable for cultivation. Olive trees and grapes are widely grown, and Spain is one of the world's leading wine producers. The country also has many mineral resources, including coal, iron, and petroleum. Traditionally an agricultural country, Spain saw a rapid industrial growth during the late twentieth century. The country has also a lively and flourishing tourism industry. In 1998 Spain had 47.7 million visitors, making it one of the world's top tourist destinations. In the mid-1990s about 30 per cent of the population worked in the industrial sector, approximately 9 per cent in the agriculture and about 61 per cent in the service sector.

In the late 1970s, the government of Spain underwent a transformation from the dictatorship of Francisco Franco, who ruled from 1939 to 1975, to a constitutional monarchy. A national constitution was adopted in 1978. The head of the state is the hereditary monarch. Executive power is held by the prime

¹¹ The ECAS Alcohol Policy Questionnaire (ECAS APQ) for Spain was filled in by Antoni Gual from Unitat d'Alcoholologia de la Generalitat de Catalunya. We would also like to thank Teresa Robledo de Dios and Alicia Rodriguez-Martos from Ministerio de Sanidad y Consumo in assisting us to write this chapter.

minister, the cabinet, and the Council of States, which is a consultative body. The Spanish parliament consists of the Senate with 259 members, 51 of them being special regional representatives, and the Congress of Deputies with 350 members. The Congress of Deputies elects the prime minister proposed by the monarch.

The Spanish population includes large linguistic minorities like the Catalans, the Galicians, and the Basques. Most of the people speak Castilian, also known as Spanish, but also Catalan, Galician, and Basque are official languages. The 1978 constitution allowed for two types of autonomous regions, each with different powers. Catalonia, Galicia and the Basque provinces were defined as historic nationalities and were given special autonomy. While the autonomous regions have assumed substantial powers of self-government, the issue of regional versus central governmental power is still controversial. Each of Spain's 17 autonomous regions elects a unicameral legislative assembly, which selects a president among its members. Seven autonomous regions are composed of only one province, while the other ten are formed of two or more provinces.

Alcohol production and trade

At the beginning of the 1950s, yearly wine production was about 16 million hectolitres. In the early 1970s, the corresponding figure was around 26 million hectolitres (International statistics, 1977). By the late 1970s annual wine production had increased to about 50 million hectolitres. Since then wine production has decreased, and in the years 1995–1998 it was around 31 to 36 million hectolitres in a year, meaning that Spain was the world's third leading wine-producing nation (World Drink Trends, 2002).

Imports of wine were on a very low level until 1993. In that year 0.1 million hectolitres of wine was imported. Since then, wine imports have increased and in 1995 they amounted to 2.4 million hectolitres, which was 16 per cent of the Spanish wine consumption (Hurst, Gregory & Gussman, 1997). At the beginning of the 1950s exports of wine were less than 1 million hectolitres a year. By the early 1970s they had increased to over 3 million hectolitres (International statistics, 1977). At the beginning of the 1980s, exports of wine reached 4 million hectolitres. Since then exports of wine have fluctuated between 4 and 10 million hectolitres a year. In the mid-1990s wine exports were about 7 million litres a year, which is about one third of the total Spanish wine production.

Although Spain is famous for its sherries, more than half of Spain's wine production consists of table wines. The regions where quality wines are produced

are controlled by the Instituto Nacional de Denominaciones de Origin. There are 34 regions of Denomination of Origin and four regions of Provisional Denomination of Origin in which the regulating boards control the types of wine that can be grown and the pruning methods. In 1995, quality wines accounted for 45 per cent of total wine production (Hurst, Gregory & Gussman, 1997).

Spain is also a major producer of distilled spirits. In the mid-1960s the yearly production of distilled spirits was about 2 million hectolitres (International statistics, 1977). In 1979 it reached the figure of 4 million hectolitres. Since then, the production of distilled spirits has fluctuated around a downward trend, and in the mid-1990s the production of distilled spirits had decreased to about 2.5 million hectolitres in a year.

At the beginning of the 1980s both the exports and imports of distilled spirits were about 0.2 million hectolitres a year, which meant that imports accounted for about 7 per cent of domestic consumption of distilled spirits and exports accounted for about 7 per cent of domestic production of distilled spirits. Since then, both exports and imports of distilled spirits have increased, and the increase in imports has been faster than the increase in exports. In the mid-1990s, nearly half a million hectolitres of distilled spirits, nearly a fifth of the Spanish spirits production, was exported. Imports of distilled spirits had increased to 1.5 million hectolitres, which was nearly half of the Spanish consumption of distilled spirits. Like the imports of wine, imports of distilled spirits have increased especially after 1992.

In the late 1950s, some 3 million hectolitres of beer were produced annually in Spain. In the mid-1970s, the corresponding figure was 16 million hectolitres (International statistics, 1977). The production of beer was increasing until the early 1990s. In 1989 it reached 27 million hectolitres. Nowadays the yearly beer production is about 25 million hectolitres. Exports of beer have been on a low level. Even if they have increased since the mid-1970s, they were still only 1 to 2 per cent of the Spanish beer production in the mid-1990s. Imports of beer were also negligible in the mid-1970s. Since then they have increased to 1 million hectolitres in 1990 and to 2 million hectolitres by the mid-1990s. In the mid-1990s the proportion of imported beer of total beer consumption was about 7 per cent (Hurst, Gregory & Gussman, 1997).

In 1995, there were 15 independent brewing companies in Spain, operating altogether 25 breweries. The four largest companies accounted for about 75 per cent of domestic beer production. Foreign brewing companies hold significant portions of Spain's major breweries, and a part of domestic beer production includes foreign brands produced under licence (Hurst, Gregory & Gussman, 1997).

Alcohol consumption

At the beginning of the 1960s, total alcohol consumption in Spain was about 10 litres per capita. There is no data on production and consumption of distilled spirits from 1950 to 1961. If the consumption of distilled spirits was on about the same level in the early 1950s as at the beginning of the 1960s, the total alcohol consumption at the beginning of the 1950s would have been about 8 litres per capita. In any case, it seems quite evident from table 16.1 that the total alcohol consumption was growing both in the 1950s and 1960s and in the first half of the 1970s. Per capita alcohol consumption peaked in 1975, when it reached a level of 14 litres. Since then the total alcohol consumption has been on the decrease, and by 2000 it had come down to 10 litres per capita a year.

TABLE 16.1. Consumption of alcoholic beverages by beverage categories in Spain in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995*
Total alcohol consumption	..	11.06	13.52	11.47	10.10
Consumption distilled spirits	..	2.34	2.72	2.88	2.50
Consumption of wines	6.94	7.64	8.74	5.82	4.55
Consumption of beer	0.27	1.08	2.06	2.77	3.05
Percentage of distilled spirits	..	21	20	25	25
Percentage of wines	..	69	65	51	45
Percentage of beer	..	10	15	24	30

* Hurst, Gregory & Gussman (1997, 400) gives for the 1990s higher consumption figures for wine than World Drink Trends (2002, 116). If taken directly from the World Drink Trends, the figure for total alcohol consumption per capita in 1995 was 9.8 litres.

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

Like the total alcohol consumption, the consumption of wine was also increasing in the 1950s and 1960s and peaked in the mid-1970s, when it reached a level of 77 litres per capita a year. At the beginning of the 1950s, the per capita consumption of wine had been about 50 litres, and in the mid-1960s around 63 litres. In the second half of the 1970s and in the 1980s, the consumption of wine decreased almost constantly, but in the 1990s it has stayed quite stable. However, the decreasing trend meant that in less than two decades wine consumption fell by 50 per cent. In 2000, the yearly consumption of wine per capita was 33 litres, which is clearly less than in the early 1950s (World Drink Trends, 2002).

In the 1960s and in the first half of the 1970s, the growth in consumption of distilled spirits kept up with the pace of the growth in the total alcohol

consumption. Consumption of distilled spirits continued to increase even in the second half of the 1970s, and peaked in 1981 at 3.2 litres alcohol per capita or 9 beverage litres of distilled spirits. Since then the consumption of distilled spirits has declined, and in the late 1990s it was just under 7 litres per capita of the product, or 2.4 litres of alcohol per capita (World Drink Trends, 2002).

Beer consumption increased fairly steadily from the early 1950s to the early 1990s. In 1990, beer consumption per capita was 72 litres. The growth rate during the last four decades is quite astonishing as beer consumption in 1959 was only 2.2 litres of the product per capita. In the 1990s beer consumption has fluctuated a little but in 2000 it was 72 litres a year, exactly the figure in 1990 (World Drink Trends, 2002).

In the mid-1960s over two thirds of all alcohol consumed was still in the form of wine. Nowadays wine accounts for about 45 per cent. Beer is the beverage which has most clearly increased its proportion of the total alcohol consumption, from a few per cent at the beginning of the 1950s to 30 per cent in the late 1990s. Also the proportion of distilled spirits of the total alcohol consumption has increased from one fifth in the first half of the 1960s to one fourth in the late 1990s.

Alcoholic beverages have played an important part as a source of nutrition and in the social and dietary habits of the Spaniards. The pattern of mixing drinking with food, work and social habits is still very common, but it is thought that drinking habits are moving closer to those in Central European countries. In comparison with wine and distilled spirits beer has increased its popularity relatively recently. From being a beverage mostly drunk in bars, on holidays and at leisure events, beer has greatly increased in popularity, and nowadays it also competes with wine at the table. Beer has become popular especially among young people, being a sort of symbol of casual and modern life. Rapid urbanisation is said to be an important contributing factor to the increased popularity of beer (Hurst, Gregory & Gussman, 1997; see Karlsson & Simpura, 2001 and Simpura & Karlsson, 2001).

In spite of the traditional home consumption of wine, Spaniards consume most alcoholic beverages in restaurants or bars. It is estimated that 75 per cent of beer, 80 per cent of distilled spirits and 47 per cent of wine are consumed outside the home. There has, however, been a trend towards greater home consumption, particularly of wine and distilled spirits. This trend is also reflected in the consumption rate of draught beer, which was 39 per cent in the late 1980s, whereas the corresponding figure in 1995 was 35 per cent. Half of beer consumption in Spain consists of special beers with an average alcohol content of 5.5 per cent by volume. In 1994 the consumption rate of normal beer was 44 per cent, and that of low alcohol beer, alcohol content less than one per cent by volume, was 7 per cent. In 1988 red wines accounted for almost half of the wine consumption (Hurst, Gregory & Gussman, 1997).

Most of the distilled spirits consumed in Spain have traditionally been produced domestically. Brandy used to be Spain's most popular distilled spirits, accounting for 46 per cent of the market in 1975, and followed by anise-flavoured drinks with 15 per cent of the markets. By the mid-1990s, the market share of brandy had decreased to 18 per cent and that of anise-flavoured drinks to 6 per cent. These alcoholic beverages together with gin were the most produced drinks in Spain. On the other hand, whisky, which is mainly an imported drink, has increased its rate in twenty years from 8 to 31 per cent of the consumption of distilled spirits (Hurst, Gregory & Gussman, 1997).

A large number of tourists visit Spain every year. In 1989, for instance, there were some 54 million visitors to Spain and they stayed an average of three days. This has given rise to arguments that the true level of Spanish alcohol consumption is lower than the official statistics indicate. For instance, according to Hurst, Gregory & Gussman (1997) "in 1991 it was estimated that tourists accounted for 15 to 25 per cent of alcohol consumption" (Hurst, Gregory & Gussman, 1997, 399). They do not, however, give the source for this estimate. It should therefore be noted that 54 million visitors for an average of three days means that there are less than half a million tourists in Spain each day. If these "half a million tourists" in a country of 39 million inhabitants are drinking 20 per cent of the recorded consumption, they have to drink 20 times more than the local people, or in fact 40 centilitres of pure alcohol a day, which does not sound credible or even possible. In the ECAS project, Trolldal (2001) has estimated the importance of tourism and according to his estimate the net effect of tourism is less than one per cent of the total consumption (Trolldal, 2001, 75).

In his analyses in the ECAS project, Leifman (2001) estimated the unrecorded consumption in Spain to be approximately one litre. The grounds are, however, quite questionable, as this figure for Spain comes from a study conducted in the early 1970s (International Statistics, 1977; see also Leifman, 2001, 61, 63). According to a time-series analysis comparing recorded alcohol consumption to alcohol-related mortality, the amount of unrecorded alcohol consumption in Spain fell somewhat from the beginning of the 1970s to the mid-1990s (Leifman, 2001, 65). In summary, after all these arguments a good starting point may still be that it is really the Spaniards that are consuming the alcohol recorded as the Spaniards' alcohol consumption.

Consumption of alcoholic beverages in terms of beverage volume was 112 litres per capita in 2000. In the same year, the per capita consumption of commercial non-alcoholic beverages was about 437 litres, consisting of 120 litres of milk, 98 litres of coffee, 98 litres of soft drinks, 94 litres of bottled waters, 25 litres of juices and 2 litres of tea. During the 1990s, the consumption of bottled waters increased by 44 litres, the consumption of soft drinks by 26 litres, the consumption of coffee by 14 litres, and that of juices by 13 litres. The consumption of milk and tea stayed on the same level (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

In principle, the Spanish Ministry of Health has the overall responsibility for preventive alcohol policies in Spain. The state has the exclusive authority to deal with external health issues, basic legislation and general health coordination and legislation on pharmaceutical products. The autonomous regions may assume the responsibility for health and hygiene.

The autonomous regions have assumed control over public health and health planning. The autonomous governments are responsible for planning and carrying out health promotion and education programmes. The Ministry of Health is responsible for facilitating the coordination with and among the autonomous regions in health promotion issues.

Every region has its own programme on substance abuse. These programmes are autonomous, but they are coordinated for the whole of Spain by the Bureau of Alcoholism and Drug Addiction (Delegación del Gobierno para el Plan Nacional sobre Drogas). The Bureau was set up in 1984 within the Ministry of Health, mainly because of the increasing concern of illicit drug use in the society (ECAS APQ, 1999).

Even though the Bureau of Alcoholism and Drug Addiction was mainly formed because of the problems caused by illicit drug use, it has begun to pay increasing attention to matters concerning alcohol, especially issues related to alcohol and youth. As a matter of fact, alcohol and young people have become a major issue for the Bureau of Alcoholism and Drug Addiction, which especially fosters studies and activities aimed at preventing the risks of alcohol use among young people. Governmental alcohol policies are increasingly addressing youngsters, and a change in the legal age limit for drinking, 18 years for all regions instead of the 16 years limit still in force in some regions, has been proposed. Educational programmes for the prevention of substance abuse have been developed since the 1980s and have always had alcohol as their main target. The programmes offered have increased in the last decade, with a huge variety of programmes covering different age groups. Small hospitals for treatment of alcoholics have also been established, and advertising against alcohol misuse has been undertaken at the regional government level. In 1995, authorities approved a road safety plan which included a number of measures aimed at reducing the incidence of driving under the influence of alcohol. Breathalysers were also introduced to measure the blood alcohol (BAC) levels (Hurst, Gregory & Gussman, 1997).

The national government has also conducted advertising campaigns aimed at prevention of alcohol-related traffic accidents. In 1995 the campaign emphasised that the social damages of drunk driving reach far beyond the

individual perpetrator. This approach falls in line with the government's overall concern about the costs of alcohol abuse for public health.

Spain describes its alcohol control policy as covering only some aspects of the problems related to alcohol. According to Harkin (1995), the priorities in the 1990s have been as follows:

- discouraging drinking in schools, work settings and health care establishments,
- increasing the role of primary health care teams in prevention,
- focusing on early detection of alcohol problems,
- using price policy to reduce alcohol demand,
- addressing particular alcohol problems such as high weekend alcohol consumption by young people, and
- combating drunk driving.

In addition, Catalonia and the Basque provinces have specific bylaws concerning drinking in work settings. For instance, alcohol sales and consumption has been forbidden in the workplace at the Catalan transport companies since 1992. The Basque region forbids being under the influence of alcoholic beverages while on duty in working environments where intoxication could cause harm to other persons. This concerns drivers of public service vehicles, members of health staff, and members of armed forces.

During the 1995 Christmas period the Basque regional government ran a campaign against drunk driving targeted on young people. The campaign included advertising and programmes at discos. In the spring of 1996, the Valencia region introduced a dry law for those under 16 years of age. The legislation introduced fines of up to 10 million pesetas for the sale of alcoholic drinks to an underage drinker. The offending establishment also faces closure for up to two years. Vending machines selling alcoholic beverages must be controlled, and the sale of alcoholic beverages at educational centres is banned if students under the age of 16 are enrolled (Hurst, Gregory & Gussman, 1997).

Within the framework of the World Health Organization's (WHO) strategy health for all by the year 2000, the reduction of both alcohol consumption and its harmful effects was a priority objective of the Ministry of Health and Consumer Affairs. The Ministry of Health and Consumer Affairs organised inter-sectorial meetings between the different ministries involved, autonomous communities, professionals, organisations and volunteers in order to reconcile the diverse legislation on alcohol and to coordinate intervention policies on supply and demand (Moser, 1992).

Although several regional and national agencies handling matters concerning preventive alcohol policies have been established since the 1980s, there is still a very weak formal control on alcohol-related issues. The public is

also not to any greater extent concerned about alcohol-related issues and problems. There is, however, a growing concern about the easy availability of alcoholic beverages to young people, and there is a growing demand for restrictions on the availability of alcoholic beverages to young people in Spain.

In Spain there has never existed any substantial temperance movement. On the other hand, the alcoholic beverage industry has had quite an influential position in the society, since some regions depend very much on wine production. Wine producers are in fact a powerful pressure group, which clearly has had, and still has, an impact on politicians and the decision-making in Spain (ECAS APQ, 1999). In 1993, the alcoholic beverage industry formed a new social responsibility organisation called the *Asociacion De Distribuidores de Grandes Marcas de Bebidas* (ADIGRAM). The group sees itself as a key link with the national and local governments. In 1995, ADIGRAM launched a major campaign, which told consumers: *To Drink with Moderation is Your Responsibility* (Hurst, Gregory & Gussman, 1997).

Licensing policy

In Spain alcohol producers need a licence to operate factories to produce alcoholic beverages. The licence is granted by a territorial registry within the Ministry of Economy and Treasury, and it is mandatory for all factories, regardless of the products the factory produces, i.e. there are no special licences for producing alcoholic beverages. The requirements the factory has to meet in order to obtain the licence are in relation to the factory's building and production equipment as well as accounting.

The custom authorities and a special tax office provide the licence for importers of alcoholic beverages. The licence is mandatory for all importers, regardless of the products they import, i.e. there are no special licences for imports of alcoholic beverages. The wholesalers of alcoholic beverages are also required to have a licence in order to operate. Likewise, this is also a general licence for wholesaling, not a special licence for the wholesale of alcoholic beverages. The agency granting these licences functions within the Ministry of Economy and Treasury.

The off- and on-premise retailers of alcoholic beverages do not need any specific licences to operate in Spain. The situation regarding licensing policies has been much the same for the whole study period (ECAS APQ, 1999). Some municipalities have, however, begun to limit the number of outlets that sell alcoholic beverages.

Restrictions of availability

Alcoholic beverages cannot be served or sold to people under 16 or 18 years, depending on regional laws. Premises are obliged to have legal regulations posted in a visible place. The norm should also apply to supermarkets and grocery stores, but the norm is very seldom followed. It seems that the age limits are quite poorly enforced in Spain in general. Since the beginning of the 1990s there has, however, been an increasing public awareness on matters concerning youth, alcohol and alcohol-related casualties, especially traffic accidents, which has led to an increasing enforcement of the legal age limits (ECAS APQ, 1999).

There are no specific business hours for sale of alcoholic beverages. Alcohol is available in both off- and on-premise establishments as long as the premises are open. There are some limitations for serving concerning special environments such as educational centres, sports venues, municipal youth clubs and health services buildings which are mostly decided by the regional governments.

Since 1985, the Catalan government (Law 25/1985) has prohibited any invitation or delivery of promotional items like posters or pens with the name of an alcoholic beverage or alcohol producer to people under 16 years of age. Public promotion of alcoholic beverages through fairs and exhibitions has to be limited to specific areas, and no free tasting or delivery is allowed, nor should underage people have access to such events. By the same law alcoholic beverages containing over 23 per cent alcohol by volume were prohibited in health centres, high schools and sports centres run by public administration. The law also stipulated that alcoholic beverages should not be sold or served in social or educational centres for youth, or in the workplace for public transport.

In 1991, a modification of the former law extended the above mentioned prohibition to beverages over 20 per cent alcohol by volume, and included petrol stations and rest areas at the motorways among the forbidden areas. Vending machines for alcoholic beverages also have to be placed in closed premises, and their use is forbidden for underage people. Petrol stations and motorway rest areas have to post visible warnings: "If you have to drive, don't drink" and "Heavy drinking is the cause of many crashes."

Alcoholic beverages containing over 23 per cent alcohol by volume cannot be sold to people under 18 years of age, and no alcohol can be sold to those under

18 years between midnight and 6 a.m. Consumption of alcoholic beverages is also forbidden in places where sports events are taking place, like sports arenas. Catalan municipalities are allowed to put some limits on public consumption; for example, to ban public consumption on the streets and to limit the serving time in licensed public venues. Drinking promotions like “Two drinks for the price of one” are not allowed.

Nowadays, 15 regions, including Catalonia, have laws concerning the sale, supply and consumption of alcoholic beverages. They mainly include the raising of the legal age limit for drinking, from 16 to 18 years, the prohibition of selling and consumption of alcohol in educational centres, high schools and centres for youngsters, and the regulation of selling and consumption in health centres, public administration premises, petrol stations and rest areas on motorways. The last limitations refer to alcoholic beverages above a certain alcohol content (over 18, 20 or 23 per cent alcohol by volume, depending on the region), although some regions forbid all alcoholic beverages, disregarding the alcohol content. Most of the regional norms also include some limitations concerning the supply of vending machines in closed places.

Alcohol taxation

Nowadays excise duty on beer in Spain is levied in principle on all beer exceeding 0.5 per cent alcohol by volume on the basis of hectolitre per degree of Plato in the finished product (Table 16.2). However, on beer up to 1.2 per cent alcohol by volume the excise duty rate is set at zero pesetas and for beer containing over 1.2 and at most 2.8 per cent alcohol by volume the excise duty is 386 PTA or 2.32 euro per hectolitre per degree of alcohol in the finished product. For wine the excise duty is counted per hectolitre of the product, but it has been set at zero pesetas. Also the excise duty on intermediate products is counted per hectolitre of the product, but the excise duty rate is different for beverages below or over 15 per cent alcohol by volume. The excise duty on distilled spirits is set on the basis of hectolitres of pure alcohol in the finished product. Small producers get a discount of 9 per cent of the excise duty rate.

TABLE 16.2. Excise duty rates for alcoholic beverages in Spain in 2000 in Spanish pesetas and in euro

Alcoholic beverage category*	PTA	EUR
Beer, per hectolitre per degree of Plato in the finished product**	128.00	0.77
Wine, and fermented beverages other than wine and beer, per hectolitre of the product	0.00	0.00
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	4,575.00	27.50
Over 15% alcohol by volume	7,625.00	45.83
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product:</i>		
Yearly production at most 10 hectolitres of pure alcohol	99,760.00	599.57
Yearly production over 10 hectolitres of pure alcohol	114,000.00	685.15

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

** For beer over 0.5 but at most 1.2 per cent alcohol by volume the excise duty rate is zero, and for beer containing over 1.2 and at most 2.8 per cent alcohol by volume the excise duty is 386 PTA or 2.32 euro per hectolitre per degree of alcohol in the finished product.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

Before Spain entered the European Economic Community (EEC) in 1986, there had been several different taxes applied to alcoholic beverages. These included a basic tax, a luxury tax, an agrarian social security tax, provincial taxes, and in the case of distilled spirits, also a distribution tax. For instance, in the late 1970s beer had only one basic tax per litre of the product which was different for beer at or over 4.1 per cent alcohol by volume. For wine and distilled spirits there was a basic tax, a bottle tax and a luxury tax. The basic tax was counted per litre of pure alcohol in the finished product, and consisted of a national and a provincial levy. The bottle tax was set according to bottle size, in four different categories. The luxury tax was set at 25 per cent of the retail price for the first 350 pesetas, plus 40 per cent of the retail price over 350 pesetas. The upper limit for the luxury tax was 60 pesetas. In the late 1970s there was no value added tax (VAT) in Spain. Counted per centilitre of pure alcohol, and taking all special taxes together, the tax burden on table wine was 4.4 times and that on fortified wine 5.0 times the tax burden on beer. The special taxes on domestic brandy were 3.6 times and those on imported whisky 7.6 times the tax on beer (Brown & Wallace, 1980). Furthermore, until November 1980 the prices were regulated by the Government (Brown, Dewar & Wallace, 1982).

In the early 1980s, alcohol taxes consisted of a special tax, a distribution tax or a bottle tax and a luxury tax, as well as a social security tax. Because of the

complexity of the tax system, it is difficult to make precise comparisons of the tax burden between different beverage categories as well as between different beverage classes inside the beverage categories. Compared to the late 1970s, there had, however, been major changes in the relative tax burden between different beverage categories. The main reason was that wine was freed from all other special taxes besides the social security tax. The tax on one centilitre of pure alcohol in the form of ordinary wine was then only 30 per cent of the tax on beer, and alcohol in a better quality wine was taxed at the same rate as alcohol in beer. Taxes on inexpensive brandy were two times and on quality spirits five times the tax on beer (Brown, Dewar & Wallace, 1982). This tax structure was in force until 1986 (see Horgan, Sparrow & Brazeau, 1986, 351–354). Before the change in the tax system, all special taxes together accounted for 5 per cent of the price of wine, 13 per cent of the price of beer and 25 per cent of the price of distilled spirits.

In 1986, all the earlier special taxes on alcoholic beverages were replaced with an excise duty and a VAT. The excise duty rate for beer was established on the basis of hectolitres of the product and for distilled spirits on the basis of hectolitres of pure alcohol in the finished product. Wine was completely exempted from excise duties. Alcohol excise duty rates were increased annually until 1989, and then remained unchanged until 1993.

In January 1988, the excise duty rate for beer was 476 pesetas per hectolitre of the product and on distilled spirits 66,000 pesetas per hectolitre of pure alcohol in the finished product. Taking into account the VAT, the relative tax burden between wine, beer and distilled spirits was 0.8 to 1.0 to 2.3. At that time 11 per cent of wine prices consisted of taxes. The corresponding rate was 15 per cent for beer and 47 per cent for distilled spirits (Sparrow et al., 1989).

In March 1989, the excise duty rate for distilled spirits was increased to 72,600 pesetas per hectolitre of pure alcohol in the finished product. For beer the excise duty rate was differentiated according to the strength of beer. For beer less than 11 degrees of Plato the excise duty rate was 356 pesetas per hectolitre of the product, for beer from 11 to 13.5 degrees of Plato it was 502 pesetas, and for beer over 13.5 degrees of Plato it was 713 pesetas per hectolitre of the product. Taking into account the VAT, the relative tax burden per litre of pure alcohol in the finished product between wine, beer and distilled spirits was 1.0 to 1.0 to 2.0. At that time 11 per cent of wine prices constituted of taxes. The corresponding rate was 13 per cent for beer and 34 per cent for distilled spirits (Brazeau et al., 1992).

The tax system was revised in 1993 to meet the requirements of the European Union (EU) for the harmonisation of alcohol excise duties. All types of wine were brought into the excise duty system at a zero tax rate. On beer and distilled spirits, the excise duty rates were set at the EU minimum rates, which in practice meant that the excise duty rate for distilled spirits was not changed whereas the excise duty rate for beer doubled. Since 1993, excise duty rates for alcoholic beverages

have increased somewhat in Spain. The small increases concerning beer and intermediate products in terms of pesetas have only meant that the excise duty rates for these beverages have been kept constant in terms of euro. With regard to distilled spirits, the excise duty rate increased in July 1996 in terms of the euro by about 25 per cent. Since then, the excise duty rates for all alcoholic beverages have been kept constant (European Commission, DG XXI, Excise duty tables January 1994–November 2000). Taking into account the VAT, the relative tax burden per litre of pure alcohol in the finished product was in 1996 between wine, beer and distilled spirits 0.9 to 1.0 to 1.7. At that time 14 per cent of wine prices constituted of taxes. The corresponding rate was 20 per cent for beer and 55 per cent for distilled spirits (Hurst, Gregory & Gussman, 1997)

In 1986 the VAT rate for alcoholic beverages was the general VAT rate of 12 per cent. In January 1992 it was raised to 13 per cent and in August 1992 to 15 per cent. In January 1995 the VAT was increased to the current level of 16 per cent (Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, November 2000).

The changes in excise duty levels referred to above are given in nominal values. During the 1950–2000 period the value of the Spanish currency has decreased because of inflation. The increase in the general price level in Spain in the 1960–2000 period as described by the consumer price index (CPI) is given in table 16.3.

TABLE 16.3. Consumer price index in Spain, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	4.3	6.0	7.7	13.6	31.9	56.8	77.8	100.0	113.8

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When relating changes in alcohol taxation to developments in the CPI, it can be concluded that the real burden of special taxes on alcoholic beverages increased for beer but decreased for wine and distilled spirits from the late 1970s to the year 1996. When counting the excise duties and the VAT together, it is clear that the real burden of alcohol taxes increased in 1996 because of the introduction of the VAT of 12 per cent, which affected especially the real tax burden on beer and inexpensive wines. In the late 1980s and early 1990s the excise duty rates for beer and distilled spirits decreased in real terms by a fourth. In 1993 the excise duty rate for beer doubled in real terms, but has since then stayed stable in real terms. The excise duty rate for distilled spirits remained the same in 1993, but has increased since then by a fourth in real terms.

According to the data collected in the ECAS project, the real price of alcoholic beverages stayed about the same in the second half of the 1960s and increased some 10 per cent at the beginning of the 1970s. In the mid-1970s and early 1980s the real price of alcoholic beverages was decreasing. In the mid-1980s it was about 25 per cent lower than in the mid-1970s (Leppänen, 1999). According to these data, the real price of alcoholic beverages increased by about 15 per cent in the second half of the 1980s which seems to be contrary to the fact that at the same time the excise duties on alcoholic beverages were decreasing. However, it has to be remembered that developments in alcohol prices are only partially dependent of developments in alcohol taxes.

Alcohol advertising

In 1976 a code for television advertising was adopted by the Commission for Control of Television Advertising. The code does not appear to have distinguished between different types of alcoholic beverages, although advertisements of alcoholic beverages must clearly show the alcoholic strength of the beverage in percentage of alcohol by the volume. The code prohibits advertising of alcoholic beverages in association with, or close to, programmes for young people. Nor may advertisements for alcoholic beverages in any way imply that drinking alcohol has heroic or romantic associations. Furthermore, advertisements for alcoholic beverages must not occur in association with sports activities or be associated with sports programmes (Davies & Walsh, 1983).

In 1988 and 1990, the laws regarding control of alcohol advertising were slightly tightened. Two new laws were put in place to govern alcohol advertising, namely the General Advertising Law of 1988 and the Television Advertising Resolution, which states that advertising of alcoholic beverages containing over 20 per cent alcohol by volume is forbidden on broadcast media (ECAS APQ, 1999).

The law permits the government to extend this ban by regulation to alcoholic beverages under 20 per cent alcohol by volume, although this has not occurred. Certain regions have further imposed an independent ban on all television advertising of alcoholic beverages, and the Basque region, Catalonia and Galicia have autonomous advertising regulations (Hurst, Gregory & Gussman, 1997). Before 1990, advertising of alcoholic beverages exceeding 23 per cent alcohol by volume was forbidden on broadcast media. Advertising of those beverages was also forbidden by Catalan Law 25/1985 on streets, highways and in parks as well as in movie halls or public transportation vehicles, but indirect publicity via sponsored sports broadcasting is still allowed. In 1991, the prohibition included

all beverages over 20 per cent alcohol by volume. In addition, advertising of alcoholic beverages is not permitted before 9.30 p.m. (ECAS APQ, 1999).

According to Catalan Law 10/1991, advertisements for alcoholic beverages under 20 per cent alcohol by volume cannot be addressed to youngsters and cannot be associated with social or sexual success or therapeutic effects. Moderation cannot be discredited nor heavy drinking admired. Alcoholic beverage advertising is not allowed in cinemas showing films directed to people under 18 years of age. Outdoor advertising of beer and wine is permitted, and a voluntary code regulates advertising of distilled spirits.

Some autonomous regions have narrowed the national limitations on alcohol advertising, mainly those referred to the prohibition of outdoors advertising, radio and TV advertising during given hours of the day, advertising in youth magazines, and the sponsorship of sports events.

The Spanish Brewers Association signed a self-regulation code in 1995. The code requires members to include a responsible consumption message in all commercial communications. The code also covers abuse, youngsters and consumption in the workplace. The Spanish Advertisers' Association's Code for the Self-Regulation of the Advertising of Alcoholic Drinks was adopted in 1996 by the Spanish Federation of Drinks Producers. The Code promotes the benefits of moderate drinking, but recognises the potential for alcohol misuse. The code covers alcoholic beverage advertising and young people, driving, health, work, social behaviour, alcoholic strength and sport (Hurst, Gregory & Gussman, 1997).

Education and information

There is no systematic approach regarding alcohol education and information in Spain. The General State Health Planning Office has a service to promote healthy habits as it is in charge of the prevention and education programmes for health aimed at the reduction of alcohol consumption (Moser, 1992). In addition to this the Bureau of Drug Addiction promotes some mass media campaigns and has published some prevention materials (ECAS APQ, 1999).

The autonomous programmes on substance abuse of each region have different priorities. Some of them do not put any emphasis on alcohol-related matters, while others have started strong cooperation in this respect with the Ministry of Education. In Catalonia, for instance, this has led to specific materials for primary education in the frame of the Education for Health issue. Over the study period, and especially in the past decade, there has been a growing concern

amongst teachers about the fact that alcoholic beverages are more than before regarded as drugs and not as nutrition (ECAS APQ, 1999).

Drunk driving

Drunk driving is a major concern in Spain. Spanish authorities estimate that at the beginning of the 1990s some 30 to 50 per cent of road accidents were caused by alcohol (Hurst, Gregory & Gussman, 1997). The blood alcohol concentration (BAC) level defined as drunk driving was 0.08 per cent until 1998 (ECAS APQ, 1999). For drivers of vehicles weighing more than 3,500 kg, the BAC limit was 0.05 per cent, and for public service drivers, as well as for drivers of dangerous merchandise, emergency services, schoolchildren and minors and special services, the level was 0.03 per cent.

In 1999 the enforcement of Real Decreto 2282/1998, de 23 de Octubre, reduced the legal BAC level to 0.05 per cent, in accordance with most of the EU countries. For novice drivers and professionals the limit is at 0.03 per cent (ECAS APQ, 1999).

Random breath tests are also performed. In the case of traffic accidents breath tests are compulsory. If the BAC level is higher than 0.05 per cent, the driver must leave the vehicle and remain in the custody of the police until the BAC level has dropped below the legal limit. Blood tests can be requested by individuals failing a breathalyser test, or can be ordered by a judge in the event of an accident. Refusal of breath tests may be punished with 6 to 12 months' prison sentence. Fines up to 100,000 pesetas are imposed for impaired driving (ECAS APQ, 1999). After driving with a BAC level higher than 0.1 per cent, the driver may be sentenced to prison. The most common penalty is, however, to suspend the driving licence for some months. No alternative measures like treatment are provided yet (ECAS APQ, 1999).

According to the General Regulations for Drivers (Reglamento General de Conductores, Decreto 772/1997 de 30 de Mayo), driving licence cannot be granted to people with alcohol abuse or dependence. Medical check-ups, which have to be performed every time a licence is either granted or renewed, are in the future going to include a specific screening for alcohol- and other drug-related problems. There is a project aimed at the inclusion of a specific screening for alcohol- and other drug-related problems.

Administrative structure of treatment for alcoholism

As early as in the 1960s, the Spanish Government set up eight specialised centres to treat alcoholism in different cities of Spain, for instance in Barcelona, Bilbao, Madrid, Seville and Valencia. Before this, only psychiatric hospitals took care of persons with severe alcohol problems (ECAS APQ, 1999). In the early 1980s, several regional programmes offered a network of centres for alcoholic patients. The Bureau of Alcoholism and Drug Addiction could be seen as a major change in the treatment of drug addicts. Despite its focus being primarily on opiate addicts, alcohol problems have become a main target for the new edition of the national plan.

There is a broad network of services for inpatient and outpatient treatment for people with alcohol problems, many of them linked with mental health services. Only the most severe cases of dependence, physical damage or psychiatric complications are admitted to hospitals. About 80 per cent of the patients are treated through outpatient services (Moser, 1992).

The most widespread system of specialised treatment is organised on an outpatient basis through 70 anti-alcohol dispensaries or mental health centres for alcoholic and drug-dependent people. Some outpatient consultation services have been established in mental hospitals. The social security system provides treatment for alcoholics through about 500 neuropsychiatric consultation services in the medically specialised outpatient departments or in “zone consultations”, which are held for two hours a day, on referral by a general practitioner (Moser, 1992)

There are a few specialised inpatient services for alcoholics in university general hospitals, but most inpatient care is given in mental hospitals, where 4 to 5 per cent of the beds are occupied by alcoholic patients, although 25 per cent of psychiatric admissions are for alcoholism. In some regions, an important part in treatment and rehabilitation is played by the self-help organisations. Subsidies for their work are provided through the social services (Moser, 1992).

The General Health Law has proposed the establishment of health areas and zones with new health centres and basic teams to provide primary health care. According to a primary health reform document, these teams should manage some mental health problems and improve early detection and intervention of, for example, alcohol and drug problems. They would be supported by specialised mental health teams, and would have the collaboration of the social services and other professional workers in the community.

Some attention is paid to the families of excessive drinkers through certain outpatient alcoholism services, the social services and voluntary organisations (Moser, 1992). Most treatment programmes include some attention provided to

the family. A preventive programme (ALFIL Programme, psycho-educational groups for children of alcoholics) was launched in 1996 by the scientific society Socidroalcohol, with the sponsorship of the bureau of alcoholism and drug addiction.

Every autonomous region has a different model regarding treatment for alcoholism. A general principle is that most treatment centres in the regions are funded by the regional programme on substance abuse. Usually patients are treated in the drugs network, which is sometimes organised independently, sometimes included in public health services and sometimes forms part of the mental health services (ECAS APQ, 1999).

Summary

Spain belongs to those countries which at the beginning of the 1950s did not have any comprehensive preventive alcohol policy. Nor can one claim that Spain even nowadays has a comprehensive alcohol control system. Still, during the last fifty years some alcohol control measures have been introduced, and nowadays the BAC limit is down to 0.05 per cent for all drivers, and even lower for some special groups of drivers. Also, alcohol advertising is controlled both with statutory rules and voluntary codes.

It is estimated that at the beginning of the 1950s, total alcohol consumption in Spain was about 8 litres per capita, in any case less than 110 litres per capita. Since then the total alcohol consumption increased and peaked in 1975, when it reached a level of 14 litres. During the last two and half decades the total alcohol consumption has been on the decrease, and by 2000 it had come down to 10 litres per capita. Spain belongs to the wine drinking countries. However, nowadays wine accounts for about 45 per cent of the total alcohol consumption. Beer is the beverage which has most clearly increased its proportion of the total alcohol consumption, from a few per cent at the beginning of the 1950s to 30 per cent in the late 1990s. Also the proportion of distilled spirits of the total alcohol consumption has increased from one fifth in the first half of the 1960s to one fourth in the late 1990s.

As with other Mediterranean countries, the decrease in wine consumption cannot be explained by stricter alcohol control measures. The increase in alcohol excise duty rates in real terms could be offered as an explanation for the developments in alcohol consumption in the 1990s, but it is not even sure that the increase in the real tax burden of alcoholic beverages has passed to alcohol prices as real prices of alcoholic beverages today seem to be on the same level they were some two to three decades ago. One explanation for this is that even if the tax

burden on alcoholic beverages has increased alcohol excise duties are still on a very low level.

Like in some other countries with no comprehensive preventive alcohol policies at the beginning of the 1950s, increased drinking by youngsters, as well as drunk driving, has increased public awareness on alcohol issues. It is to be seen if this trend will continue and if so, what kind of alcohol control measures will be implemented in the future.

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Chapter 17

Sweden

THOMAS KARLSSON AND ESA ÖSTERBERG¹²

The country

Sweden is situated in northern Europe where the country occupies the eastern part of the Scandinavian Peninsula. It is bounded on the west and north by Norway, on the north-east by Finland, on the east by the Gulf of Bothnia and the Baltic Sea, and on the south-west by the Skagerak, Kattegat, and Öresund straits. Nowadays Sweden is connected with Öresund by a bridge to Denmark. The islands of Gotland and Öland in the Baltic Sea also belong to the Swedish territory. Sweden is the fourth largest country in Europe, with an area of 449,964 km². Stockholm with 750,000 inhabitants on the eastern side of the country is the country's capital and the largest city.

Sweden has a population of 8.9 million inhabitants which gives the country an overall population density of 20 persons per km². The great majority of the population lives in the southern half of Sweden, especially in the central lowlands, the plains of Skåne, and the coastal lowlands. Large areas of the northern mountains are sparsely inhabited. Some 83 per cent of the population are classified as urban. In the mid-1990s approximately 86 per cent of the Swedish people were Lutheran, adherents of the Evangelical Lutheran Church, which was until 2000 the state church of Sweden. Church attendance is, however, quite low.

Sweden is an industrialised economy, heavily oriented toward foreign trade. The economy is primarily based on timber, hydropower and rich iron-ore deposits but during the later decades also on electronics industries. The engineering sector accounts for 50 per cent of industrial output and exports. Sweden has a modern distribution system with excellent internal and external communications. In the mid-1990s about 26 per cent of the population worked in the industrial sector, approximately 3 per cent in the agriculture and 71 per cent in the service sector.

¹² The ECAS Alcohol Policy Questionnaire (ECAS APQ) for Sweden was filled in by Ola Arvidsson from the Swedish National Institute of Public Health. We would also like to thank Kerstin Stenius and Christoffer Tigerstedt from the National Research and Development Centre for Welfare and Health (Stakes), Helsinki, Finland for assisting us to write this chapter.

Sweden is a hereditary, constitutional monarchy with a parliamentary system. The chief of the state is the monarch with nominal powers. The executive power is vested in the cabinet, which is responsible to the national legislature, the Riksdag. The cabinet is composed of a prime minister, department ministers and ministers without portfolio. In 1971 the Riksdag, formerly bicameral, was changed to a unicameral legislature with 350 popularly elected members. The 1975 constitution reduced the number of members to 349 to prevent tie votes. Members of the Riksdag are elected for terms of four years by the voters under a system of proportional representation.

Sweden is divided into 21 counties. Each county has a governor and a state county administrative board. The governor, appointed by the central government, is the chairman of the board. The board members are elected by the county councils. County councils are mainly responsible for overseeing health services. Sweden is further divided into 290 municipalities. Municipal councils, elected by local voters, control local government including social welfare.

Alcohol production and trade

Sweden is not a major producer of alcoholic beverages. A large percentage of distilled spirits consumed in Sweden and almost all wine are imported (Hurst, Gregory & Gussman, 1997). Beer production fluctuated from 2.8 million hectolitres in 1960 to over 4 million hectolitres in the mid-1970s. The production of beer reached its peak in 1994 at 5.4 million hectolitres. In 1998 the production of beer had decreased considerably to 4.6 million hectolitres. The import of beer has been considerably larger than the export of beer. In the mid-1990s about 7 per cent of all beer consumed in Sweden was imported (Hurst, Gregory & Gussman, 1997).

In 1980 there were 71 breweries operating in Sweden, employing around 4,000 people (Davies & Walsh, 1983). By 1998 the number of breweries had decreased to 37. Since the 1980s, the Swedish brewing industry had been dominated by one company, Pripps, at times also owned by the state. In 1995 Pripps was merged with the Norwegian brewery Ringnes, and together they became the second largest brewery in the Nordic countries. In May 2000 yet another merger occurred when Pripps-Ringnes was merged with its biggest competitor, the Danish Carlsberg.

In 1994, Sweden produced 0.6 million hectolitres of distilled alcoholic beverages including imported spirits bottled in Sweden (Harkin, 1995). Absolut Vodka is Sweden's most important exported alcoholic beverage. In the mid-1990s the consumption of distilled spirits in Sweden was about 0.3 million hectolitres,

the imports 0.2 million hectolitres and the exports 0.5 million hectolitres (Hurst, Gregory & Gussman, 1997).

In 1992, 29 billion Swedish crowns were spent on alcohol in Sweden, equivalent to 3.7 per cent of private consumer expenditure. Over 60 per cent of this came as revenue to the state (Harkin, 1995). The percentage of total government revenue from taxation of alcoholic beverages has decreased considerably during the last two decades. In 1980 the percentage of total government alcohol revenue was 5.2 per cent, in 1990 the percentage had decreased to 4.1 per cent, and in 1996 it was down at 2.6 per cent.

Alcohol consumption

Until recently Sweden had been predominantly a spirits drinking country since the beginning of the nineteenth century. At the beginning of the nineteenth century consumption of hard liquor may have reached as high as 20 litres per person annually. The high level of alcohol consumption led to alcohol-related problems, and the support for the temperance movement grew, making the temperance movement a powerful actor in the development of Swedish alcoholic beverage policy (Hurst, Gregory & Gussman, 1997).

TABLE 17.1. Consumption of alcoholic beverages by beverage categories in Sweden in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	4.26	4.67	6.18	5.29	5.27
Consumption of distilled spirits	2.77	2.60	2.93	2.10	1.31
Consumption of wines	0.31	0.60	1.07	1.41	1.53
Consumption of beer	1.18	1.47	2.18	1.78	2.43
Percentage of distilled spirits	65	56	48	40	25
Percentage of wines	7	13	17	27	29
Percentage of beer	28	31	35	34	46

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

Between 1954 and 1976, total recorded per capita alcohol consumption increased by more than 1.5 times, reaching a peak of 6.4 litres per person in 1976. After that the recorded alcohol consumption declined until 1985, after which it began to rise slightly. During the late 1980s and the early 1990s, the total recorded alcohol consumption again remained at a fairly constant level of about 5.5 litres per

capita. In 2000, this level was 4.9 litres, about 15 per cent lower than it had been in 1980. The decrease in total recorded alcohol consumption can primarily be related to a decrease in the consumption of distilled spirits. In the mid-1970s, the consumption of distilled spirits was about 3 litres of pure alcohol per capita. It has since then fallen and in 2000 it was about 1 litre of pure alcohol per capita (World Drink Trends, 2002).

At the beginning of the 1960s the average consumption of beer in Sweden was about 37 litres per capita. It increased to about 60 litres per capita by the mid-1970s. Between 1976 and 1985 it fell to 45 litres per capita, but has since then increased again. In 2000 beer consumption was 56 litres per capita (World Drink Trends, 2002).

Throughout the study period, wine consumption, starting from a low level, has had a constant upward trend. At the beginning of the 1960s wine consumption was about 4 litres per capita. By 2000 it had reached a figure of 15 litres per capita (World Drink Trends, 2002).

Recorded data on alcohol consumption understate the real level of alcohol consumption because wine and beer may be produced legally at home. There is also a substantial quantity of distilled beverages that are produced illicitly. Since Sweden became a member of the European Union (EU), greater quantities of all alcoholic beverages may be brought into the country from abroad. This undoubtedly also increased the amount of unrecorded alcohol consumption. Also smuggled alcohol plays a part in the unrecorded alcohol consumption.

In 1990 the unrecorded alcohol consumption was estimated to be about 1.2 litres of pure alcohol per capita. About half of it constituted of travellers' alcohol imports. In the late 1990s the unrecorded alcohol consumption increased and by 2000 it had grown to 2 litres per capita. Over 70 per cent of it constituted of travellers' alcohol imports. Consequently, in 2000 total alcohol consumption in Sweden was about 7 litres per capita instead of the figure of 4.9 litres shown in official statistics (see also Holder et al., 1998; Kühlnhorn et al., 2000).

A slow shift that has operated over generations appears to have occurred in drinking patterns. This shift occurs as a slow disappearance of the older temperance-minded generation, and a respective rise of a younger and "wetter" generation. In Sweden, these changes have been smoother than in its neighbouring countries Finland and Norway (Simpura & Karlsson, 2001).

Abstinence rates have declined from between 25 and 35 per cent in the 1950s to the present level around 10 per cent. The women's proportion of alcohol consumption increased from a level of about 20 per cent in the 1960s to about 30 per cent in the 1980s and thereafter (Simpura & Karlsson, 2001). There are also differences in the type of beverage men and women prefer. Whereas about 50 per cent of men's alcohol consumption consists of beer, wine is the most popular alcoholic beverage among women, accounting for about half of the alcohol they consumed in 1992–1994 (Hurst, Gregory & Gussman, 1997).

In the 1960s, the age-group of 26-45 years had the highest alcohol consumption, but since then young adults have been the heaviest drinking group. Daily drinking is still rare, and very little can be said about the trends. In a study from 1999, 9 per cent of adult men and 2 per cent of women reported drinking at least 4 times a week (Simpura & Karlsson, 2001). Beer is the preferred beverage among young people, winning ground from the consumption of distilled spirits, which has been on the decrease during the past few decades. The increase in the popularity of wine primarily accounts for table wines. Their popularity has been increasing steadily for more than 30 years (Hurst, Gregory & Gussman, 1997). Also bag-in-box wines have increased in popularity in recent years accounting nowadays for about half of the wine sales in Sweden.

While the per capita consumption of alcoholic beverages is nowadays about 75 litres in a year, the consumption of commercial non-alcoholic beverages goes up to 501 litres per capita. The per capita consumption of non-alcoholic beverages includes 220 litres of coffee, 120 litres of milk, 82 litres of soft drinks, 40 litres of tea, 22 litres of juices and 17 litres of bottled waters in a year. Since the mid-1980s the yearly consumption of soft drinks has increased by 30 litres, that of coffee by about 20 litres, that of juices by 11 litres and that of bottled waters by 8 litres. The consumption of tea has decreased by 6 litres and that of milk by 26 litres (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

The origin of the Swedish alcohol policy system can be dated back to the mid-nineteenth century, when Swedish Government banned the private distillation of spirits. This ban was a response to what some considered to be the period of the highest alcohol consumption in Swedish history (Frånberg, 1987). This law was an effort to eliminate private, small-lot distilling of alcohol and to concentrate the production of distilled spirits into fewer and larger units, which could be licensed and from which revenues could be extracted. Also the Gothenburg system, established in the 1860's was designated to clean up perceived abuses of public drinking related to restaurants. In this system local authorities granted a local monopoly to sell distilled spirits and profits went into public funds. In 1917 these monopolies were granted exclusive rights to the sales of all wines and distilled spirits. At the same time, a monopoly on the manufacture, importation and wholesale of distilled spirits was established (Holder et al., 1998).

In 1917, instead of a prohibition, a unique system was introduced in Sweden, based on the principle that people who are able to drink without social damage

should be allowed to purchase alcoholic beverages off the premises and those who cannot should not be permitted to buy them. This system became known as the Bratt system, named after its inventor Ivan Bratt. The system was based on a ration book that was provided to those authorised to purchase distilled spirits. In addition to the rationing system the sale of alcohol was very carefully controlled. Ordinary beer was available in grocery stores, but no strong beer was sold at all. Wine, which at the time only accounted for one per cent of the consumption, was not restricted. Ration books were issued to those who did not misuse alcohol and had a satisfactory financial position (Hurst, Gregory & Gussman, 1997; see also Sulkunen et al., 2000).

Generally ration books were issued only to men and very rarely to women. Married women were expected to share their husband's allocation. Unmarried women and young males had also smaller monthly rations than adult men which as a rule was set at four litres of distilled spirits per month. The minimum age limit for getting the ration book was 25 years. This ration book permitted to alcohol purchases in only one monopoly shop and in this book all purchases were recorded (Holder et al., 1998).

The Bratt system was eliminated in October 1955. Many aspects of the rigid alcohol control system were, however, retained. Local off-premise retail monopolies were merged into a national off-premise alcohol retail monopoly, Systembolaget, which was given the monopoly on off-premise sales of distilled spirits, wine and strong beer as well as wholesale of the same beverages to restaurants. The Central Wine and Spirits Corporation (Vin & Sprit) was given a monopoly on the domestic production of distilled spirits and the importing of distilled spirits, wine and strong beer.

The restructured alcohol control system still continued the historical principle of limiting the private profit motive in the sale of alcoholic beverages. In the 1960s, the approach to alcohol control was somewhat liberalised. In 1965 medium beer, alcohol content over 3.5 and at most 4.5 per cent by volume, was introduced in grocery stores, and in 1969 the purchasing age in monopoly stores was reduced from 21 to 20 years. Concerning on-premise sale of alcoholic beverages the fixed price system for alcoholic beverages was abolished in 1963. This ultimate goal of this system was to eliminate any profits from on-premise sale of alcoholic beverages. This basically ended restaurant price controls and increased the private profit motive and prices in on-premise alcohol sales (Holder et al., 1998).

The liberal period of the 1960s and early 1970s was replaced with more restrictive policies and legislation in the late 1970s and early 1980s (Holder et al., 1998). In the mid-1970s, the Swedish government appointed an Alcohol Policy Commission (APU). The Commission put forward many proposals for a new law, which was enacted in 1977 and came to form the Swedish alcohol policy for

the next two decades. APU also emphasised that the alcohol issue must be viewed in the wider context of social policy (Hurst, Gregory & Gussman, 1997).

In 1977, the responsibility for alcohol policy in Sweden was transferred from the Ministry of Finance to the Ministry of Health and Social Affairs. At the same time the administrative responsibility was shifted from the National Tax Board to the National Board of Health and Welfare. After this, the primary objective of Swedish alcohol policy has been to reduce total alcohol consumption and the rate of alcohol-related diseases and injuries. In addition to taxation and other control policies, a variety of programmes related to alcohol and alcohol misuse have been undertaken in Sweden in the areas of research, education on alcohol and in treatment systems for alcoholics.

The new alcohol law of 1977 attempted to reduce alcohol consumption by reducing alcohol availability, restricting private profit interest and decreasing drinking among young people. Concrete measures to achieve a reduction in alcohol consumption included, for instance, the withdrawal of medium beer from grocery stores and discontinuing the production of medium beer in Sweden. In 1978 a new law was enacted banning almost all alcohol advertising. Four years later, in 1982, a decision was agreed upon to close the retail sales monopolies on Saturdays (Holder et al., 1998). Some of the retail monopoly stores opened their doors again on Saturdays in February 2000 as a part of an experiment lasting for one year, and as of July 2001 all the monopoly stores are open on Saturdays.

In 1981 a public campaign was launched to return to a system of rationing. In 1984, almost 30 per cent of all doctors and 50 per cent of the professors of medical faculties in Sweden signed an appeal calling for the use of rationing for at least a trial period of three years. This appeal did not, however, lead to any concrete measures to reintroduce the rationing system.

In 1985 the Swedish government approved the World Health Organization Regional Office of Europe's (WHO-EURO) target of cutting overall alcohol consumption by 25 per cent by the year 2000. This was followed by 1991 legislation, stating that the main goal of the Swedish alcohol control policy was to reduce alcohol consumption and alcohol abuse (Holder et al., 1998).

In order to reach the 25 per cent reduction in alcohol consumption by the year 2000, the National Health and Welfare Board suggested stricter enforcement of legal age limits, higher age limits in restaurants, an active price policy and better alcohol education and information. The government, however, instituted no changes in control laws, but asked authorities to intensify enforcement of the legal age limits. In addition, a new institute, the National Institute of Public Health, was created in 1991. Its work on alcohol-related issues began in July 1992. Its responsibilities include research and the development of methodology in the area of prevention of alcohol misuse, support for local preventive initiatives, as well as the production of information materials for schools and the public

(Hurst, Gregory & Gussman, 1997). In 1994 the Alcohol Policy Commission (Alkoholpolitiska kommissionen, 1994) presented a pessimistic report on the prospects for maintaining Swedish alcohol policy and achieving the WHO's goal with Sweden's accession to the EU (see also Reuter & Tigerstedt, 1992). It also recommended that work creating new alcohol policy measures be carried out and guided by a representative body of central, regional and local authorities.

In June 1994, the National Institute of Public Health was commissioned to direct and coordinate intensified efforts for reducing alcohol-related harm and drug abuse. This was to be conducted with the aid of a national Steering Group under the Institute's chairmanship. As part of this assignment, a National Plan of Action was prepared and presented to the Government in June 1995 (Nationell, 1995). The plan was based on long-term strategies encompassing measures for the entire population and for groups at risk, and local mobilisation (see Arvidsson, 2000).

With Sweden's entry into the EU on January 1, 1995, a new Alcohol Act went into force. Monopoly control on production, import, export and wholesale, as exercised by the Vin & Sprit, was abolished. The National Alcohol Board was set up for the supervision and control of producers and wholesalers, while Vin & Sprit continued to operate as a state controlled company competing with other importers and distributors, who were allowed to sell directly to restaurants and bars. The off-premise alcohol retail monopoly, Systembolaget, was however continued even after the Swedish EU membership (Holder et al., 1998).

Prior to 1995 there was also an upper limit on the alcohol content of 5.6 per cent by alcohol volume for strong beer and 60 per cent alcohol by volume for distilled spirits. Based on EU regulations, Sweden had no choice but to abolish these limits on January 1, 1995. In 1994, following the recommendations of the Alcohol Policy Commission, municipal authorities were given the right to license the off-premise retail sale of lighter beers, as a means to increase local control of alcohol. Prior to this, the state administration was responsible for granting licences. The shift from state administration to municipalities occurred during a four-year period, between 1994 and 1998. After the shift in power the responsibilities of the state administrative boards at the county level are limited to the supervision and coordination of regional and local development. Since 1998, the licensing of restaurants and bars for alcohol sale has been the responsibility of local authorities. In practice, however, it seems that many local rejections of application for serving licences are overturned when the decision is appealed to the state administrative board (Holder et al., 1998).

As a new member of the EU, Sweden was granted derogation from the limits on travellers' private importation of alcoholic beverages until December 31, 1996. These limits were 1 litre of distilled spirits or 3 litres of intermediate products, 5 litres of wine and 15 litres of beer (See Chapter 2). In the autumn of 1996, these

limits on travellers' alcohol allowances were renegotiated. In these negotiations Sweden agreed to keep its derogation until 30 June, 2000, when new negotiations would be held with the Commission on continuation of this derogation. In these new negotiations the Swedes agreed to gradually increase the limits on travellers' private importation of alcoholic beverages from other EU member states, so that the normal EU practice would come into force by the end of the year 2003 (Holder, 2000).

In 1997 a joint project Independent Alcohol Co-operation (OAS) between the Swedish Brewers' Association, the Ministry for Social Affairs, the National Institute of Public Health and several public actors was announced. The purpose of this co-operation was mainly to fight against the increase of unrecorded alcohol consumption. The co-operation was intended to be long lasting, but already in 1999 the parliament decided to cancel its financing, and the last campaign against unrecorded alcohol consumption was implemented in June 2000 (OAS i framtiden, 1998; see also Tryggvesson & Olsson, 2002).

In September 1999, all European countries approved the Second European Alcohol Action Plan valid for the period 2000–2005. This plan, which was drawn up by the WHO-EURO, states that by the year 2005, all European countries should have introduced a tax policy which contributes to reducing alcohol-related injuries. Furthermore, on the initiative of several countries, discussions are currently under way about the need for a common public health strategy for alcohol in the European Union (See Chapter 2). The action plan also highlights the need for higher minimum taxes on alcohol in the EU as part of a public health strategy.

On 19 November, 1999, Swedish parliament approved certain changes in Swedish alcohol policy. These include better service in the shops run by the retail trade monopoly, an increase in the number of shops and more generous business hours. The special wholesale trading permit conferring the right to import alcoholic beverages was also abolished in order to facilitate commercial trading in alcoholic beverages, in accordance with the demands of the European Commission.

Sweden's present alcohol control policy builds on a balance between high taxes on alcohol, a retail trade monopoly, restrictions, information and treatment. The tax instrument is seen by far the most effective means of limiting consumption and the injuries caused by alcohol. However, Swedish alcohol tax levels are threatened by the generous travellers' allowances for imports from lower-tax EU countries.

As price policy loses importance, the focus of Swedish policy is shifting from restrictive measures to intensified efforts to disseminate information, mould public opinion and drinking habits and address high consumption at an earlier stage. In February 2001 the parliament adopted an alcohol action plan for the

years 2001–2005. The implementation of the plan on the national level is coordinated by a national steering committee (Alcohol committee) and in the municipalities coordinators are appointed to take care of the implementation of the plan on the local level. The parliament granted over 500 million Swedish crowns for the implementation of the plan. In addition to this the municipalities themselves are expected to grant extra funds for the implementation of the plan, whose main objective is to reduce the overall level of alcohol consumption and subsequently the medical and social harms caused by alcohol.

Licensing policy

Alcohol producers as well as importers and wholesalers need a licence to operate in Sweden. Until 1995, however, the Swedish state had a monopoly on the production and wholesale of distilled spirits and wine, and Vin & Sprit produced all domestic distilled spirits. Wine, on the other hand, was produced by Vin & Sprit but also by private licensed producers, which emerged in the field in 1984. As the production monopoly ceased in 1995, the Swedish National Alcohol Board began to administer licences for alcohol production (Holder et al., 1998).

Before January 1, 1995, Vin & Sprit and Systembolaget were also the sole actors in wholesale of all distilled spirits and wine. Vin & Sprit sold all domestic and foreign-produced wine and distilled spirits to Systembolaget, who distributed them to the monopoly retail stores and licensed restaurants and bars (Holder et al., 1998). This practice changed when Sweden became a member of the EU in 1995. In an agreement between the European Commission and the Swedish government, it was decided that Systembolaget would retain its retailing monopoly if wholesale monopolies would be abolished.

Today, both domestic producers and private licensed importers have the right to distribute wine and distilled spirits. Systembolaget still continues as a wholesale distributor but cannot import any alcoholic beverages. The situation concerning the wholesaling of domestically produced beer is somewhat different. Wholesale of domestically produced beer has been from 1978 carried out by the licensed beer producers (Holder et al., 1998).

Licences granted for production, import or wholesale can be called back if the licence is not used, if the licence-holder breaks existing laws and rules, or if conditions that were valid when the licence was executed do not exist any more. The charge for a production licence was greatly reduced in 1995, and is currently at around 2,000 Swedish crowns. After the European Court of Justice's ruling in the Franzén case in 1997, the fees for a wholesale licence were dramatically

reduced from around 25,000 to 2,000 Swedish crowns in 1997 (ECAS APQ, 1999).

Besides operating the monopoly store system, Systembolaget also employs sales agents or delivery points who arrange the purchase and delivery of the distilled spirits, intermediate products, wine and strong beer in sparsely populated areas where there is no alcohol monopoly store. In 1998 there were 397 monopoly outlets for the sale of strong beverages plus another 597 delivery points. In 1995 there were 7,400 outlets for the sale of lighter beer. No licence is required for the sale or serving of lighter beer, but outlets are subject to approval for food selling. For on-premise consumption there were 5,812 restaurants licensed to sell spirits, wines, medium and strong beers in 1995. There were 1,937 premises licensed to sell wines, medium and strong beers, 86 to sell only medium and strong beers and 6,000 licences to sell only medium or light beer.

During almost the whole study period up until 1995, however, the guiding principle for issuing licences was the need for the licence. The degree of the need within a community was decided by the local boards and authorities. Before granting a licence the county council had to solicit the opinions of the police, social welfare agencies, the regional temperance board and the local authority. For the sale of beer there was no community veto and the regional authority issued the licence. Before a licence to serve was granted the local board had to make sure that food was served at the establishment. Thus there were no bars or pubs in Sweden that were solely drinking establishments, at least in principle. Moreover, the licence was not granted to anyone who had a criminal record.

Special restrictions on alcohol availability

In 1955 the ration book or Bratt system, which had been in force since 1917, was abolished. As early as in 1957, due to the remarkable increase in the level of alcohol consumption so-called black lists for identification of alcohol abusers were introduced in the monopoly stores. The black lists were not abolished until 1977 (ECAS APQ, 1999).

In the late 1950s age checking was compulsory and the control was rigorous in the monopoly stores. The age limit on purchasing of distilled spirits, wine and strong beer was 21 years. However, when medium beer was launched in grocery stores in 1965 an age limit of 16 years was set on purchasing that beverage (Mäkelä & Österberg, 1976). In 1970 the age limit was raised to 18 years. In 1969 the age limit on alcohol purchases in the monopoly stores was lowered from 21 to 20 years. In 1977 medium beer was completely removed from grocery stores leaving

people's beer (folköl), a lighter beer of up to 3.5 per cent of alcohol by volume, as the strongest beer available in grocery stores with an age limit of 18 years.

Until July 1, 1982, monopoly stores were open on Saturdays and from 9 a.m. until 1 p.m. The experiment with the closing of monopoly stores on Saturdays showed that there were fewer incidents of alcohol-related violence and domestic disturbances. The decision was then made in 1982 to close all the off-premise retail monopoly stores on Saturdays throughout the year (Holder et al., 1998). The stores remained closed on Saturdays until February 2000 when 172 of the approximately 400 monopoly stores opened their doors on Saturdays as a part of a one-year experiment. In July, 2001 all monopoly stores started opening their doors on Saturdays.

The usual business hours for the monopoly stores are from 10 a.m. to 7 p.m. on Monday to Friday. On Saturdays the stores are open at 10 a.m. and close at 3 p.m. at the latest, depending on the type and location of the store. Since 1995, the monopoly stores have been rebuilt to become self-service establishments (ECAS APQ, 1999). In May 2001 there were 414 monopoly stores and about 580 local agents, from where alcoholic beverages could be ordered.

In the 1970s the off-premise sales hours for medium beer in grocery stores were from 8 a.m. to 6 p.m. Nowadays people's beer may be sold during the hours that ordinary grocery stores are open. Some stores are open as early as 7 a.m. and others as late as 1 a.m. Sunday sale is allowed if the licensed store is open. County councils have the possibility to temporarily close stores in special circumstances, such as during fairs or other similar events and happenings (Hurst, Gregory & Gussman, 1997).

The current legal age limits on on-premise sale of alcoholic beverages is 18 years for all beverage types. The age limits are strictly enforced, but not as strictly as in off-premise stores (ECAS APQ, 1999). The permitted hours for on-premise establishments have become more liberal throughout the study period. The municipalities have the right to make exceptions to the opening hours of the on-premise establishments and some are given the right to be open until 5 a.m. According to a proposal in June 2000, the serving of alcoholic beverages was to be restricted to 3 a.m. at the latest (Slutbetänkande från alkoholutredningen, 2000). The proposal was, however, withdrawn in 2001.

The number of on-premise establishments has also increased, especially in the 1980s and 1990s. In 1951 there were 842 licences for on-premise sale of alcoholic beverages. In 1962 the figure was 1,616 and 2,167 in 1973 (Lenke, 1987). During the 1980s and 1990s the number of licences for on-premise sale of alcoholic beverages increased very fast. In 1997 there were 6,535 on-premise licences for all alcoholic beverages and 1,760 for wine and strong beer only (Holder et al., 1998). In 1996 the number of on-premise licenses to sell people's beer was about 8,300.

Alcohol taxation

The current method of alcohol taxation varies depending on the beverage category (Table 17.2). For beer, excise duties are levied on the basis of hectolitre per degree of alcohol in the finished product, and they are applicable to beer with an alcohol content over 2.8 per cent by volume. For fermented still and sparkling wines, the excise duties are applied on the basis of hectolitres of the product with reduced rates for wines with an alcohol content less than 8.5 per cent by volume in three different alcohol content categories. For wines with an alcohol content of at most 2.25 per cent by volume no excise duties have been levied. Like wines, the excise duties on intermediate products are also applied on the basis of hectolitres of the product with reduced rates for fortified wines not exceeding 15 per cent alcohol by volume. The excise duty on distilled spirits is levied per hectolitre of pure alcohol in the finished product.

TABLE 17.2. Excise duty rates for alcoholic beverages in Sweden in the year 2000 in Swedish crowns and in euro

Alcoholic beverage category*	SKR	EUR
<i>Beer, per hectolitre per degree of alcohol in the finished product:</i>		
– At most 2.8 per cent alcohol by volume	0.00	0.00
– Over 2.8 per cent alcohol by volume	147.00	16.81
<i>Wine, and fermented beverages other than wine or beer, per hectolitre of the product:</i>		
– At most 2.25 per cent alcohol by volume	0.00	0.00
– Over 2.25 to 4.5 per cent alcohol by volume	934.00	106.83
– Over 4.5 to 7 per cent alcohol by volume	1,380.00	157.85
– Over 7 to 8.5 per cent alcohol by volume	1,898.00	217.10
– Over 8.5 to 15 per cent alcohol by volume	2,720.00	311.12
<i>Intermediate products, per hectolitre of the product:</i>		
– Not exceeding 15 per cent alcohol by volume	2,720.00	311.12
– Over 15 per cent alcohol by volume	4,517.00	516.67
Distilled beverages, per hectolitre of pure alcohol in the finished product	50,141.00	5,735.00

*For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

Alcohol taxation as a control measure constitutes an important part of the Swedish alcohol policy and is one of the main instruments for controlling total alcohol consumption. During the whole study period alcohol consumption has been limited with a relatively high taxation on alcoholic beverages (Armyr, Elmér & Herz, 1982; Holder et al., 1998). The greatest increase in the tax rates during the study period occurred in 1956. At that time the tax rates were raised in order to stop the increase in the alcohol consumption that occurred after the Bratt system was abolished in 1955 (ECAS APQ, 1999).

Before July 1, 1992, the amount of tax levied on alcoholic beverages depended on their alcohol content and their commodity value. The part of the tax related to commodity value was calculated as a percentage of the retail price exclusive of value-added tax. The percentage charge was higher for distilled spirits than for fortified wines, and higher for fortified wines than for table wines. Also the fixed part of the tax was constructed so that alcohol in the form of distilled spirits was taxed more heavily than in fortified wines, which in turn was taxed more heavily than that in table wines. However, because of the value-related charge inside a certain alcoholic beverage category, a more expensive drink containing less alcohol was often more heavily taxed than a stronger drink sold more cheaply. The tax for beer was set on a per litre basis inside a certain interval of alcohol content, the tax being much higher for stronger than lighter beers (Holder et al., 1998).

Since July 1, 1992 excise duties on alcoholic beverages have been based exclusive on the volume and alcohol content and not on the value of the beverages. Compared to the earlier system, the new system brought substantial tax and price reductions for beverages with very high purchase prices. Because a full adjustment of alcohol taxation would have meant a considerable reduction of the tax on strong beer, beers were divided into taxation categories. A lower tax was imposed on beer containing not more than 4.5 per cent alcohol by volume, and beers with an alcohol content less than 3.5 per cent were taxed less than medium beers (Holder et al., 1998).

In accordance with EU membership Sweden had to adapt its alcohol taxation system to EU regulations. This happened January 1, 1995 with the aim to keep the amount of collected alcohol tax revenues constant. The main change was that excise duty scales ceased to be progressive with respect to the alcohol content in a given beverage category. Consequently, excise duty rates for distilled spirits containing less than 40 per cent alcohol by volume were increased, while excise duty rates for distilled spirits containing more than 40 per cent alcohol by volume were lowered. Excise duty rates for wines containing less than 10 per cent alcohol were increased, but they decreased for wines near the upper limit of 15 per cent alcohol by volume. Beer with an alcohol content of at most 2.25 per cent continued to be free of taxes. Beer with an alcohol content between 2.25 and 3.5 per cent

continued to be taxed less than stronger beers. This exception was secured during the EU membership negotiations but only for two years. After that the same excise duty rate had to be applied to all beers over 2.8 per cent alcohol by volume. Still in 1996 the excise duty rate for strong beer was nearly twice that applied to people's beer (Holder et al., 1998).

After joining the EU Sweden experienced an increase in cross-border trade of beer in southern Sweden. In this situation the adaptation of the Swedish taxation on beer in January 1, 1997 was done in such a way that the new taxes on strong beer came significantly closer to the old taxes on people's beer, while beer up to 2.8 per cent alcohol by volume became totally tax-free (Table 17.2). The decrease in the taxes of strong beer was 39 per cent and it led to a price decrease of strong beer of about 20 per cent. This in turn led to the situation that wines were taxed heavier than beer, which according to the EU commission favoured domestic beer compared to imported wines. After many discussions and especially after getting a reasoned opinion from the Commission Sweden agreed to lower excise duty rates for wine in December 2001. The new excise duty rate for ordinary wine was set at 2,208 Swedish crowns per hectolitre of the product.

From the mid-1960s to the early 1980s average real prices of alcoholic beverages were almost constant (Leppänen, 1999). In the 1980s and 1990s, the prices of fortified wines and distilled spirits fluctuated somewhat and slightly decreased in relation to prices of other commodities. The real price of wine increased in the first half of the 1980s, after which it has decreased. The real price of strong beer rose until the late 1980s. Since then it was almost constant until 1997 when it decreased in connection to the decrease in excise duty rate for beer (ECAS APQ; 1999, see also Holder et al., 1998, 116).

Alcohol advertising

When the ration book was abolished, a ban on alcohol advertisements was implemented in 1955. This ban was, however, lifted as early as in 1957 (ECAS APQ, 1999). Since July 1, 1979, there has been a ban on advertising of strong and people's beer, wine and distilled spirits according to the Alcohol Act of 1978. Moderate marketing of alcoholic beverages is, however, allowed at sale points, i.e. retail monopoly stores and in restaurants. Advertising is also allowed in professional journals. Commercial broadcast advertising of any type of alcoholic beverages has never been allowed. Beer up to 2.25 per cent alcohol by volume has not been affected by the ban on advertising. Since light beer products have the same brands and nearly the same containers as stronger beers, this means that de facto there has been beer advertising in Sweden (see Karlsson, 1999; 2001).

The fundamental piece of legislation in the advertising field in Sweden is the comprehensive Marketing Practices Act. It came into force in 1996, but the new act is to a large extent founded on its predecessor, dating back to 1971. In fact, many of the new provisions reflect the 25 years of case law developed by the Market Court. The new act has retained the two general clauses on good marketing practice and consumer information. The former refers to good market standards, important parts of which are the norms laid down within the self-regulatory system, i.e. the ICC Codes on marketing. The general clauses are complemented by nine other substantive sections, containing specific bans or information requirements. These deal with identification of advertising, misleading advertising, misleading packaging, counterfeiting, different kinds of sales, inertia selling, fraudulent invoicing and sales promotions.

In 1996 the government set up a commission of inquiry to examine marketing regulations concerning alcohol. The commission gave its final report in 1998 (*Alkoholreklam*, 1998). The report did not, however, result in any great or immediate changes in the control and supervision of alcohol advertising.

The Consumer Ombudsman (*Konsumentombudsmannen*) acts as the prosecutor before the court in cases of infringement of the Marketing Practices Act. Companies and organisations may file certain types of cases directly with the court. The final decision rests with the Market Court. Apart from professional judges, the Court contains economic experts, some from the business sector. The Market Court also applies, among other laws, the Competition Act.

In Case C-405/98, *Konsumentombudsmannen versus Gourmet International Products AB*, the Court of Justice of the European Communities was asked for a precedent on the case of advertising for alcoholic beverages in magazines (See Chapter 2.). The Court ruled that the EC Treaty does not preclude a prohibition on the advertising of alcoholic beverages unless it is apparent that the protection of public health against the harmful effects of alcohol can be ensured by less extensive measures. Consequently, the national court was given the task to determine whether the Swedish prohibition of alcohol advertising met the conditions of proportionality and whether the ban was justified or not.

Education and information

Municipalities and county councils have always played a very important part in prevention of alcohol-related problems in Sweden. There are collaboration groups in many counties, including representatives of the county council, the municipalities in the counties, the police, schools, regional and local non-governmental organisations. Special funds are set aside by the government for education both within the school system and among the general public.

There are also informal national networks of professionals working with alcohol issues in the counties and municipalities, and informal annual meetings with these networks take place. There are local school-based and workplace alcohol education programmes. The retail monopoly supports information on alcohol-related harm and on the risks related to the use of alcohol in certain situations e.g. pregnancy, adolescence and driving.

In addition to its roles of supervisory authority for trade in alcohol and advisory body on alcohol policy, the National Board of Health and Welfare distributes government funds to municipal committees and organisations for information programmes. The Board co-ordinates information activities of other government agencies and provides information materials to schools. Alcohol education is given in Swedish schools as early as the first grade. Therefore, the training of teachers on questions about alcohol and drugs is considered to be of great importance.

The Swedish Council for Information on Alcohol and Other Drugs operating in cooperation with the National Board of Health and Welfare, is monitoring and analysing developments in alcohol field and providing information on alcohol on behalf of the government and non-governmental organisations. This council publishes reports on alcohol consumption and produces information materials such as brochures, films and books for use by organisations and schools. It also arranges training courses for teachers and others, and organises conferences.

The government has given the National Institute of Public Health a mandate to form a National Executive Group for Prevention of Alcohol- and Drug- Related Problems. In June 1995 this group presented a National Action Plan for prevention of such problems to the government. The general directors of different relevant national boards and organisations, such as the National Board of Health and Welfare, the National Alcohol Inspection Board, the National Police Board, the central organisations of the county councils and the municipalities and the Customs Department are represented in the executive group. All these authorities have a part of the responsibility for preventing of alcohol problems, together with the Institute of Public Health which has been given the leadership role at national level in this work. Also a campaign to spread information about the importance of alcohol-free traffic, alcohol-free pregnancies, alcohol-free workplaces and an alcohol-free environment for growing children has been launched in the mid-1990s.

The Swedish retail monopoly also conducts information programmes to promote moderate drinking habits and promotes non-alcoholic beverages which it is legally required to sell in its stores as alternatives to alcoholic beverages. Its programmes have included information campaigns aimed at teenage drinking, on alcohol consumption and safety at sea and on age control policies in monopoly stores.

On 9 January, 1997, the Government appointed a special committee, OAS to organise cooperation between trade organisations, insurance companies and relevant public agencies. The task of the committee was to promote cooperation with regard to various types of information activities about moderate drinking habits, and the risks related to the use of alcohol. It was also instructed to consider if and how cooperation might be organised in a more permanent form and to submit a proposal for a suitable organisational form and continued funding.

The OAS terms of reference accorded high priority to combat illegal dealings with alcohol, i.e. illicitly produced or smuggled alcohol and unauthorised sale of alcohol to young people. The terms of reference also stated that the OAS should pursue and coordinate activities designed

- to spread information about the medical and social impact of alcohol at various stages of life,
- to promote an alcohol-free environment for children and adolescents.
- to put a stop to the unauthorised sale of alcohol to young people,
- to seek to encourage moderate alcohol consumption among those who drink, and particularly among those who are at risk of becoming heavy drinkers,
- to promote alcohol-free pregnancies, workplaces, and traffic both on the roads and at sea, and
- to bring about a change in public attitudes with a view to reducing the consumption of illicitly produced or smuggled alcohol.

The OAS included members from the Ministry of Health and Social Affairs, the Swedish Brewers' Association, the National Institute of Public Health, the Association of Spirit and Wine Suppliers, the Swedish Council for Information on Alcohol and Other Drugs, the Swedish Hotels and Restaurants Association, the National Road Administration, the National Alcohol Board, the Swedish Food Retail Association, the National Police Board, the Swedish Cooperative Union, the Swedish Alcohol Retailing Monopoly, the Swedish Insurance Federation, the Ministry of Finance, and the Swedish Customs Head Office. A State Secretary at the Ministry of Health and Social Affairs served as Chairman of the Independent Alcohol Committee. The committee was, however, dissolved in 2000, as the cooperation between the government and the alcohol industries was not considered a success.

Under the auspices of the Alcohol Action Plan, which was adopted by the parliament in February 2001 a new Alcohol Committee became responsible for implementing information and education efforts in the field of preventive alcohol policies on the national level. The Committee's task is amongst other things to produce information and education material, which is then distributed to

professionals and also to the public. In addition to this the committee is also responsible for coordinating education and information efforts with other relevant actors in the field of preventive alcohol policies.

Drunk driving

Drunk driving became a punishable offence in Sweden as early as 1920, when a law forbidding driving under the influence of alcohol was enacted. Regulations on blood tests were introduced in Sweden as early as 1941. At that time the highest allowed blood alcohol concentration (BAC) limit in traffic was set at 0.08 per cent (Mäki, 1995). The BAC limit was lowered to 0.05 per cent in 1957 (ECAS APQ, 1999).

In 1994 the BAC limit was lowered again, making Sweden one of the strictest countries in the world concerning drinking and driving. Currently a BAC level of 0.02 per cent is applied. Despite this low level, Swedish researchers have suggested that the impact has not been great. Concern has been expressed about the heavy drinking drivers that have a BAC level many times higher than the legal limit.

Evidentiary breath testing was introduced concurrent with the lowering of blood alcohol limits in 1994. Breath testing had, however, been permitted already since 1977 in the case of pre-ordered road blocks, accidents and certain traffic offences (Hurst, Gregory & Gussman, 1997). In 1994, there were about 1.8 million tests made annually including random breath tests (Harkin, 1995).

Swedish drinking and driving legislation distinguished between the lesser offence of driving with a BAC between the legal limit and 0.15 per cent, and the more serious offence with BAC levels over 0.15 per cent. In September 1994 the limit for the more serious offence was reduced to 0.10 per cent. In the case of the lesser offence, fines and licence suspensions from six months up to one year are imposed. Prior to 1990 the more serious offence usually resulted in prison sentences. Nowadays, however, greater emphasis is put on the circumstances under which the offence occurred, such as the level of danger involved. The proportion of prison sentences has fallen from pre-1990 levels of around 75 per cent to 36 per cent in 1991, and the number of conditional sentences has risen from about 5 to 42 per cent.

A new system for dealing with drivers guilty of the more serious offence was also introduced in 1991. According to this programme, convicted drivers must see a physician and provide liver enzyme tests. After six months the driver may reapply for a licence, but must see a physician again in six months and in 12

months. Any evidence of excessive drinking results in licence revocation (Hurst, Gregory & Gussman, 1997).

The administrative structure of treatment for alcoholism

Sweden has had special legislation for the treatment of alcoholics since 1913, as part of the social legislation. The main responsibility for deciding the need of involuntary or voluntary treatment has since then been with the municipalities. The state has, though, played a crucial part in the system through supervision and state subsidies. The third sector has also had an important role, both for the treatment policy and in the treatment provision (Stenius, 1999).

Until the Second World War and several years following it the alcoholism treatment was aimed only for those considered in need of involuntary treatment. The poor relief system could, though, as a preventive measure also give them warnings, probation or social support. After the Second World War, the responsibility of the municipalities was broadened to include also alcohol misusers in need of voluntary treatment, and the in- and outpatient treatment system expanded dramatically, while compulsory care was much criticised and less used (Rosenqvist & Kurube, 1992).

Since 1982, voluntary treatment of alcohol and drug abusers is regulated in the general Social Service Act. The municipal social service is responsible for giving adequate help to those with alcohol- or drug-related problems. The measures should be based on the principle of voluntary participation and decided in cooperation with the client.

In 1993, about 25,000 substance misusers were treated in voluntary inpatient units and in the beginning of the 1990s around 60,000 in outpatient units. Outpatient treatment has become more and more dominating during the last decades. On any given day, about 85 per cent of all persons in alcohol or drug treatment were found within the outpatient system (Holmberg, 2001)

Sweden has still quite extensive compulsory treatment. Compulsory treatment for adults is regulated in the Act on Care of Addicts in Certain Cases and the Act on Care of Young Persons gives the frames for compulsory treatment of young misusers. Compulsory treatment, maximum six months, should be decided if the person due to ongoing misuse risks his or her physical or psychological health, the security of him- or herself or intimate associates or destroys the prospect of his or her future, and the necessary intervention is not possible on a voluntary basis. Presently around 800 adults are undergoing involuntary treatment every year, in the state-run institutions.

Religious, temperance, client or other social organisations have been important for the provision of inpatient treatment during the whole nineteenth century. Profit-making institutions have since the 1980s had a growing role. Within outpatient treatment, though, the municipalities are completely dominating.

The mix of providers and the important role of third sector organisations within the treatment system are also mirrored in the fact that there is a great variety in the methods or treatment models used. Supportive therapy and social training are presently the most commonly reported, together with the Minnesota model, transaction analysis, motivation enhancing therapy and cognitive behavioural therapy (Holmberg, 2001). Social workers, nurses and addiction counsellors are the central professional groups. The central authorities presently put considerable resources on efforts to unify the assessment, treatment and evaluation methods within treatment.

Alcohol and drug abusers are also treated within the somatic and psychiatric systems, mainly providing detoxification but some also in outpatient care. Presently the bigger Swedish cities have established specific addiction treatment branches of psychiatry and the division of labour between the health and the social service system is scrutinised.

Summary

In the twentieth as even in the nineteenth century alcohol control policies in Sweden have been founded upon the principle of limiting private profit motive by establishing alcohol monopolies and by enforcing other strict regulations. The Swedish speciality was the Bratt system with its ration book controlling individual drinkers in the 1917-1955 period. All these alcohol control policies have been dramatically changed in Sweden during the last fifty years. The latest major changes have been associated with Sweden's membership in the EU in 1995.

Alcohol control measures have been very detailed. The reader may, for instance, have had difficulties in following Swedish alcohol control measures with respect to beer. Still in the early 1950s, during the last years of the Bratt system, strong beer was not sold at all in Sweden. The sale of strong beer started in Sweden in 1955 but only in the monopoly stores. In 1965 Sweden introduced medium beer which was sold in grocery stores. Medium beer was weaker than strong beer but stronger than the beer already sold in grocery stores and divided in three different tax categories. In 1977 Sweden discontinued the sale of medium beer in grocery stores as well as its production in Sweden. However, even after

1997 imported medium beer could be sold in Sweden but only in monopoly stores on the same terms as strong beer. Instead of medium beer the Swedes invented in 1977 people's beer, weaker than the former medium beer but stronger than the beers sold in grocery stores in the 1950s. These beers like strong beer and people's beer were taxed but in 1988 the lightest beer under 2.25 per cent alcohol by volume was freed from excise duty. In 1997 also beer at most 2.8 per cent by volume was freed from alcohol excise duty but not the people's beer between 2.8 and 3.5 per cent alcohol by volume. So in reality Sweden today has three different kinds of beer. Beer at most 2.8 per cent by volume, sold in grocery stores free of alcohol excise duty, beer over 2.8 but at most 3.5 per cent alcohol by volume, sold in grocery stores but taxed as other stronger beers, and finally beer over 3.5 per cent alcohol by volume, sold only in monopoly stores, including those beers called in 1965–1977 period strong beer or medium beer depending of their alcohol content. This picture could be made even more complicated by taking into account that there were an upper alcohol content limit for beer before Swedish EU membership. All the above may sound like making jokes of Swedish alcohol policy, but an ordinary Swede or other Nordic citizen could easily understand these regulations. On the contrary, an ordinary Nordic citizen was very surprised when he was served in some foreign country a bottle of beer with no information of its alcohol content.

The abolition of the Bratt system in 1955 was followed by a period of strict alcohol control. The old idea of the elimination of the private profit interest was realised in alcohol monopolies and the Swedes even tried to make alcohol sales in restaurants profit free. The mid-1960s saw a new wave of liberalisation, but again in the late 1970s alcohol control system was made tighter. It can be claimed that Sweden has been the country most eager to follow the idea of controlling total alcohol consumption in order to combat alcohol-related problems. It can also be claimed that the Swedes did not quite realise how the EU membership would affect their national alcohol control policy. Or to put it otherwise, especially the Swedish temperance movement had great fears of the effects of the possible membership in the EU but even they believed that things could be solved by negotiations and derogations. Some of them even were quite sure that other EU members would rather buy the good Swedish model for controlling alcohol-related problems than force Sweden to abolish parts of it.

It would be unfair not to mention that even in Sweden there were commercial and public interest willing to get a more liberal alcohol control system which was also the outcome of the Swedish membership in the EU. Nowadays only the off-premise retail alcohol monopoly is left from the old Swedish comprehensive alcohol monopoly system, and Systembolaget has become more and more customer-oriented. The Swedish alcohol field is nowadays more competitive than ever with private alcohol producers, importers and wholesalers motivated by profit interests.

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Chapter 18

The United Kingdom

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The country

The United Kingdom (UK), officially the United Kingdom of Great Britain and Northern Ireland, is situated on the western part of Europe and is made up of England, Scotland and Wales, which are situated on the island of Great Britain, and Northern Ireland, the north-east corner of Ireland, the second largest island in the British Isles, as well as the Channel Islands and the Isle of Man. The UK covers a landmass of 244,110 km². The British channel and the North Sea separate Great Britain from France, Belgium and the Netherlands. Since 1994 the European continent and Great Britain have been connected by the channel tunnel. The Irish Sea separates the islands of Great Britain and Ireland. In addition, several dependencies and dependent territories around the world are associated with the UK. The capital of the UK is London.

Total population of the UK is 59 million, and the population density is 242 inhabitants per km². The majority of the population, 83 per cent, live in England, 9 per cent live in Scotland, 5 per cent in Wales and 3 per cent in Northern Ireland. The UK has a diverse ethnic mix, including English (82 per cent), Scottish (10 per cent), Irish (2 per cent), Welsh (2 per cent) and Ulster (2 per cent). West Indian, Indian, Pakistani and others account for the remaining 2 per cent of the population. English is the official language of the United Kingdom and the first language of the vast majority of its citizens. Other languages are Welsh, and Scottish form of Gaelic. The predominant religion is Anglican, followed by Roman Catholic, Muslim, Presbyterian, Methodist, Sikh, Hindu and Jewish. Approximately 50 per cent of the population belong to the Anglican church. Churchgoing is, however, relatively low.

In the 19th century, Britain had the world's leading economy. With the growth of the economies of other nations in the 20th century, the British economy remained relatively strong. It faced, however, a number of persistent problems of which the balance of trade was one. Since the mid-1970s, Britain has benefited from a world-wide economic upswing as well as internal improvements. Britain is still an important manufacturing country, although it imports large quantities

of manufactured goods from overseas. In the mid-1990s, about 27 per cent of the population worked in the industrial sector, approximately 2 per cent in the agriculture and about 71 per cent in the service sector. Some 90 per cent of the population live in urban areas.

The UK is a constitutional monarchy with Queen Elizabeth II presently as the chief of the State. The head of the government is the prime minister who is also the leader of the majority party in the House of Commons. The parliament consists of the House of Lords with 682 seats of which 92 are occupied by hereditary peers, and the House of Commons with 659 members elected by popular vote to serve five-year terms. Each part of the UK is affected by the central government, but there are also regional government offices and slightly different regional laws. For example, some parts of the UK have separate alcohol licensing laws. Certain powers have also been developed through the creation of a Scottish Parliament, a Welsh Assembly, and a regional government for greater London.

Alcohol production and trade

The UK has a long history of beer production and domestic beer dominates the beer market. In 1995 total beer production was 56.8 million hectolitres of which 3.0 million hectolitres was exported. In the mid-1970s beer exports were under one million hectolitres. In 1995 the beer imports rose to 5.2 million hectolitres. Consequently, imported beer accounted for 9 per cent and domestic beer for 91 per cent of the total beer consumption. This preference is, however, somewhat distorted by the fact that several foreign brands are produced in the UK either by direct ownership of a brewery or through a licensing agreement (Hurst, Gregory & Gussman, 1997).

There are many varieties of beer produced in the UK including bitters, stouts, lagers, ales and milds. Sales of stout, ales and milds have fallen from a market share of 70 per cent at the beginning of 1980 to less than half of the market in the mid-1990s. Lagers have increased their share from 30 per cent in the beginning of the 1980s to 55 per cent in the mid-1990s. In the 1970s draught beer was still increasing in popularity. Since the beginning of the 1980s the market share of draught beer has decreased from 80 per cent to 65 per cent and the share of packaged beer has increased from 20 per cent to 35 per cent. Beer is traditionally consumed by the glass in pubs, and despite the changes in the shares of draught and packaged beer, in the mid-1990s over 70 per cent of all beer was still estimated to have been consumed in pubs or restaurants (Hurst, Gregory & Gussman, 1997).

In 1995 there were some 65 brewing companies running 93 plants in the UK. In addition, there were about 180 micro breweries and some 100 pub breweries in operation. The majority of brewing companies are serving regional markets. In the UK the system of vertical integration has been quite common, i.e. breweries have owned or otherwise controlled the on-premise retailers of beer. Pubs which breweries own and which they solely supply are called tied houses. The brewing industry has undergone a major restructuring as a result of the government decision in 1989 which required the larger breweries to reduce the number of tied houses in their control. In the late 1980s there were six major national brewing groups in the UK. Since then they have been consolidated to four accounting for 83 per cent of the beer market in 1995 (Hurst, Gregory & Gussman, 1997).

About three quarters of the distilled spirits market in the UK consist of domestic beverages with whisky being the most popular type. Gin has traditionally been the second most popular distilled beverage. During the last two decades the market shares of whisky and gin have decreased. At the beginning of the 1980s whisky accounted for 50 per cent of the domestic market of distilled spirits. In the mid-1990s its share was 39 per cent. The UK is the largest producer of distilled spirits in the European Union with a production of 12.2 million hectolitres in 1995. The major destinations of its exports are France, the United States, Spain and Japan (The Drink Pocket Book, 2001).

In contrast with distilled beverages and beer, the majority of wine consumed in the UK is imported. Wine produced in the UK is mainly made wine. In 1995 the share of imported wine was 88 per cent, and even this figure is an underestimation as wine coolers are not included in it. In the 1980s the share of imported wine was about 97 per cent. Wine is mostly imported from France, Germany and Italy (Hurst, Gregory & Gussman, 1997).

Alcohol consumption

The consumption of alcohol has long been an important part of traditional culture in the UK. In the nineteenth century, the flourishing trade in alcohol was utilised by the government as a means to raise revenue through duties and taxes. It is therefore possible to make fairly reliable estimates of alcohol consumption for over 200 years through the financial records kept by Customs and Excise (Spring & Buss, 1977). At the beginning of the twentieth century, total annual consumption of alcoholic beverages fell from approximately 10 litres to 8 litres of pure alcohol per capita. This may have been due to the influence of the

temperance movement and the wakening social conscience of legislators (Faculty of Public Health Medicine, 1991). Alcohol consumption continued to fall during the First World War, and during the recession in the 1930s it was at an all-time low of around 4 litres of pure alcohol per capita.

Between 1950 and 2000 total alcohol consumption per capita increased twofold from 3.9 litres to 8.4 litres. Alcohol consumption was stable in the 1950s but it increased quite strongly in the 1960s and 1970s. At the beginning of the 1960s the total annual alcohol consumption was about 4.5 litres and in the late 1970s it was about 7.5 litres. In the 1980s and 1990s the total alcohol consumption increased slightly reaching the figure of 8.4 litres per capita in the late 1990s .

TABLE 18.1. Consumption of alcoholic beverages by beverage categories in the United Kingdom in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

	1955	1965	1975	1985	1995
Total alcohol consumption	3.93	4.78	6.91	7.28	7.68
Consumption of distilled spirits	0.62	0.82	1.48	1.66	1.44
Consumption of wines	0.25	0.47	0.94	1.31	1.74
Consumption of beer	2.99	3.42	4.35	4.09	4.16
Consumption of cider and perry	0.07	0.07	0.14	0.22	0.34
Percentage of distilled spirits	16	17	21	23	19
Percentage of wines	6	10	14	18	23
Percentage of beer	76	72	63	56	54
Percentage of cider and perry	2	1	2	3	4

Sources: Hurst, Gregory & Gussman, 1997; World Drink Trends, 2002.

The consumption of distilled spirits almost tripled during the 1950-1999 period. There was an increase in spirits consumption in the 1950s, stagnation in the 1960s and again quite a strong increase in the 1970s when the consumption of spirits reached the level of 1.9 litres of pure alcohol per capita in 1979. In the 1980s spirits consumption was again stable but decreased in the 1990s. In 2000 it was 1.6 litres of pure alcohol per capita (World Drink Trends, 2002).

Wine consumption was almost constantly on the increase in the 1950-2000 period starting from a very low level of one litre of the beverage per capita in 1950 and reaching the level of about 17 beverage litres per capita in 2000. The growth in wine consumption was especially fast in the first half of the 1970s when it nearly doubled from 2.9 to 5.3 litres in four years. A similar nearly doubling of

wine consumption is to be found between 1977 and 1986, from 5.4 to 10.4 beverage litres per capita (World Drink Trends, 2002).

Beer consumption was already in 1950 on a relatively high level, 85 litres per capita. In the 1950s the beer consumption was almost stable. It increased to 100 litres per capita in the late 1960s and to over 120 litres in the late 1970s. Since then the consumption of beer has been on a slight decrease. In 2000 beer consumption was about 95 litres per capita.

The consumption of cider and perry was very modest in the beginning of the 1950s and it is quite modest even today. The consumption of cider and perry has, however, grown almost constantly since the mid-1960s and it is nowadays five times higher than in the mid-1960s.

In the 1950s beer dominated alcohol consumption. At that time beer consumption accounted for 76 per cent of the total alcohol consumption. The corresponding figure for distilled spirits was 16 per cent. During the 1950-1999 period beer has lost its relative weight, and in the late 1990s beer consumption accounted for 53 per cent of total alcohol consumption. The proportion of distilled spirits of the total alcohol consumption was at its highest in the late 1970s when it reached the figure of 25 per cent. In the late 1990s the corresponding figure was 18 per cent, almost the same as in the mid-1950s. Wine gained in importance in the 1950-2000 period. In the mid-1950s wine accounted for 6 per cent of the total alcohol consumption. In 2000 the corresponding figure was 23 per cent.

Drinking alcohol is a widely accepted feature of social life in the United Kingdom. This is amongst others reflected in the low proportion of abstainers in the UK. In the mid-1990s only 4 per cent of males and 7 per cent of females were lifetime abstainers (Health Survey for England, 1996).

According to World Drink Trends (2002) about 117 litres of alcoholic beverages were consumed per capita in the UK in 2000, consisting of 5 litres of distilled spirits, 17 litres of wine and 95 litres of beer. The corresponding total per capita figure was 131 litres in 1980. In 2000 the consumption of commercial non-alcoholic beverages was 540 litres per capita, consisting of 205 litres of tea, 104 litres of milk, 90 litres of soft drinks, 75 litres of juices, 43 litres of coffee and 17 litres of waters. In the mid-1980s the consumption of commercial non-alcoholic beverages was 490 litres. Since the mid-1980s the per capita consumption of tea, milk and coffee has decreased by 46 litres, 16 litres and 7 litres respectively, whereas the consumption of soft drinks, juices and waters have gained in importance. The consumption of juices has increased by 59 litres, that of soft drinks by 40 litres and that of waters by 21 litres (World Drink Trends, 2002).

Administrative structure of preventive alcohol policies

There are in the UK several governmental departments that have a responsibility for alcohol production, consumption and related problems. The Department of Health has responsibility for the provision and development of health and personal social services for problem drinkers, and for preventing alcohol misuse by fostering sensible drinking habits through health education measures. The latter used to be undertaken predominantly by the Health Education Authority, a special health authority founded in 1987 and largely funded by the Department of Health. The Health Education Authority is nowadays called the Health Development Agency. The Department of Health is also concerned with prevention of alcohol-related violence against National Health Service staff.

The Home Office is responsible for the licensing laws, broadcasting and criminal policy, drunkenness offences, enforcement of drunk driving laws, crime prevention and the treatment of offenders. The principal interest of the Department of Environment, Transport and the Regions in the alcohol field is the road safety issue of drunk driving. The principal concern of the Department of Education and Employment is to ensure that schoolchildren and young people receive appropriate education and guidance on alcohol and misuse. This department also has an interest in alcohol misuse arising from their responsibility for industrial legislation and health and safety at work.

The Department of Trade and Industry has an interest in alcohol advertising, and also an interest in alcohol-related accidents stemming from its general responsibility for safety in the home. The Ministry of Agriculture, Fisheries and Food has sponsorship responsibilities within government for the UK alcoholic drinks industry. This role entails balancing the legitimate interests of all parts of the industry itself, other affected industries, and the interests of the consumers. The Treasury has a general policy interest with regard to alcoholic drink taxation, whilst Customs and Excise has a specific responsibility for indirect taxation on alcoholic drinks including both detailed policy considerations and administration of the appropriate duties. Finally, the Department of Culture, Media and Sport has an interest in alcohol through its responsibilities in broadcasting, sports and recreation, tourism, and film, music and the press. The Scottish, Northern Ireland and Welsh Offices each have an administrative role in alcohol matters in addition to the part played by the central government departments.

There have been only minor changes to this structure since the 1950s. With each successive government, and also periodically within a government leadership, there have of course been departmental shuffles and reorganisations, but the basic structure has remained similar. The devolution of legislative power to Scotland and Northern Ireland has been the biggest change.

Several ministerial groups have evolved in response to periodic concerns. In 1987 the conservative government established a ministerial group of representatives from twelve government departments to review, develop and coordinate government strategy with regard to alcohol misuse. In 1990 this group established 14 regional alcohol misuse coordinator positions throughout the country to act as catalysts in coordinating local activities. In 1995 the All Party Group on Alcohol Misuse wrote a report on crime associated with alcohol consumption (The All Party Group on Alcohol Misuse, 1995). In 1997, the new Labour government announced the formation of the Ministerial Group on Alcopops in reaction to a perceived threat from the new designer drinks and their appeal to children.

Licensing policy

The liquor licensing laws, specifically the Licensing Act of 1964 and subsequent legislation, deal with the sale and supply of alcoholic beverages for consumption on the premises and off the premises in England and Wales. Retail sale of alcoholic beverages in Scotland has been regulated by local geographical boards since October 1977 under the Scottish Licensing Act of 1976. Separate licensing laws exist for Northern Ireland. The description below predominantly concerns the situation in England and Wales.

The laws concerning licensing are administered by licensing justices. They have discretion to grant a licence to sell alcoholic beverages to any person they think fit and proper. These licences can be for consumption either on or off the premises and it is an offence to retail alcoholic beverages, beverages exceeding 0.5 per cent alcohol by volume, without a licence. An opportunity is provided for anyone, including the police and local residents, to object to the renewal and issuing of a licence on a wide variety of grounds, including the suitability of the person and premises. A liquor licence is granted jointly to a person and the premises and can only be transferred to another person by permission of the licensing authorities.

Although there are two broad divisions of licence, those for on-licence premises and those for off-licence retailing operations, there are currently, in effect, more than 40 different types of licence for liquor, and different procedures to follow, depending on the type of licence application. Examples of the different licences include restaurant licence, residential licence for hotels, special hours certificate, supper hours certificate and extended hours order.

The off-premise and on-premise licences are renewed every three years and cost approximately 30 English pounds. There are about 500,000 licensing

transactions in any year (Better Regulation Task Force Review, 1998). The biggest change in the last fifty years to off-premise sales has been the 1964 Act that allowed alcohol to be sold in supermarkets. One of the major recent changes to on-premise licensing has been the introduction of children's certificates. Since January 1995 Licensing Justices in England and Wales have been allowed to grant Children's Certificates to permit accompanied children under 14 years to enter a bar of a licensed premise. Licensing Justices must be satisfied that the bar area for which the application is being made is a suitable environment for the children under 14 to be present. Children's Certificates are normally operational until 9 p.m., but the Justices can specify earlier or later times. Similar rules have been in force in Scotland since 1990.

In 2000 there were 70,615 pubs and bars, tied to breweries or independent, in Great Britain. The number of clubs was 31,961 and that of licensed restaurants 31,511. An outlet licensed for sale of alcoholic beverages for consumption on the premises is also allowed to sell alcoholic beverages off the premises. In 2000 there were in Great Britain 42,664 off-licence outlets, including specialist off-licence shops and grocery shops (The Drink Pocket Book, 2001). Based on the number of licences in England and Wales the number of on-premise licences was in the late 1990s some 36 per cent higher than in the mid-1970s. In the late 1990s there were some 44 per cent more off-premise licences than in the mid-1970s. The increase in the number of off-premise licences took place in the 1970s and 1980s (The Drink Pocket Book, 2001).

Producers of alcohol need to register with Customs and Excise. Registration does not cost anything and does not need to be renewed, but a separate registration is needed for each of the production premises. Alcohol importers and wholesalers no longer need to apply for a licence or to register.

Special restrictions on alcohol availability

In the UK there are laws governing the purchase and consumption of alcoholic beverages by young people. According to Children and Young Persons Act of 1933, children under five years may not be given alcohol except on medical grounds whilst children aged five and over may consume alcohol at home but not on licensed premises. According to Licensing Act 1964, children under 14 years old may not be present in the bar of licensed premises unless accompanied by a person over 18 years old, and only before 9 p.m., and the bar must possess a children's certificate. Based on the Licensing Act 1964 and Deregulation and Contracting Out Act 1994, children aged 14 and over may be in a licensed bar during permitted hours at the licensee's discretion. Those under 16 years may be present in a restaurant where alcohol is served with a meal and at the licensee's

discretion they may consume alcohol bought by an accompanying adult, parent or guardian. However, they may not purchase alcoholic beverages by themselves.

The Licensing Act 1964 allows young adults aged 16 years and over to purchase beer, porter, cider or perry with a meal in an eating area of licensed premises. In Scotland they can also buy wine. However, those under 18 years may not purchase or be supplied with or consume alcohol in a bar. Moreover, the Confiscation of Alcohol Act 1997 gives the police the powers to confiscate alcohol from persons younger than 18 years drinking in public and to contact their parents. In Northern Ireland those less than 18 years are not allowed to enter licensed premises or to be employed in a bar of licensed premises. In the UK, only adults aged eighteen years and over are allowed to purchase alcohol in off-licences.

There have been no major changes in the age restrictions. The laws were tightened in 1988 making it easier to prosecute offenders. In 1990 the Portman Group introduced a national proof of age scheme to protect licensees from unknowingly selling alcohol to minors. Over 400,000 young people have been issued with cards, and the scheme is now co-funded by retailers and card applicants.

In the UK there are strict opening hours for the sale of alcoholic beverages, both off-premise and on-premise. In England and Wales the opening hours for most public houses are 11 a.m. to 11 p.m. with 20 minutes' drinking-up time daily except on Sundays when they are open from 12 noon to 10.30 p.m. Off-licences can be open from 8 a.m. till 11 p.m. daily and from 10 a.m. to 10.30 p.m. on Sundays. The other exception is Christmas Day, when pubs can be open from 12 noon till 3 p.m. and then again from 7 p.m. until 10.30 p.m. Different hours apply to registered clubs and to premises with exceptional allowances, such as Special Hours Certificates, Supper Hours Certificates, Restaurant Licences, and Special Extension orders.

In England and Wales the permitted hours and days of sale for licensed premises and registered clubs were extended by the 1988 Licensing Act, which came into force on August 22, 1988. Further liberalisation of permitted hours occurred when the Sunday business hours were extended under the Licensing Sunday Hours Act which came into effect on August 6, 1995. There were exceptions made on Millennium New Year's Eve when the government allowed public houses to open for a continuous thirty-six-hour period.

In Scotland the permitted hours for off-licences are from 8 a.m. until 11 p.m. and for on-premise sales from 11 a.m. until 11 p.m. Extensions are made at the discretion of the local board and it is not unusual for extensions up till 4 a.m. Legislation introduced in 1990 extended weekday permitted hours to a maximum of 12 hours, and legislation in 1994 allowed off-sales premises to open on Sunday.

The restrictions on age and permitted hours are the main controls on physical availability of alcohol. However, in England and Wales, the sale of alcohol from petrol station forecourts was outlawed in 1988 with a few exceptions.

Alcohol taxation

In the UK special taxes in the form of excise duties are levied on alcoholic beverages. The exact method of how excise duties have been levied has changed quite much in the 1950–2000 period. Nowadays the excise duty on beer containing over 1.2 per cent alcohol by volume is charged on the basis of the quantity and alcoholic strength, i.e. per hectolitre per degree of alcohol in the finished product (Table 18.2). For distilled spirits above 1.2 per cent alcohol by volume, the excise duty is charged in accordance with the alcoholic strength, i.e. per hectolitre of pure alcohol in the finished product. For wine and intermediate products, the excise duties are set according to special strength categories, and for wine one factor is also whether the product is still or sparkling. The rates given in table 18.2 only apply to the mainland UK. Each of the Channel Islands, together with the Isle of Man, apply locally decided rates of excise duties. Value added tax is currently 17.5 per cent.

TABLE 18.2. Excise duty rates for alcoholic beverages in the United Kingdom in April 1, 2000 in English pounds and in euro

Alcoholic beverage category*	UKL	EUR
<i>Beer, per hectolitre per degree of alcohol in the finished product:</i>		
From 0.5 to 1.2% alcohol by volume	0.00	0.00
Over 1.2% alcohol by volume	11.89	18.30
<i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product:</i>		
Over 1.2 but at most 4.0% alcohol by volume, still	47.58	73.21
Over 4.0 but at most 5.5% alcohol by volume, still	65.42	100.66
Over 5.5 per cent alcohol by volume, still	154.37	237.53
Over 5.5 but less than 8.5% alcohol by volume, sparkling	166.70	256.50
Over 8.5% alcohol by volume, sparkling	220.54	339.34
<i>Intermediate products, per hectolitre of the product:</i>		
Not exceeding 15% alcohol by volume	154.37	237.53
Over 15% alcohol by volume	205.82	316.69
<i>Distilled beverages, per hectolitre of pure alcohol in the finished product</i>		
	1956.00	3009.69

* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

Sources: European Commission, DG XXI, Excise duty tables, November 2000; The Drink Pocket Book, 2001.

As already mentioned, there have been several changes in excise duties on alcoholic beverages in the last decades both with regard to the method of levying the excise duties and to the level of excise duty rates. With the introduction of a value added tax in 1973, for instance, the government reduced excise levies on alcoholic beverages by the estimated yield from the new value added tax of 10 per cent to render the change fiscally neutral. In 1974 the value added tax was decreased to 8 per cent but raised again to 15 per cent in 1979, and to the current 17.5 per cent in 1991.

Before 1993 the calculation of excise duty on beer was based on original gravity (Table 18.3; cf. also Chapter 2). From 1993 the base for excise duty on beer has been its alcohol content counted in volume per cent. In 1993 the excise duty rate for beer was about 400 per cent higher than at the beginning of the 1970s in nominal terms. The change in the taxing method in 1993 is considered to be tax neutral (Hurst, Gregory & Gussman, 1997). This is the case if all sugar in the wort is fermented into alcohol. However, if this is not the case then the new method involved a decrease in beer excise duty rate. In the 1993-2000 period the excise duty rate for beer increased about 14 per cent in nominal terms.

TABLE 18.3. Excise duty rates for beer in the United Kingdom from 1972 to 2000 in English pounds per hectolitre of the product

From (year/month)	Rate at original gravity of 1030°	Plus for each additional degree of original gravity	Rate for each degree over original gravity of 1000°	Rate for each degree of alcohol
1972 *	6.34	0.27		
1973 / 4	4.22	0.18		
1974 / 3	5.72	0.19		
1975 / 4	8.36	0.28		
1976 / 4	9.68	0.32		
1977 / 1	10.65	0.35		
1980 / 3	13.05	0.44		
1981 / 3	18.00	0.60		
1982 / 3	20.40	0.68		
1983 / 3	21.60	0.72		
1984 / 3	24.00	0.80		
1985 / 3	25.80	0.86		
1988 / 3	27.00	0.90		
1988 / 10			0.90	
1990 / 3			0.97	
1991 / 3			1.06	
1992 / 3			1.108	
1993 / 3			1.163	
1993 / 6				10.45
1995 / 1				10.82
1998 / 1				11.14
1999 / 1				11.50
1999 / 4				11.89

* Prior to entry into the European Economic Community

Sources: Hurst, Gregory & Gussman, 1997; Drink pocket book, 2001.

Also the rules for setting excise duties on wine and intermediate products have changed since the beginning of the 1970s. With regard to wine one can find both sharp increases and decreases in excise duty rates in nominal terms. For instance, in 1974 the excise duty rate for light wine was almost half of the 1972 rate. Yet, two years later the excise duty rate was threefold compared to the 1974 rate (Table 18.4). In 2000 the excise duty rate for normal table wine was 170 per cent higher than in 1976 in nominal terms. One can also find a slight decrease in the excise duty rate for table wine in the mid-1980s after the ruling of the European Court of Justice against the UK in one of the four alcohol cases (cf. Chapter 2). However, since the mid-1980s the excise duty rate for wine has increased by 70 per cent in nominal terms whereas the excise duty rate for strong beer has only increased by some 20 per cent. Since 1993 the excise duty rate for table wine has increased by 23 per cent in nominal terms. The excise duty rate for intermediate products has slightly decreased during the same time period (Table 18.4).

TABLE 18.4. Excise duty rates for wine and intermediate products in the United Kingdom from 1972 to 2000 in English pounds per hectolitre of the product

From (year/month)	Light wine under 25 proof spirits	Heavy wine over 25 proof spirits	Wine under 15% alcohol by volume	Fortified wine from 15 to 18% alcohol by volume	Fortified wine from 18 to 22% alcohol by volume	Intermediate products over 15% alcohol by volume
1972*	35.47	59.67				
1973 / 4	19.25	43.45				
1973 / 7	18.70	41.25				
1974 / 1	18.15	39.05				
1974 / 3	30.14	51.03				
1975 / 1	29.59	48.83				
1975 / 4	58.84	78.09				
1976 / 1			57.57	64.57	73.70	
1976 / 4			65.01	75.02	88.33	
1977 / 1			71.50	82.50	97.13	
1980 / 3			81.42	93.93	110.59	
1981 / 3			95.20	122.90	144.70	
1982 / 3			106.80	137.90	162.30	
1983 / 3			113.00	145.90	171.70	
1984 / 3			90.50	157.50	183.30	
1985 / 3			98.00	169.00	194.90	
1988 / 3			102.40	176.60	203.70	
1990 / 3			110.28	190.20	219.40	
1991 / 3			120.54	207.89	239.80	
1992 / 3			125.96	217.25	250.59	
1993 / 1			125.96			209.93
1993 / 1			132.26			220.43
1994 / 1			134.77			207.33
1995 / 1			140.44			200.64
1996 / 1			140.44			187.24
1998 / 1			144.65			192.86
1999 / 1			149.28			199.03
2000 / 4			154.37			205.82

* Prior to entry into the European Economic Community.

Sources: Hurst, Gregory & Gussman, 1997; Drink pocket book, 2001.

Made wines had special excise duty rates until 1984. These rates were a little lower than the rates for wines of fresh grapes (Drink pocket book, 2001). The rates for low strength alcoholic beverages shown in table 18.2 were introduced in 1997 (Drink pocket book, 2001) Sparkling wines as well as cider have had their own excise duty rates and still partly have (cf. Table 18.2; Drink pocket book, 2001, 179–180).

During the time the UK has been a member in the EU the way to set an excise duty on distilled spirits has not changed, i.e. distilled spirits have all the time been taxed on the basis of hectolitre pure alcohol in the finished product. In 2000 the excise duty rate for distilled spirits was about 170 per cent higher than at the beginning of the 1970s in nominal terms (Table 18.5). Since 1993 the excise duty rate for distilled spirits has been nearly constant.

From/ (Year/month)	Excise duty rate for distilled spirits
1972 *	726
1973 / 4	595
1974 / 1	655
1975 / 4	851
1976 / 4	949
1977 / 1	1,043
1980 / 3	1,187
1981 / 3	1,360
1982 / 3	1,447
1983 / 3	1,519
1984 / 3	1,548
1985 / 3	1,577
1990 / 3	1,735
1991 / 3	1,896
1992 / 3	1,981
1995 / 1	2,060
1995 / 11	1,978
1997 / 1	1,899
1998 / 1	1,956

TABLE 18.5. Excise duty rates for distilled spirits in the United Kingdom from 1972 to 2000 in English pounds per hectolitre of pure alcohol in the finished product

* Prior to entry into the European Economic Community

Sources: Hurst, Gregory & Gussman, 1997; Drink pocket book, 2001.

The fluctuations in alcohol excise duties must be put into context with other economic changes and relative to the prices of other goods. During the 1950-2000 period the value of the English pound decreased because of inflation. The increasing price level in the UK in the 1960-2000 period as described by the consumer price index (CPI) are given in table 18.6. Taking into account the changes in CPI it can be concluded that since the mid-1970s the real burden of excise duties both on beer and distilled spirits has decreased a good 50 per cent and the excise duties on table wine by nearly 50 per cent.

TABLE 18.6. Consumer price index in the United Kingdom, 1960–2000, 1995 is 100

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000
CPI	8.4	9.9	12.4	22.9	44.8	63.4	84.6	100.0	114.2

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

The pricing strategy of alcoholic drinks in the UK has largely been determined by the government's overall economic strategy, its counter-inflation and fiscal policy, and its need for revenue (Baggott, 1990, 112). The concern for cross-border trading has kept prices lower than they might otherwise have been if the government had decided to strategically raise duties in an attempt to reduce alcohol consumption. The price of alcohol in real terms in the UK has generally been falling since the 1960s. For example, between 1969 and 1981 the price of beer fell by 2.5 per cent in real terms and the prices of wines and distilled spirits fell by 37 per cent (Baggott, 1990, 96). Both according to Sulkunen (1978) and Leppänen (1999) the real price of alcoholic beverages was on the increase in the first half of the 1960s. After the decrease in the real prices of alcoholic beverages especially in the 1970s but also in the 1980s, the real prices of alcoholic beverages have increased by some 10 per cent in the 1990–1996 period (Leppänen, 1999).

Counted per litre of pure alcohol the excise duty burden on beer and wine was about the same in the mid-1990s, and the tax burden of distilled spirits nearly twice that on beer and wine. In 1977 beer was taxed only half of that of wine and distilled spirits nearly twice that of wine. In the mid-1990s taxes constituted some 40 per cent of beer prices. The corresponding figure for wine was 45 per cent and for distilled spirits 61 per cent (Hurst, Gregory & Gussman, 1997).

Alcohol advertising and sponsorship

In the UK alcoholic beverages are among the most heavily advertised products. In the late 1990s annual expenditure on alcohol advertising was estimated to be in the region of 350 million English pounds (The Drink Pocket Book, 2001). Advertising is a legitimate commercial activity for the drinks industry as a means to attract new consumers and win brand loyalty. However, there are concerns that exposure to advertisements and sponsorship will recruit vulnerable new drinkers, especially the young, or encourage those who already consume heavily to drink more. The possibility that alcohol advertising can have socially adverse effects is recognised in the special rules drawn up in relation to how, where and when alcoholic beverages can be advertised.

In the UK, a mixture of statutory and voluntary restrictions, depending on the media used, restrict alcohol advertising. Advertising on televised media is controlled by statutory bodies; the Independent Television Commission in the case of the television and the Radio Authority in the case of radio networks. The British Broadcasting Corporation does not carry any advertising. Advertising in other media like in newspapers, magazines, posters, brochures, leaflets and also the cinema is regulated by a voluntary code, the British Code of Advertising Practice. The British Code of Advertising Practice (1995) is referred below insofar it concerns alcohol (Paragraphs 46.1–46.13).

- Paragraph 46.1: For purposes of the Codes, alcoholic drinks are those that exceed 1.2 per cent alcohol by volume.
- Paragraph 46.2: The drinks industry and the advertising business accept a responsibility for ensuring that advertisements contain nothing that is likely to lead people to adopt styles of drinking that are unwise. The consumption of alcohol may be portrayed as sociable and thirst quenching. Advertisements may be humorous, but must still conform with the intention of the rules.
- Paragraph 46.3: Advertisements should be socially responsible and should not encourage excessive drinking. Advertisements should not suggest that regular solitary drinking is advisable. Care should be taken not to exploit the young, the immature, or those who are mentally or socially vulnerable.
- Paragraph 46.4: Advertisements should not be directed at people under 18 years of age through the selection of media, style of presentation, content or context in which they appear. No medium should be used to advertise alcoholic beverages if more than 25 per cent of its audience is under 18 years of age.
- Paragraph 46.5: People shown drinking should not be, nor should they look, under 25 years old. Younger models may be shown in advertisements, for example in the context of family celebrations, but it should be obvious that they are not drinking.
- Paragraph 46.6: Advertisements should not feature real or fictitious characters who are likely to appeal to people under eighteen in a way that would encourage them to drink.
- Paragraph 46.7: Advertisements should not suggest that any alcoholic drink can enhance mental, physical or sexual capabilities, popularity, masculinity, femininity or sporting achievements.
- Paragraph 46.8: Advertisements may give factual information about the alcoholic strength of a beverage or its relatively high alcohol content but this should not be the dominant theme of any advertisement. Alcoholic beverages should not be presented as preferable because of their high alcohol content or intoxicating effect.

- Paragraph 46.9: Advertisements should not portray drinking alcohol as the main reason for the success of any personal relationship or social event. A brand preference may be promoted as a mark of the drinkers' good taste and discernment.
- Paragraph 46.10: Drinking alcohol should not be portrayed as a challenge, nor should it be suggested that people who drink are brave, tough or daring for doing so.
- Paragraph 46.11: Particular care should be taken to ensure that advertisements for sales promotions requiring multiple purchases do not actively encourage excessive consumption.
- Paragraph 46.12: Advertisements should not depict activities or locations where drinking alcohol would be unsafe or unwise. In particular, advertisements should not associate the consumption of alcohol with operating machinery, driving, any activity relating to water or heights, or any other occupation that requires concentration to be done safely.
- Paragraph 46.13: Low alcohol drinks are those that contain 1.2 per cent alcohol by volume or less. Advertisers should ensure that low alcohol drinks are not promoted in a way that encourages their inappropriate consumption, and should not depict activities that require complete sobriety.

The Independent Television Commission Code of Advertising Standards is very similar.

These rules apply principally to advertisements for alcoholic beverages but the incidental portrayal of alcohol consumption in other advertisements must always be carefully considered to ensure that it does not contradict the spirit of these rules. The major change in these regulations has been the lifting of a ban prohibiting the advertising for spirits on television and radio in June 1995. For thirty years distilled spirits were not advertised due to a voluntary agreement between the manufacturers and the TV companies.

In April 1996, the Portman Group issued a Code of Practice on the naming, packaging and merchandising of alcoholic beverages. The Code, which was endorsed by the seven largest alcoholic drinks manufacturers in the UK, is intended to ensure that alcohol is marketed to adults only and that alcoholic products cannot easily be confused with soft drinks. The Code bans the use of characters or imagery that have a predominant appeal to youth and bans containers shaped in a way that might allude to antisocial behaviour. It also requires retailers to ensure that alcoholic beverages are clearly differentiated in-store from non-alcoholic drinks, and to train staff on adhering to the law on the sale of alcohol to those under 18 years of age.

Education and information

Information on the social and health hazards of alcohol consumption is provided by official government sources and independent non-governmental bodies and also by the drinks industry. The information is disseminated through a variety of media and organisations, depending on its target. For example in the 1980s, the government made it compulsory for alcohol studies to be part of the National Curriculum in the British school system for children between the ages of seven and sixteen.

The Department of Environment, Transport and the Regions is responsible for the Christmas, and recently also summertime, drunk-driving campaigns, using sometimes graphic visual reminders of the potential consequences. Funded largely by the government, the Health Development Agency and its local outposts encourage responsible alcohol consumption in sporadic campaigns.

The charities Alcohol Concern and the Institute of Alcohol Studies both provide detailed fact sheets on a range of alcohol-related matters; from physical damage to laws concerning consumption. Also other non-governmental organisations (NGOs) are useful sources of information and educational material.

The drinks industry has also engaged in educational activities. The Brewers' and Licensed Retailers' Association finances a number of educational and information programmes on the responsible use of alcohol aimed at young people, drinking in the workplace, pregnant women, and drunk driving. The Portman Group provides alcohol education materials for schools; information materials for adult drinkers; and training materials for licensees. They have also run a number of advertising campaigns against drunk driving.

The UK government has recently taken a controversial approach in its message to the general public on alcohol consumption. Ministers have promoted a sensible drinking message for several decades, but in recent years this has included a recognition that some alcohol consumption has beneficial health consequences.

The Health Department first raised the notion of sensible drinking in 1981. In the booklet *Drinking sensibly* alcohol misuse was defined as drinking to excess or drinking in situations which are not appropriate, when the effect in either case is to put the drinker or others at risk of harm (Department of Health and Social Security, 1981). In 1984, the Health Education Council, the predecessor of the Health Education Authority, published the first edition of its pamphlet *That's the Limit* (Health Education Council, 1984). This defined sensible drinking as keeping with safe limits – 18 standard drinks a week for men and 9 for women. Too much was defined as 56 drinks a week for men and 35 for women. The term

units of alcohol was introduced in the 1987 edition of the leaflet. A unit of alcohol was defined as 8 grams of pure alcohol, and the upper safe limits were increased to 21 units a week for men and 14 for women. Too much was kept at 56 units a week for men and 35 for women.

Three of the medical Royal Colleges issued reports on alcohol during 1986 and 1987 (The Royal College of Psychiatrists, 1986; The Royal College of General Practitioners, 1987; The Royal College of Physicians, 1987). Importantly, all three reports endorsed the Health Education Council line on sensible drinking.

In 1992 the sensible drinking message was used to set the deadline for targets to reduce alcohol misuse in the document *Health of the Nation* (Department of Health, 1992). Moreover, this document stated that drinking less than 21 units per week by men and 14 units per week by women is unlikely to damage health but also that sustained drinking in excess of these levels progressively increased the risk.

In 1994 the government announced that an inter-departmental group of officials would be set up to carry out a review of the sensible drinking standards in light of the latest scientific findings, including those on the protective effect of alcohol on coronary heart disease. The terms of reference for the group were

- to review current medical and scientific evidence and its interpretation on the long-term effects of drinking alcohol, and
- to consider whether the sensible drinking message should be reviewed in light of this, and also taking into account current government policies on the short-term effects of drinking alcohol and other factors considered relevant by the group.

The group received 89 submissions from the alcohol industry, scientific and academic sources, medical sources, the health promotion field, service providers and other organisations. One submission from a working group representing the three Royal Colleges of Physicians, Psychiatrists and General Practitioners, released in June 1995, strongly opposed any changes in the health education advice on sensible limits (The Royal Colleges Report, 1995).

The inter-departmental group's report, called *Sensible drinking*, was released in December 1995, just before Christmas. It concluded among other things that

- drinking alcohol confers a significant health benefit in terms of reduced mortality and morbidity on men aged over 40 and postmenopausal women,
- men who drink more than 3 to 4 units a day, and women who drink more than 2 to 3 units a day, run an increasingly significant risk of illness and death from a number of conditions, including haemorrhagic stroke, some cancers, accidents and hypertension,

- regular consumption of between 3 and 4 units a day by men of all ages will not accrue a significant health risk, and
- regular consumption of between 2 and 3 units a day by women of all ages will not accrue any significant health risk (Department of Health, 1995, 31–32).

The report was interpreted by the media to mean that the previous limits had been relaxed from 21 to 28 units per week for men and from 14 to 21 units per week for women. However, the government did stress that the guidelines were for daily consumption and advised people not to consume all their weekly units on one occasion. There followed lively and heated discussions about the new guidelines both in the health journals and wider in the media.

The inter-departmental group's review represents the first acknowledgement by the government of the benefits of moderate drinking. It also makes a clear statement against the use of the whole population approach as a means of reducing alcohol misuse. The UK approach has been described as a bimodal model due to the prevailing view that there are two distinct populations, one composed of sensible users of alcohol and the other of abusers.

In May 1997, the Labour party was elected to government. They abandoned the conservatives' Health of the Nation document and in July 1999 released their own health strategy called *Our Healthier Nation*. With regard to alcohol it stated that "moderate alcohol consumption is a part of everyday life for many, bringing enjoyment and relaxation. For older people, drinking small amounts of alcohol can give some protection against coronary heart disease. But heavy drinking is harmful not only to individuals, but also to their families and to society at large" (Department of Health 1999, para 9.12).

The document goes on to outline the government's aims with regard to minimising harm and also describes the development of a national alcohol strategy. "An effective strategy to tackle alcohol misuse needs the co-operation of all those concerned with alcohol: health and social services, school, and the alcohol industry, law enforcement agencies, government and the general public. We shall carefully consider the views of all the above to ensure that our strategy provides a coherent and balanced framework for action to tackle alcohol misuse and its consequences. We intend to take this work forward, in partnership with health and industry interest. We expect to publish our strategy after consultation early in the year 2000" (Department of Health 1999, para 9.14).

Several pressure groups and charities have responded and produced their own documents on a national alcohol strategy. Alcohol Concern invited a representative from the Department of Health to observe its consultation exercise on an alcohol strategy and launched its proposals in May 1999 (Alcohol Concern, 1999). The Society for the Study of Addiction convened a group to write their

document, Tackling Alcohol Together, and the Portman Group and the Institute of Alcohol Studies have submitted their own proposals to the Department of Health (The Portman Group, 1999; Institute of Alcohol Studies, 1999).

The administrative structure of treatment

The current structure for treatment of alcoholism and alcohol misuse is fragmented in the UK. Health care workers, including general practitioners, psychiatrists, hospital physicians and nurses, accident and emergency specialists routinely encounter problem drinkers. Outside the medical profession, the first point of contact may be social workers, police, teachers, employers, probation officers, or prison officers. Across all sectors there is a general lack of training and recognition of skills needed to identify alcohol problems (Society for the Study of Addiction, 1999).

Once a problem has been recognised, there is still a lack of agreement on minimum purchasing and commissioning guidelines for specialist alcohol services, which has contributed to a highly variable patchwork of treatment provision across the UK. Instead of being driven by needs assessments, the provision of local services is often determined by the availability of funds and other resources, and heavily reliant upon voluntary contributions.

As a result of the National Health Service and Community Care Act of 1990, every Local Authority was instructed to be responsible for

- assessing the needs of the local population for alcohol and drug services;
- including the services for alcohol and drug misusers in their community care plans;
- assessing the social care needs of individual alcohol and drug misusers;
- arranging appropriate packages of care, which may include a range of options (Department of Health, 1993).

Local services in England and Wales are coordinated by the charity Alcohol Concern. The local primary health care acts as a gateway to the more specialist units. Specialist units can be in the private sector or part of the National Health Service and they may be hospital or community-based. The units may offer psychiatric or medical treatments and intensive social support, including residential accommodation where necessary.

The situation today shows a marked change in structure from the 1950s, when alcohol problems were treated, if at all, by private practitioners or mental hospitals. In 1962 the Ministry of Health issued a memorandum entitled *The*

Hospital Treatment of Alcoholism, which called for the establishment of specialised hospital units for the treatment of alcoholism and alcoholic psychosis (Ministry of Health, 1962). This marked the end of an era characterised by the government's rejection of the need to review policies regarding alcohol consumption and alcoholism treatment and the entry of the Ministry of Health into the emerging alcohol arena (Thom & Berridge, 1995). In the 1970s, the government gave alcoholism a higher priority and shifted the emphasis from a hospital-centred treatment approach to a more comprehensive community care strategy (Department of Health and Social Security, 1973) and concentrated on strengthening links between the two. Prevention was placed high on the agenda in the 1980s, with the release of the Department of Health's sensible drinking guidelines (Department of Health and Social Security, 1981) and subsequently in the health strategy for England (Department of Health, 1992) and the recent revisions of sensible limits in the Inter-Departmental Working Group's report (Department of Health, 1995).

The current role of non-governmental organisations and pressure groups

NGOs, including self-help groups, are arguably the main providers of services to problem drinkers and their families (Eurocare, 1998). They provide treatment, advice, support, group therapy and counselling. Alcoholics Anonymous arrived in the UK in the late 1940s. There are now around 3,000 meetings per week in England and Wales and a membership of some 60,000 active members.

Other organisations and charities in the UK include Drinksense, a charity providing counselling, information and support for people with alcohol-related problems and their carers and families. Teachers' Advisory Council on Alcohol and Drug Education was established in 1968 as a charitable NGO with the mission to make an effective contribution to improving the health of children and young people by enabling those with responsibility and influence to encourage positive changes in knowledge, attitudes, skills and behaviours. The Campaign Against Drunk Driving supports and assists the victims and families of victims who have suffered death or injury by drunken drivers on the roads in the UK. There are also regional bodies such as the Scottish Council on Alcohol, the Welsh Drug and Alcohol Unit and the Northern Ireland Council on Alcohol.

The charity Alcohol Concern, founded in 1984, is the national agency on alcohol misuse in England and Wales. It evolved from the existing National Council on Alcoholism. Alcohol Concern aims to reduce the costs of alcohol misuse and to develop the range and quality of helping services available to

problem drinkers and their families. The Institute of Alcohol Studies is a London-based registered charity, sponsored by the United Kingdom Temperance Alliance. It is an educational body and supplies information to the general public, the helping professions, industry, commerce and trade unions.

The temperance movement originated and developed during the nineteenth century when it commanded political attention from the leaders of the day. Its popularity withered away in the twentieth century, partly due to the declining appeal of the churches from which it drew most its support. In the 1960s, the temperance movement participated in creating a number of new organisations to reshape its image; for example the National Council on Alcoholism in 1962, the Christian Social and Economic Research Foundation in 1966 and the Teachers' Advisory Committee on Alcohol and Drug Education in 1968. However, it is argued that the temperance movement exerted little direct influence on policy (Baggott, 1990, 10).

In 1989, the Portman Group was established by eight of the UK's major alcoholic beverage companies. The Portman Group's efforts are directed towards reducing consumption among those at risk and preventing others from developing drinking habits that may be harmful. Initiatives focus on a combination of educational programmes and research. To date the Group has provided alcohol education materials for schools, information materials for adult drinkers, and training materials for licensees. It has also run a number of advertising campaigns against drunk driving, funded research at Edinburgh University, operated a Code of Practice on responsible marketing that has led to certain alcohol products being withdrawn from sale, and convened a task force on underage alcohol misuse. The Brewers' and Licensed Retailers' Association also engages in educational and information projects.

Drunkenness and drunk driving

There are many laws in the UK governing drunken behaviour, some dating back to the nineteenth century. In the Metropolitan Police Act of 1839 it was deemed to be an offence to be drunk in a street or public place in the Metropolitan Police area and to be guilty of riotous or indecent behaviour. This was amended in 1872 to include drunkenness in a highway or other public place or on licensed premises. The 1902 Licensing Act decreed that it is an offence to be drunk in charge of a child under 7 years old or to be drunk and incapable on any highway or other public place.

A series of offences were introduced for licensees in the Licensing Act of 1964. For example, it became an offence for licensees to permit drunkenness on premises and to serve a drunken customer. Licensees were given powers to refuse

to admit to, or expel from, licensed premises any drunken person. Based on the 1980 Licensed Premises Act licensees could ban from entering their premises any person convicted of any offence committed on licensed premises involving violence.

In 1985 the Sporting Events Act prohibited the possession of alcohol at specific sporting events, and on public transport to and from these events. There are also a number of specific occupational groups with their own laws with regard to alcohol consumption. For example, the Civil Aviation Authority prohibits the consumption of alcohol by a pilot for at least 8 hours before flying.

In the UK the offences on simply being drunk in a public place are rarely enforced. However, certain local by-laws have prohibited drinking in designated areas.

It is prohibited of being in charge of a motor vehicle while unfit to drive through the influence of alcohol, as shown by the proportion of alcohol in the blood. The 1967 Road Safety Act introduced the breath test with a legal limit of 0.08 per cent. This is equivalent to 35 mg of alcohol in 100 ml of breath, and 107 mg of alcohol in 100 ml of urine. According to section 7 of the Road Traffic Act 1972, amended by the Transport Act in 1981, a breath test can be requested by a uniformed constable, who has reasonable cause to suspect that a person driving a motor vehicle on a road has alcohol in his or her body or has committed a moving traffic offence or has been involved in an accident.

The penalties of drunk driving depend upon the consequences. Causing death by careless driving whilst under the influence of alcohol or drugs can lead to a 10-year imprisonment and a disqualification of at least 2 years. Driving or attempting to drive whilst above the legal limit or unfit through drink can lead to a six months' imprisonment plus a fine of 5,000 English pounds and a disqualification of at least 12 months or 3 years if convicted twice in 10 years. Being in charge of a vehicle whilst above the legal limit or unfit through drink can lead to 3 months' imprisonment plus a fine of 2,500 English pounds and a disqualification. Refusing to provide a specimen can lead to a 6 months' imprisonment plus a fine of 5,000 English pounds and a disqualification of at least 12 months. Additional considerations are made for high-risk offenders defined as those who refuse to provide a specimen as well as those who are convicted at two and a half times the legal limit, and those convicted twice in ten years. An approved doctor has to certify that the person does not have a drink problem before the licence can be returned.

In 1991 changes were introduced to the rehabilitation of drunk-driving offenders. Magistrates now have the authority to send offenders on alcohol education courses, paid for by the offenders, and in return those who complete the course receive a reduction of 25 per cent in the length of their period of disqualification. This scheme is currently under evaluation.

Summary

In the UK successive governments have imposed restrictions on alcohol availability in an attempt to control drinking as a perceived threat to social order and public health but also to raise revenue from alcohol excise duties. Methods of control have included licensing restrictions, especially hours of sale, which however have recently been relaxed, and there are proposals for even more liberal hours. Methods of control have also included taxes and duties, penalties for drunk driving and for supplying minors with alcohol.

The problem of alcohol misuse has been seen as a political problem because of the running battle between the interests of the drinks industry and the anti-alcohol pressure groups. Over the years the frame of reference for alcohol-related problems has expanded beyond the narrow confines of alcoholism or alcohol dependence to include all of society. In terms of strategic approaches to minimising heavy alcohol use, there has been an on-going debate as to whether it is more advantageous to target the heavy drinkers themselves, or attempt to lower the total alcohol consumption of the whole population. The UK government has tended to explore the former harm reduction approach, combined with an emphasis on separating alcohol from high-risk situations, such as driving, sports events and alcohol consumption among youth.

There have been very few public opinion polls of the alcohol initiatives and laws discussed in this chapter. Awareness among the general population of the government's sensible drinking limits was investigated in a survey carried out by the Office for National Statistics in 1997. Just over half of the 3,600 men and women interviewed claimed that they had heard of the daily guidelines, but only about a third of these respondents could accurately recall the limits (Goddard, 1997). Whether they were aware of the sensible limits or not, 21 per cent of men and 8 per cent of women are reported to consume more than the weekly limits of 28 units for men and 21 units for women (Health Survey for England, 1996).

The recent submissions to the Department of Health by interested bodies, such as Alcohol Concern, the Portman Group, the Institute of Alcohol Studies and the Society for the Study of Addiction highlight the dissatisfaction that is felt by some pressure groups with regard to alcohol control policies in the UK. There have also been discussions among alcohol groups, government ministers, local communities and the police on the issue of whether to lower the legal BAC level for driving to 0.05 per cent, to harmonise the UK with many other countries in Europe. The question regarding alcopops was also a heavily debated issue on the political arena in the latter part of the 1990s.

Fears remain over cross-border shopping sprees where vast amounts of alcoholic drinks are brought into the country from hypermarkets on the continent. The unwillingness to increase excise duty on alcohol in the UK, as shown by a

freeze in the March 2001 Budget, reflects the government's desire to curb the legal and illegal alcohol importation from France and other neighbouring countries.

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Chapter 19

Alcohol policies in EU Member States and Norway in the second half of the twentieth century

ESA ÖSTERBERG AND THOMAS KARLSSON

Introduction

One of the aims of the European Comparative Alcohol Study (ECAS) was to describe and analyse alcohol policies within a comparative and longitudinal framework in the current member states of the European Union (EU) and in Norway, called here the ECAS countries. In the alcohol policy substudy of the ECAS project the description of the comprehensiveness, contents and strictness of alcohol policies, and the analyses of the developments in alcohol policies have been conducted in each individual ECAS country and at the EU level in the period after the Second World War. In accordance with the ECAS project plan, alcohol policies in this substudy consisted of different methods used to prevent alcohol-related problems, including price and tax policy, regulations of physical availability, licensing policy, advertisement regulations, and education and information as well as regulations and enforcement practices of public drinking and drunk driving (see Agreement SOC 98 2000739 05F03 (98CVVF3-3420-0)).

In this chapter we will present our findings on the similarities, differences and trends in alcohol policies in the ECAS countries in the second half of the twentieth century. We will first describe the comprehensiveness and strictness of alcohol policies in the ECAS countries at the beginning and at the end of the study period. Secondly we will deal with trends in different alcohol policy areas in the ECAS countries and give the present status of different alcohol control measures in each individual ECAS country in the year 2000. At the same time we will also give examples of changes in alcohol control measures in different ECAS countries in the 1950–2000 period. Finally we will summarise our findings in broader terms and discuss the feasibility of preventive alcohol policies in the ECAS countries and the implications of our findings for a co-ordinated and cost-effective alcohol policy within the EU.

Alcohol policies in the ECAS countries at the beginning of the 1950s

In the early 1950s alcohol policies and especially preventive alcohol policies were very different in the ECAS countries. In the Nordic countries the physical availability of alcoholic beverages was strictly controlled. In these countries alcoholic beverages were also very heavily taxed. In some Mediterranean countries there were hardly any alcohol policy measures in force, and special taxes on alcoholic beverages were very low in comparison to the Nordic countries. Furthermore, those alcohol policy measures that could be found in the Mediterranean countries were for the most motivated by industrial and trade interests of the state.

As a part of the alcohol policy analyses in the ECAS project a scale to measure the comprehensiveness and strictness of alcohol policies was constructed and applied to the ECAS countries (Karlsson & Österberg, 2001). The ECAS scale is divided into six different subgroups of alcohol control resembling the division used in earlier attempts to rank alcohol policies going back at least to the early 1980s (Karlsson & Österberg, 2001, 118). In addition, the questions included in the ECAS scale are mostly compiled from the scales constructed previously. Compared with the previous scales the most important difference is that the ECAS scale does not include any questions of alcohol taxation. The reason for this is that rather than first converting special alcohol taxes to scale points and then comparing alcohol taxation in different ECAS countries based on these scale points, we compare the level and structure of alcohol excise duties in monetary terms converted to a common monetary nominator, in our case to euro.

The next step after summing up the scale points is to classify the countries as high, medium or low alcohol control countries (see e.g., Davies & Walsh, 1983). It is always somewhat arbitrary to set the dividing lines. However, when following this kind of procedure we notice, not surprisingly, that in the early 1950s the Nordic countries, Denmark excluded, would be classified as countries having high alcohol control (Figure 19.1).

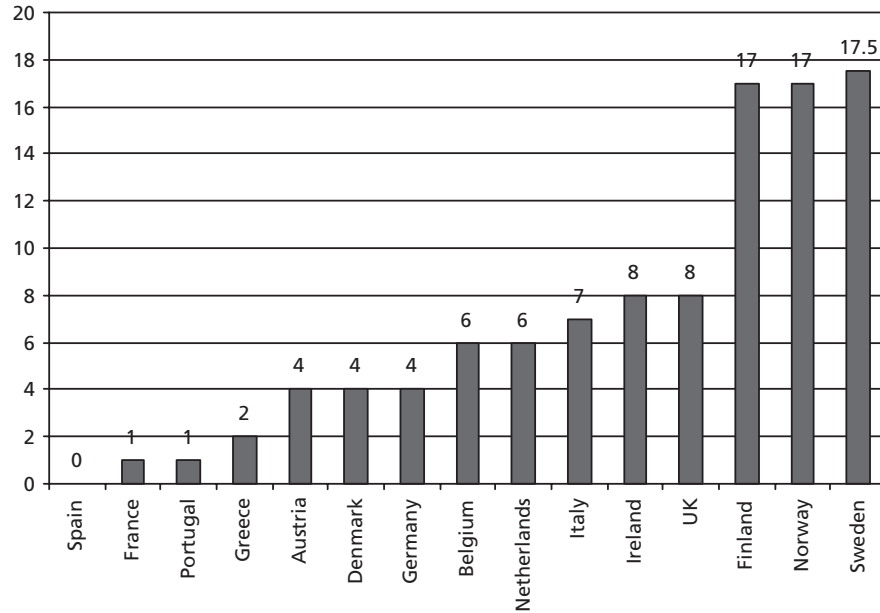


FIGURE 19.1. The comprehensiveness and strictness of alcohol policies in the ECAS countries, 1950 (maximum 20 points)

Source: Karlsson & Österberg, 2001.

Defining Finland, Norway, and Sweden as high alcohol control countries in the early 1950s certainly reflects the reality, as these countries at that time had a comprehensive alcohol monopoly system including state monopolies on the production, import, export, wholesale and off-premise retail sale of alcoholic beverages. Furthermore, these countries also controlled on-premise retail sales of alcoholic beverages very strictly by a licensing system, and practised very tight individual alcohol control, too. In Sweden, for instance, the Bratt rationing system was still in force, meaning that each individual wishing to buy alcoholic beverages in monopoly liquor stores needed a special rationing book in which purchases were recorded. Each person had the right to buy only a certain amount of distilled spirits per month. The allocation for unmarried women or young adult males was less than for adult males, and married women were not given any allocations at all, because they were expected to share their husband's allocation, usually four litres of distilled spirits per month (Holder *et al.*, 1998, 82). In Finland, females were not allowed to enter restaurants either alone or in a group of females, and males had to wear suit and tie. Furthermore, only a certain share of a restaurant's turnover could consist of alcohol sales, leading to the situation where patrons had to order food after having a certain number of drinks in order to be

able to continue ordering more drinks. Also the age limits on purchasing alcoholic beverages were higher in the Nordic alcohol monopoly countries than in the other ECAS countries, and they were also higher than they are today.

Countries classified as having medium alcohol control in the early 1950s would include Belgium, Ireland, Italy, the Netherlands and the United Kingdom, but also Austria, Denmark and Germany could be put into this group (Figure 19.1). If the level of special taxes on alcoholic beverages would be included in the scale, Denmark would most certainly be in parity with Ireland and the United Kingdom. The basic reason for classifying the above-mentioned countries as having medium alcohol control is their licensing systems and special restrictions on off- and on-premise sales of alcoholic beverages. Especially in Ireland and the United Kingdom the restrictions on on-premise sales of alcoholic beverages were very detailed, and they were effectively enforced. But also in Belgium and the Netherlands there were still remnants of former tight alcohol control measures in force, even if they were not enforced very strictly. For instance, in the 1950s, according to the law, distilled spirits were not served at all in Belgian restaurants, and if one wished to buy distilled spirits for consumption off-premise the minimum amount was two litres.

The remaining four countries, France, Greece, Portugal and Spain, would definitely be classified as having low alcohol control in the 1950s. It is perhaps no surprise either that all Mediterranean wine producing and wine consuming ECAS countries, with the exception of Italy, fall within this low alcohol control group.

The comprehensiveness and strictness of alcohol policies in 2000

In 1950, the classification of the ECAS countries according to the comprehensiveness and strictness of alcohol policies almost followed the classification of countries on the basis of beverage preferences (Bruun et al., 1975, 56). All high alcohol control countries were spirits countries. Most medium alcohol control countries were beer countries. The two exceptions were Italy, a wine country, and the Netherlands, which at that time was still classified as a spirits country (Karlsson & Simpura, 2001, 85). All low alcohol control countries were wine countries. When looking at the situation in the year 2000, the classification of the ECAS countries according to the preferred beverage category and the comprehensiveness and strictness of alcohol policies do not any longer coincide (Figure 19.2). Also the classification of countries into beer, wine and spirits countries has lost much of its meaning, as all the former ECAS spirits

countries had already by the 1990s changed to beer countries (Leifman, 2001, 22).

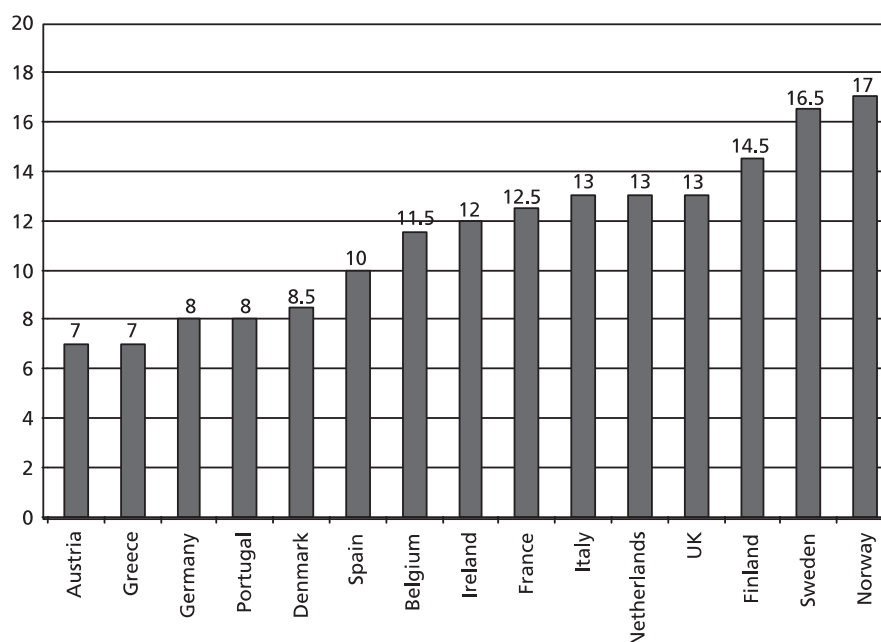


FIGURE 19.2. The comprehensiveness and strictness of alcohol policies in the ECAS countries, 2000 (maximum 20 points)

Source: Karlsson & Österberg, 2001.

In the year 2000, the three Nordic alcohol monopoly countries still formed the core of the high alcohol control group, despite the fact that in the mid-1990s they had abandoned all their former state alcohol monopolies except the off-premise retail monopolies. Furthermore, nowadays it is even a little difficult to call these state-owned retail sale networks monopolies, because in Finland, Norway and Sweden off-premise retail sale of beer – though in varying degrees – is not any longer or has in fact never in the 1950-2000 period totally been a state monopoly (see e.g., Holder *et al.*, 1998).

In the year 2000, Belgium, France, Ireland, Italy, the Netherlands, Spain and the United Kingdom could be classified as either high or at least medium alcohol control countries. Classifying especially Ireland and the United Kingdom as high rather than medium alcohol control countries could be justified by their level of alcohol excise duties, which in these countries are clearly higher than the EU average (Table 19.1). These countries, as well as the Netherlands, also have a quite

strict licensing system for retail sale of alcoholic beverages, and these controls are motivated by social and public health policy considerations.

The dividing line between medium and low alcohol control countries is also somewhat arbitrary. In Figure 19.2 one possibility would be to use nine points as the dividing line, meaning that Austria, Denmark, Germany, Greece and Portugal would belong to countries with low alcohol control. It is easy to note that low alcohol control countries – even if the dividing line would be put lower or higher than at nine points – are not a very homogeneous group. They are not Mediterranean countries or wine countries, nor are they Central European countries or beer countries. Furthermore, Denmark has quite high excise duties on alcoholic beverages (Table 19.1).

TABLE 19.1. Excise duty rates on alcoholic beverages in the ECAS countries according to beverage categories in July 2000, euro per litre of pure alcohol

Country	Distilled spirits	Intermediate products	Wine	Beer
Austria	10.03	4.04	0.00	5.21
Belgium	16.61	5.51	4.28	4.28
Denmark	36.99	7.88	8.62	9.30
Finland	50.46	39.24	21.41	28.59
France	14.50	11.86	0.30	2.59
Germany	13.04	8.52	0.00	1.97
Greece	9.45	2.60	0.00	2.92
Ireland	27.62	22.01	24.82	19.87
Italy	6.45	2.75	0.00	3.50
Luxembourg	10.41	3.72	0.00	1.98
Netherlands	15.04	4.71	4.43	4.26
Norway	85.36	44.26	44.26	44.26
Portugal	8.14	2.63	0.00	2.81
Spain	6.85	2.55	0.00	1.68
Sweden	57.35	28.70	28.28	16.81
United Kingdom	30.10	17.59	21.59	18.30

Calculations are based on the following alcohol contents for beer, wine and intermediate products: beer 5% alcohol by volume, wine 11% alcohol by volume, intermediate products 18% alcohol by volume.

Source: European Confederation of Spirits Producers (CEPS).

Based on the scale approach, one could argue that alcohol policies have converged among the ECAS countries during the last fifty years. However, this convergence is not only the outcome of diminishing differences between the ECAS countries. As figures 19.1 and 19.2 show, according to the ECAS scale, some countries have changed their relative position quite much in terms of the comprehensiveness and strictness of alcohol policies. For instance, France and Spain have moved upwards, and Austria and Germany have moved downwards among the ECAS countries.

One further problem with the scales is that they measure alcohol policies on the national level only. In some countries, like Austria, Belgium or Germany, there are considerable variations in alcohol control measures between different regions. What makes this problematic is that when certain alcohol policy measures only exist in some parts of the country, one has to decide what is representative for the whole country. The alcohol regulations and laws in a single state (Land) in Austria would hardly be representative for the whole country and vice versa.

When comparing the scale points in figure 19.1 and 19.2 to the country reports, one usually gets the same impression of the relative comprehensiveness and strictness of alcohol control in the various ECAS countries. Italy, however, ranks higher in figure 19.2 (and also in Figure 19.1) than one would expect on the basis of the country report. The most immediate explanation of this is the Italian licence requirements, special restrictions on off- and on-premise retail sales, as well as age limits. These formal restrictions are important enough to score relatively high on the ECAS scale even if these restrictions have not been effectively enforced.

On the other hand, however, one cannot avoid the feeling that something very special is and has been going on in Italy with regard to control of drinking alcohol and alcohol-related problems. A kind of semi-official informal social alcohol control may in fact partly explain the comparatively low level of per capita alcohol consumption in Italy amongst the ECAS countries. But it is still definitely true that despite the relatively high scoring on the ECAS scale, Italy does not have a strict formal alcohol control like the Nordic countries.

In contrast to Italy, Denmark has a lower position both in figure 19.1 and figure 19.2 than it should have in reality, because the ECAS scale does not include excise duties on alcoholic beverages. In Denmark alcohol excise duties have been, and still are, clearly higher than in low alcohol-control countries and also in most medium alcohol-control countries, however defined (see Table 19.1). One reason for the different picture given by the scale score and the country report is that at the beginning of the twentieth century Denmark consciously chose a policy of high alcohol taxes as an alternative to physical restrictions on alcohol availability.

Trends in different areas of alcohol policies

Figure 19.3 shows the strictness of alcohol policies in the ECAS countries measured by the ECAS scale according to the subgroups of alcohol policies both in 1950 and 2000. The two areas which get lower points in the year 2000 than fifty years earlier are the control of production and wholesale and the control of distribution (Figure 19.3).

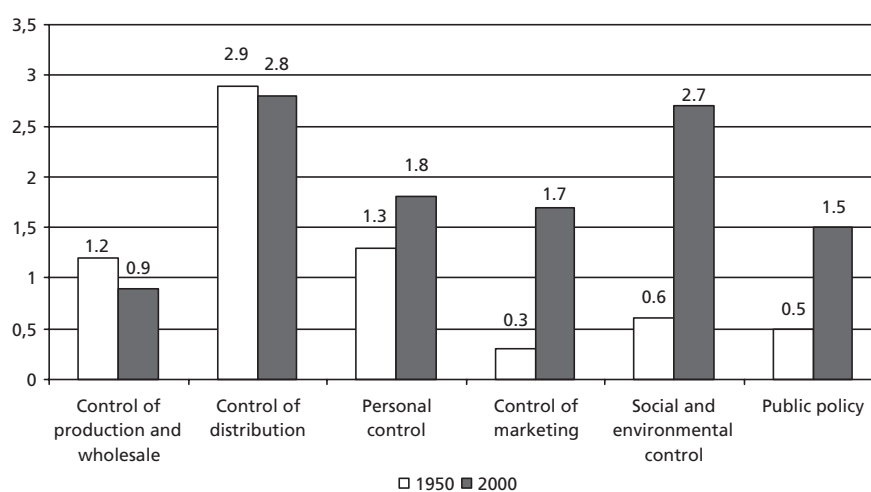


FIGURE 19.3. The strictness of alcohol policies in the ECAS countries according to subgroups of alcohol control, 1950 and 2000

In all other alcohol control areas, the scores are higher in 2000 than in 1950. Consequently, changes in different areas of alcohol policy have been very different in the ECAS countries during the last fifty years. The convergence which could be found when looking at the developments of alcohol policies in different ECAS countries seems to be composed of at least two different trends. First, there has been a decrease in the strictness of the control of alcohol availability or the control of the supply side of the alcohol equation. On the other hand, alcohol control measures nowadays seem to be more comprehensive and stricter with regard to measures aiming to affect the demand for alcoholic beverages and trying to control directly certain alcohol-related problems.

Control of production and wholesale

Table 19.2 shows that the control of the production and wholesale of alcoholic beverages has decreased especially in the 1990s, or more precisely in the years 1995 and 1996, when Finland, Norway and Sweden, in connection with the European Economic Area (EEA) Agreement and the Finnish and Swedish memberships in the EU, were forced to give up their comprehensive alcohol monopoly systems by abolishing state alcohol monopolies on alcohol production, import, export and wholesale (see Holder et al., 1998).

TABLE 19.2. The strictness of alcohol policies in the ECAS countries according to subgroups of alcohol control, 1950 to 2000

Subgroup	1950	1960	1970	1980	1990	2000
Control of production and wholesale (3 p.)	1.2	1.3	1.3	1.3	1.3	0.9
Control of distribution (7 p.)	2.9	3.0	3.0	2.8	2.9	2.8
Personal control (3 p.)	1.3	1.5	1.4	1.7	1.8	1.8
Control of marketing (2 p.)	0.3	0.4	0.8	1.3	1.7	1.7
Social and environmental control (3 p.)	0.6	0.9	1.2	2.0	2.3	2.7
Public policy (2 p.)	0.5	0.7	1.0	1.1	1.4	1.5

Maximum number of points for each subgroup in brackets.

Source: Karlsson & Österberg, 2001.

At present, only Norway has an alcohol production monopoly, and that is for distilled spirits only. Table 19.3 also shows that in almost all ECAS countries producers or wholesalers of beer, wine and distilled spirits need a licence. However, in most ECAS countries the licensing of alcohol production and wholesale has nothing to do with public health or social policy matters. Even in the Nordic countries, the granting of production and wholesale licences is nowadays determined only by legal considerations. In other words, every applicant fulfilling the legal requirements, no criminal record or unpaid taxes, will get the licence, without any special preventive alcohol policy considerations. The most important task of licensing seems to be to keep track of the actors in the alcohol field and to secure the payment of alcohol excise duties and value-added taxes.

TABLE 19.3. Control of production and wholesale of alcoholic beverages in the ECAS countries in the year 2000

Country	State Monopoly	Licence	No licence
Austria			B, W, S
Belgium		B, W, S	
Denmark			B, W, S
Finland		B, W, S	
France		B, W, S	
Germany			B, W, S
Greece		B, W, S	
Ireland		B, W, S	
Italy		B, W, S	
Luxembourg			B, W, S
Netherlands		B, W, S	
Norway	S	B, W	
Portugal		B, W, S	
Spain		B, W, S	
Sweden		B, W, S	
United Kingdom		B, W, S	

(B–Beer, W–Wine, S–Spirits)

Control of distribution

According to the ECAS scale, changes in control of the distribution of alcoholic beverages are clearly smaller than in the control of production and wholesale (Figure 19.3). This is partly stemming from the fact the three Nordic ECAS countries were able to keep their off-premise retail monopolies on most alcoholic beverages (Table 19.4). In Finland, Norway and Sweden, state alcohol off-premise retail companies still have a monopoly on all distilled spirits, all fortified wines and other intermediate products, almost all wine and all strong beer. As with the granting of the production and wholesale licences, also the granting of licences for off- and on-premise sales of alcoholic beverages is nowadays in most ECAS countries purely a legal matter. In some countries, however, the applicants have to have some training in order to be able to get the licence for selling alcoholic beverages on the premises. This is the case, for instance, in the Netherlands.

TABLE 19.4. Control of off-premise retail sales of alcoholic beverages in the ECAS countries in the year 2000

Country	State Monopoly	Licence	No licence
Austria			B, W, S
Belgium		B, W, S	
Denmark			B, W, S
Finland	W, S	B	
France		B, W, S	
Germany			B, W, S
Greece		B, W, S	
Ireland		B, W, S	
Italy		B, W, S	
Luxembourg		B, W, S	
Netherlands		B, W, S	
Norway	W, S	B	
Portugal			B, W, S
Spain			B, W, S
Sweden	W, S	B	
United Kingdom		B, W, S	

(B–Beer, W–Wine, S–Spirits)

TABLE 19.5. Control of on-premise retail sales of alcoholic beverages in the ECAS countries in the year 2000

Country	State Monopoly	Licence	No licence
Austria			B, W, S
Belgium		B, W, S	
Denmark		B, W, S	
Finland		B, W, S	
France			B, W, S
Germany			B, W, S
Greece		B, W, S	
Ireland		B, W, S	
Italy		B, W, S	
Luxembourg		B, W, S	
Netherlands		B, W, S	
Norway		B, W, S	
Portugal			B, W, S
Spain			B, W, S
Sweden		B, W, S	
United Kingdom		B, W, S	

(B–Beer, W–Wine, S–Spirits)

State monopoly arrangements do not include on-premise sales of alcoholic beverages in any ECAS country (Table 19.5). For the last fifty years, the Finnish alcohol monopoly is the only one that has owned restaurants, but also in Finland most restaurants have been private. Until the mid-1990s, however, preventive alcohol policy matters were crucial or at least important in granting licences to restaurants in the Nordic monopoly countries (cf. e.g., Österberg, 1989, 126–128; Holder *et al.*, 1998).

In addition to licensing arrangements, there are many other ways in which governments seek to affect retail sales of alcoholic beverages. Control of distribution includes many restrictions both on off- and on-premise sales, e.g., special restrictions on days and hours and places for retailing alcoholic beverages; regulations concerning the types of shops, restaurants or surroundings where alcoholic beverages are not allowed to be sold; upper limits on the number of shops or restaurants allowed to sell alcoholic beverages either in the whole country or in certain regions; rules for how much or little a customer can purchase alcoholic beverages; or regulations determining in what kind of containers alcoholic beverages can be sold. Many times these kinds of regulations are, or have been, quite detailed, and these regulations are not found only in the Nordic countries.

Government restrictions on retail sales vary greatly among the ECAS countries, but generally speaking they have rather been losing than gaining ground during the last five decades. In many countries, the number of opening days and hours of off-premise sales of alcoholic beverages are greater nowadays than in the early 1950s. This concerns especially the Nordic countries. It is nowadays also difficult to find rules regulating the quantities of alcohol purchases in the ECAS countries. Also the regulations concerning drinking in restaurants, which used to be very common in the Nordic countries, as well as the regulations of opening hours on on-premise alcohol sales in Ireland and the United Kingdom have been loosened through the years. However, some countries have also restricted alcohol availability during the last fifty years by banning it from petrol stations or canteens at workplaces, as is the case in Italy and France. In the Netherlands, a ban on selling alcoholic beverages in non-food stores and petrol stations was introduced in autumn 2000. Also football hooliganism has contributed to some restrictions in alcohol availability in sports stadiums and their surroundings.

In this context it is also important to note that in some countries there are no special restrictions on alcohol retail sales as such, but the general rules concerning off- and on-premise sales also regulate the availability of alcoholic beverages. In fact, in some countries the closing hours of restaurants may in practice be stricter without any alcohol control measures than in countries where the drinking of alcohol in restaurants is controlled by state regulations. This is difficult to prove, as in countries without any restrictions on selling hours for alcoholic beverages, there most certainly exist some places where alcohol can be

purchased for consumption off-premise practically any time. But for a traveller, for instance, with no special knowledge of the local customs and conditions, it may be quite difficult to obtain alcoholic beverages for consumption off-premise even at 8 p.m., or on-premise around midnight, in some countries with no legal restraints as compared, for instance, with Finland where many monopoly stores stay open on weekdays until 8 p.m. and lots of restaurants will serve alcoholic beverages until 3.30 a.m. with a 30 minute drink-up time.

Personal control

During the last fifty years some ECAS countries with no age limits in the 1950s have begun to practise legal age limits for buying alcoholic beverages, and in some ECAS countries these limits have been raised. During these years, for instance, Denmark has given up the policy of no age limit at all in off-premise retail sales, by introducing the age limit of 15 years in 1998. Legal age limits were also introduced in France gradually between 1954 and 1959. Countries that practice stricter age limits in 2000 than in 1950 include Denmark, France, Germany, Portugal and Spain. The total change in this respect is even greater than the ECAS scale average shows, as Finland and Sweden have in fact lowered their age limits during the study period.

Table 19.6 summarises the situation with regard to age limits in off- and on-premise sales of alcoholic beverages in the year 2000. At the moment, Belgium, Greece and Portugal seem to be the only ECAS countries not having any age limits for at least some alcoholic beverages in off-premise sales. All ECAS countries have an age limit at least in on-premise sales of distilled spirits. In the ECAS countries the age limits range from 15 to 20 years. As a rule, age limits are higher for distilled spirits than for beer and wine. Usually they are the same in off- and on-premise sales. In Denmark, age limits are lower for off-premise sales than for on-premise sales for all alcoholic beverages, whereas in Finland, Sweden and the United Kingdom we find lower age limits for on-premise than for off-premise sales for some alcoholic beverage categories.

In reality, changes in the area of personal control have been even more dramatic than the scale scores show. For instance, Sweden abolished the Bratt rationing system in 1955, and Finland has gradually given up a similar kind of system of personal control between the late 1940s and the year 1971. This means that with regard to personal control there have been two divergent trends in the ECAS countries. The Nordic monopoly countries have loosened their control measures, whereas the age limits have become stricter in many other ECAS countries.

TABLE 19.6. Age limits in off- and on-premise sales of alcoholic beverages in the ECAS countries in the year 2000

Country	Off-premise			On-premise		
	Beer	Wine	Spirits	Beer	Wine	Spirits
Austria ¹	16	16	18	16	16	18
Belgium ²	-	-	18	16	16	18
Denmark	15	15	15	18	18	18
Finland	18	18	20	18	18	18
France ³	16	16	16	16	16	16
Germany	16	16	18	16	16	18
Greece	-	-	18	-	-	18
Ireland	18	18	18	18	18	18
Italy ³	16	16	16	16	16	16
Luxembourg	-	-	-	18	18	18
Netherlands	16	16	18	16	16	18
Norway	18	18	20	18	18	20
Portugal ⁴	-	-	-	16	16	16
Spain ⁵	16	16	16	16	16	16
Sweden	18	20	20	18	18	18
United Kingdom ⁶	18	18	18	16	16	18

¹ The regulations regarding legal age limits differ considerably within the country (from 15 to 18 years depending on the state).

² Anyone under the age of 16, unless married or accompanied by a parent or a guardian, is prohibited from entering a dance hall where fermented beverages are served, or any other licensed establishment when there is dancing.

³ No on-premise age limit if accompanied by a parent or a guardian.

⁴ Since January 2002 the age limits for both off- and on-premise sale and for all alcohol beverage categories, has been 16 years.

⁵ There is no age limit in off- and on-premise sales of beer and wine if accompanied by a parent or a guardian. In some regions the legal age limit for distilled spirits is 18 years.

⁶ Persons aged 16 years and over may purchase beer, porter, cider or perry (in Scotland also wine) if consuming a meal (except in bars).

In many ECAS countries there are official rules for not selling alcoholic beverages to drunken persons. In some other ECAS countries this may be an unwritten rule.

Control of marketing alcoholic beverages

The control of marketing alcoholic beverages has been increasing throughout the study period, and especially since the 1960s. Table 19.7 summarises the situation in the year 2000.

In the early 1950s alcohol advertising was quite loosely regulated in Europe overall. In the 1960s and 1970s advertising of alcoholic beverages, especially in the broadcast media, became more strictly controlled, and also general restrictions on alcohol advertising, mainly in the form of voluntary codes but also as legislation, began to emerge in several countries. This undoubtedly had to do with the fact that the number of television sets and television broadcasts grew substantially during this period (Karlsson & Simpura, 2001).

As one can see from Table 19.7, the national regulations on marketing alcoholic beverages differ substantially depending on the country in question. For instance, in Greece there are currently no restrictions concerning alcohol advertising or sales promotion and sponsorship of alcoholic beverages. In Norway, on the other hand, the situation is quite the opposite as virtually all alcohol advertisements as well as sponsorship are forbidden. In most ECAS countries, alcohol advertising is nowadays regulated by voluntary codes. In the Nordic countries, however, advertising of alcoholic beverages has very long been regulated with statutory control. An interesting feature is the development in Finland, where all forms of alcohol advertising were banned in 1976, and the advertising for beer, wine and intermediate beverages was allowed again in 1995 (see Alavaikko & Österberg, 2000). The attitude to alcohol advertisements, especially in sports arenas, has become more negative in the ECAS countries. During the last decade, several South European countries such as France and Spain, and in 2001 also Portugal, have banned alcohol advertisements in sports arenas.

Table 19.7. Primary form of regulations for marketing alcoholic beverages in the ECAS countries in the year 2000

Country	Statutory control	Voluntary control	No regulation
Austria ¹		X	
Belgium ²		X	
Denmark ³		X	
Finland ⁴	X		
France ⁵	X		
Germany ⁶		X	
Greece ⁷			X
Ireland ⁸		X	
Italy ⁹		X	
Luxembourg ¹⁰		X	
Netherlands ¹¹		X	
Norway ¹²	X		
Portugal ¹³			X
Spain ¹⁴	X		
Sweden ¹⁵	X		
United Kingdom ¹⁶		X	

¹ In Austria advertising of alcoholic beverages is regulated by voluntary guidelines. In some settings alcohol advertising is forbidden. National TV and radio broadcasts are partly regulated by statutory controls.

² In Belgium advertising of alcoholic beverages is mainly regulated by voluntary control. In some settings, for instance in hospitals and working environments, alcohol advertising is forbidden.

³ In Denmark advertising of alcoholic beverages is regulated by a voluntary code. Alcohol advertising is not allowed in national TV and radio broadcasts.

⁴ In Finland advertising of alcoholic beverages up to 22% alcohol by volume is allowed.

⁵ In France advertising of alcoholic beverages is allowed, but very heavily controlled. For instance, alcohol advertising in the sports arenas is not allowed at all.

⁶ In Germany advertising of alcoholic beverages is regulated by a voluntary code. There are some special regulations concerning alcohol advertising in the sports arenas.

⁷ In Greece advertising of alcoholic beverages is hardly regulated at all. To advertise for distilled spirits is forbidden in sports magazines and in television broadcasts. The control of this, however, is almost non-existent.

⁸ In Ireland there is no separate control for advertising alcoholic beverages. There is, however, a voluntary code in force for alcohol advertising in national TV and radio broadcasts as well as in the cinemas.

⁹ In Italy advertising of alcoholic beverages is partly regulated by statutory control and partly by voluntary guidelines.

¹⁰ In Luxembourg advertising of alcoholic beverages is regulated by a voluntary control system. The system is however not strictly enforced.

¹¹ In the Netherlands advertising of alcoholic beverages is regulated by a voluntary control system.

¹² Norway has the strictest regulations for advertising alcoholic beverages in Europe. Alcohol advertising is in practical terms completely prohibited.

¹³ In Portugal advertising of alcoholic beverages is only regulated in national TV and radio broadcasts. Otherwise there is no control.

¹⁴ In Spain advertising of alcoholic beverages is primarily regulated by statutory control. Advertisements of beer are not regulated at all in kiosks and other sales establishments. To advertise for distilled spirits is forbidden in national TV and radio broadcasts. Sponsorship of alcoholic beverages in connection with sports is forbidden.

¹⁵ In Sweden advertising of alcoholic beverages is regulated by statutory control. All advertising of alcoholic beverages below 2.25% alcohol by volume is prohibited.

¹⁶ In the United Kingdom advertising of alcoholic beverages is partly regulated by statutory control and partly by voluntary guidelines.

At the EU level, alcohol advertising is regulated by the Council Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in member states concerning the pursuit of television broadcasting activities (also called Television without Frontiers). The directive, originally approved in October 1989, was partially amended in June 1997 by the Directive 97/36/EC of the European Parliament and of the Council. The revised directive lays down a firm legal framework allowing television operators to develop their activities in the European Union. The main objective was to create the necessary conditions for free movement of TV broadcasts.

The directive also includes some restrictions concerning alcohol advertising in broadcast media. Article 15 in the directive states that advertising for alcoholic beverages shall comply with the following criteria:

- it may not be aimed specifically at minors or, in particular, depict minors consuming these beverages;
- it shall not link the consumption of alcohol to enhanced physical performance or to driving;
- it shall not create the impression that the consumption of alcohol contributes towards social or sexual success;
- it shall not claim that alcohol has therapeutic qualities or that it is a stimulant, a sedative or a means of resolving personal conflicts;
- it shall not encourage immoderate consumption of alcohol or present abstinence or moderation in a negative light; and
- it shall not place emphasis on high alcoholic content as being a positive quality of the beverages.

Control of drunk driving

An area where the control of alcohol-related problems has really increased is the control of drunk driving. There were big changes especially in the 1970s (Table 19.2). As late as 1970, there were six ECAS countries without any legal blood alcohol concentration (BAC) limits for driving. In the year 2000 all ECAS countries have legal limits of at most 0.08 per cent. Table 19.8 summarises the situation in the year 2000.

A contributing factor in the development of BAC limits has been the increase in the number of motor vehicles and in traffic on the roads. Especially in the 1970s motor traffic grew to the extent that it had to be more closely regulated, and road safety issues, such as drunk driving, were given more attention (Karlsson & Österberg, 2001). The growing number of motor vehicles and people's growing

awareness of road safety issues undoubtedly contributed to the introduction of BAC limits in most of the ECAS countries in the 1970s and 1980s. Of course, also technical advancements, especially with breathalysers becoming cheaper and more precise, have affected this development. Therefore, that there was no BAC limit in the 1950s does not necessarily indicate an absence of control on drunk driving. For instance, in Finland drunk driving has been criminalised since 1926. In 1950 the maximum term of imprisonment was increased to four years and in 1959 blood alcohol tests and clinical examinations became mandatory but not until 1977 were statutory BAC limits introduced (Österberg, 1987).

Country	BAC limit (%)
Austria	0.05
Belgium	0.05
Denmark	0.05
Finland	0.05
France	0.05
Germany	0.05
Greece	0.05
Ireland	0.08
Italy ¹	0.08
Luxembourg	0.08
Netherlands	0.05
Norway ²	0.05
Portugal ³	0.05
Spain	0.05
Sweden	0.02
United Kingdom	0.08

TABLE 19.8. Blood alcohol concentration (BAC) limits in traffic in the ECAS countries in the year 2000, in per cent

¹ The BAC limit in Italy was lowered to 0.05 in autumn 2001.
² The BAC limit in Norway was lowered to 0.02 in January 2001.
³ The BAC limit in Portugal was lowered to 0.02 in May 2001.

The strictest legal BAC limits among the ECAS countries are nowadays found in the Nordic countries. Sweden and Norway, but also Portugal, have a BAC limit of 0.02 per cent. The highest legal BAC limits, i.e., 0.08 per cent, are currently found in Ireland, the United Kingdom and Luxembourg. The rest of the ECAS countries have legal BAC limits of 0.05 per cent. Some ECAS countries also practise different BAC limits for novice drivers or professional drivers. For instance, in Spain a BAC limit of 0.03 per cent is applied to novice drivers and professional drivers.

National alcohol prevention and education programmes

In the early 1950s very few ECAS countries had national alcohol prevention or education programmes or agencies taking care of these kinds of activities. Nowadays most ECAS countries have a special programme and agency for alcohol prevention or education (Figure 19.3; Table 19.8). One explanation for these developments is, of course, that nowadays the ECAS countries generally have many more preventive and educational programmes dealing with all kinds of activities than they used to have fifty years ago.

TABLE 19.9. The existence of national alcohol prevention and education programmes in the ECAS countries in the year 2000

Country	National alcohol prevention programme	National alcohol education programme
Austria		
Belgium	X	X
Denmark		
Finland	X	X
France	X	X
Germany		
Greece		
Ireland	X	X
Italy	X	X
Luxembourg		
Netherlands	X	X
Norway	X	X
Portugal	X	X
Spain	X	X
Sweden	X	X
United Kingdom	X	X

National alcohol prevention or education programmes are not alcohol control measures as such. The most important reason to document their existence is that they are one indication of the place of alcohol control in the society. The existence of an alcohol prevention or education programme is an indication that preventive alcohol policy has been taken in one or another way to the political agenda, and that at least some social or public health issues or problems have been labelled as alcohol issues. In some cases these programmes may be more a reflection of international co-operation than burning national needs to control alcohol-related

problems. But despite the mechanisms through which these programmes have been developed, their pure existence puts pressure for state administration and the political structure to create agencies to realise these plans and to report the fulfilment of the plans either nationally or internationally.

Alcohol excise duties

The harmonisation of indirect taxes within the EU has been one important element in the overall strategy of creating the single European market. The essence of the 1972 proposal for harmonisation of excise duties on alcoholic beverages was that excise duty harmonisation should take place in two phases. First the tax structures should be harmonised and later on the tax rates should be co-ordinated. Without going into details of the harmonisation process, the outcome in 1992 was that according to the directive 92/83/EEC each member state has to apply a minimum excise duty rate on distilled spirits of 550 euro per hectolitre of pure alcohol in the finished product. In addition to the minimum rate, also a target rate was set to distilled spirits at 1,000 euro. Countries below the target rate could not reduce their duties on distilled spirits, and countries exceeding it could not go below the target rate. The minimum rate for intermediate products was set to 45 euro per hectolitre of product. For intermediate products not exceeding 15 per cent alcohol by volume, the rate could be set lower but not lower than 40 per cent below the standard national rate or not less than the current rate for still wines. The minimum rate for wine as well as for fermented beverages other than wine and beer was set at zero. The minimum rate for beer was set at 1.87 euro per hectolitre and degree of alcohol in the finished product or at 0.748 euro per hectolitre and degree of Plato in the finished product.

Even if there are still some exceptions to the general rules with regard to excise duty rates on alcoholic beverages within the EU, the harmonisation of the excise duty structure of alcoholic beverages makes it quite easy to compare the present level of excise duties in the ECAS countries. On the other hand, our data on special alcohol taxes are not comprehensive for the whole 1950-2000 period. In the country reports we could usually follow the changes in special alcohol taxes from the beginning of the 1970s to the year 2000, and by using the cost of living index give a broad description of changes in the real excise duty levels for different beverage categories in the ECAS countries. Because there were very different, and in some ECAS countries also very complicated, methods for collecting alcohol taxes, and due to changing exchange rates of the different currencies it was, however, impossible to document the levels in alcohol excise duties in the ECAS countries accurately in table form for earlier decades.

In Table 19.1 excise duty rates on different alcoholic beverage categories have been calculated on the basis of one litre of pure alcohol in the finished beverages. The table shows that there is quite a great variation in alcohol excise duty rates among the ECAS countries. On the one end, we have the Mediterranean ECAS countries, Greece, Italy, Portugal and Spain, with very low alcohol excise duty rates in each beverage category. On the other end we have the Nordic ECAS countries, Finland, Norway and Sweden, with very high alcohol excise duty rates in each category. Denmark, Ireland and the United Kingdom also have quite high alcohol excise duties. Austria, Belgium, France, Germany and the Netherlands fall in between these two extremes. However, if these countries are wine producers they have usually set the excise duty rate for wine to zero euro.

In every ECAS country, alcohol excise duties calculated on the basis of pure alcohol are higher for distilled spirits than for any other alcoholic beverages. In Ireland, Sweden and the United Kingdom, the lowest alcohol excise duty rate is for beer. In Belgium, the Netherlands and Norway the excise duty rates are about the same for intermediate products, wine and beer. And finally, in most ECAS countries wine has the lowest rate of alcohol excise duties. In fact, in six ECAS countries the wine excise duty rate is zero. Furthermore, in Portugal the value added tax is lower for wine than for other alcoholic beverages.

Similarities, differences and trends in alcohol policies in the ECAS countries

In the early 1950s, there were large differences in alcohol policies among the ECAS countries. In all Nordic ECAS countries alcohol policies were based on high excise duties on alcoholic beverages, and with the exception of Denmark, also on comprehensive state alcohol monopoly systems as well as on strict personal control. In the Mediterranean ECAS countries there were very few alcohol policy measures in force, and many of these were motivated by industrial or commercial interests. One could argue that in the Mediterranean as well as in many Central European ECAS countries the term alcohol policy was not even known.

Compared to the Nordic ECAS countries, special taxes on alcoholic beverages and especially on wine were very low in the Mediterranean ECAS countries in the early 1950s. As wine was the clearly preferred beverage in these countries, alcohol consumers in the Mediterranean countries hardly paid any alcohol taxes compared to the Nordic drinkers, who, although they consumed much less alcohol, concentrated on drinking distilled spirits, the most heavily taxed form of alcohol in these countries.

In those Central European ECAS countries where beer was the preferred beverage, people also consumed distilled spirits, or at least had in earlier times. Many of these countries also have a history of a temperance movement. In the early 1950s, some of these countries, e.g., Ireland and the United Kingdom, had a strict and functioning licensing system especially for on-premise retail sales of alcoholic beverages. Some others, for instance, Belgium and the Netherlands, had in force remnants of an earlier tight alcohol control system. Usually the Central European beer countries also collected special taxes on alcoholic beverages. We must, however, admit that the term Central European beer countries is not very good, as there are systematic differences on the east-west dimension in alcohol policy in these countries.

The second half of the twentieth century looks like a period of converging alcohol policies in the ECAS countries. However, it would be difficult to explain the converging tendency by referring to similar trends in groups of countries either on the basis of the preferred beverage or geographical location. The converging trend can be better understood when looking at trends in different areas of alcohol policy. It is, however, interesting to note that in the year 2000 the level of alcohol excise duties still follows the old distinction made on the basis of the preferred beverage. Namely, alcohol excise duties are clearly lowest in the Mediterranean wine drinking as well as in other wine producing countries. Among the ECAS countries, alcohol excise duty rates are highest in the Nordic countries, i.e. in the former spirits countries, followed by Denmark, Ireland and the United Kingdom. The ECAS countries falling in between these extremes are all located in continental Central Europe. Even with regard to the level of alcohol excise duties, the Central European beer countries are not a very homogeneous group, as can be seen by comparing the level of alcohol taxes in Austria and Germany to those in Ireland and the United Kingdom. The data available do not give a very clear picture of the trends in special taxation on alcoholic beverages in the ECAS countries in the 1950-2000 period. This partly relates to the fact that in many ECAS countries alcohol tax rates were rather changed once in a decade than once a year.

It is clear that the control of alcohol production and wholesale, but also the control of retail sales of alcoholic beverages, has decreased. In other words, alcohol control policies in the strict sense of targeting alcohol availability has lost ground. The most important explanations of this development are on the one hand an increased importance of free market orientation, and on the other hand the growth of consumerism. The increased market orientation is clearly seen in the development of the EU, with the creation of the single European market in 1993, emphasising the free movement of capital, goods, services and labour, including the abolition of barriers to free enterprise and trade. The creation of the single European market alone has led in some member states to the abolition of many

alcohol control measures, starting from production, import, export and wholesale monopolies, and ending in new regulations concerning licensing of retail sale outlets of alcoholic beverages. In most ECAS countries the licensing policy is nowadays a formal procedure where every applicant fulfilling some basic requirements, for instance, of having no criminal record, will obtain the licence. The free market principle seems not to leave much room for special restrictions on alcohol availability motivated by public health or social policy considerations.

One could have expected that increases in alcohol consumption in the ECAS countries from the early 1950s to the mid-1970s could have led to stricter control on alcohol availability, because from a social and public health policy point of view, alcoholic beverages are definitely no ordinary commodities. They contain ethyl alcohol and drinking alcohol may cause much harm for the drinker himself or herself, his or her family members and friends, the local community or the society as a whole. However, from the point of view of the alcohol industry and trade, alcoholic beverages are more like ordinary commodities as they have, like wine, close ties to agriculture. It is, therefore, no wonder that there are also actors in alcohol fields having interests in increasing alcohol availability and consumption and neglecting the positive relationship between total alcohol consumption and alcohol-related problems and even the importance of the burden inflicted by alcohol on the society. Consequently, it is not infrequent to see contradictory governmental policies related to alcoholic beverages. Often the ministries of agriculture are trying to safeguard the interest of wine farmers, and perhaps even trying to increase the markets for wine. The ministries of industry, on the other hand, are acting for the interests of breweries and distilleries, while the ministries of social affairs and health try to promote policies that would decrease the harms caused by alcohol, and perhaps also try to curb total alcohol consumption. These conflicting interests with regard to alcohol policy and the power balance between these interest have also affected the developments in alcohol availability in the ECAS countries in the 1950-2000 period.

Also the growth of consumerism has at the same time put pressure on alcohol control measures, as consumers are not any longer willing to be guided by the state (Sulkunen et al., 2000). Therefore, restrictions on the days and hours of retail sale of alcoholic beverages, as well as other obstacles to free consumer choice, have been increasingly criticised by alcohol consumers, and many restrictions have also loosened or been abolished. The legal age limits for buying alcoholic beverages have, however, been kept and even been made stricter in the second half of the twentieth century. This reflects changing drinking habits among adolescents and decreases in informal social control of drinking. Furthermore, harms connected to young people's drinking are visible and, therefore, an easy target for stricter alcohol control measures.

Other areas that clearly have gained in importance among alcohol control are social and environmental control, and control of marketing alcoholic beverages. In practice, this means that there are nowadays definitely more and harsher alcohol control measures aimed at certain alcohol-related problems like drunk driving, and also at public drinking either generally or in certain problem-prone situations. Imposed or lower BAC limits in traffic most certainly reflect the increases of alcohol-related problems in traffic as both the traffic intensity and alcohol consumption have increased during the last fifty years. In certain country reports it is even claimed that the control of drunk driving by lower BAC limits has in fact reduced drinking in on-premise places, or at least the alcohol trade fears it has. There are also nowadays more measures aiming to affect the demand for alcoholic beverages by increasing alcohol information and education as well as by introducing new or stricter regulations on alcohol advertisement and sponsorship.

In most ECAS countries there is nowadays either a national alcohol prevention or education programme or a responsible agency. Even in countries which are lacking these kinds of programmes, like Greece, there have been serious discussions to introduce such programmes. Prevention and education programmes are not as such guarantees of effective action. However, their existence means that the alcohol issue has been included, in one way or another, in the national political agenda, and that terms like alcohol policy and alcohol control policy are nowadays better understood. These developments also most certainly affect the thinking and planning of future alcohol policy. The fact that these kinds of programmes have become more prevalent is partly related to the activities of the World Health Organization as its European office has developed alcohol action plans agreed on by its member states and has also encouraged its member states to put these action plans and recommendations into action.

Alcohol policies are nowadays more similar in the ECAS countries than they used to be in the early 1950s. Behind the converging trends among the ECAS countries there are two different basic developments. On the one hand, measures affecting alcohol availability are nowadays applied to a much lesser extent than they used to be fifty years ago. In other words, countries which in the 1950s had strict alcohol control measures have dismantled them, while countries that have begun to be interested in alcohol policy, have not focused on controlling the availability of alcohol. On the other hand, alcohol control measures targeting certain alcohol-related problems and aiming to affect the demand for alcoholic beverages have become more common in all ECAS countries, and alcohol policy questions are nowadays in some way or another on the political agenda in most ECAS countries.

Alcohol policies in the ECAS countries – projecting the future

In most ECAS countries, the level of alcohol consumption per capita was higher in the year 2000 than in 1950 (Leifman, 2001; World Drink Trends, 2002). Especially the period from the end of the Second World War until the mid-1970s was characterised by a growth in total alcohol consumption. Since the mid-1970s total alcohol consumption has decreased in the wine drinking ECAS countries, while it has been stable in most other ECAS countries, but has increased in some ECAS countries.

There is a positive relationship between total per capita alcohol consumption and alcohol-related problems, as has been documented in many research reports and reviews before it was also confirmed in the ECAS project (see e.g., Bruun et al., 1975; Edwards et al., 1994). It has also been shown that alcohol control measures which bear on the availability of alcoholic beverages generally affect total alcohol consumption (see e.g., Edwards et al., 1994). Especially changing alcohol prices has been shown to affect alcohol consumption (see e.g., Österberg, 2001; Leppänen, Sullström & Suoniemi, 2001). Many of the most convincing studies of the relationships between changes in alcohol availability and total alcohol consumption come from Anglo-Saxon or EU countries and especially from the Nordic countries (see e.g., Österberg, 1991; Stockwell & Gruenewald, 2001). There is much less convincing evidence that measures affecting the demand for alcoholic beverages are effective (see e.g., Edwards et al., 1994).

The relation between increases in total alcohol consumption and increases in alcohol-related problems is not straightforward. Changing drinking habits or other social changes may affect this relationship. Therefore, increases in total alcohol consumption may not lead to increases in alcohol-related problems, and to increased needs for alcohol control measures. This possibility seems not, however, to have been the reality in the ECAS countries during the last five decades. Against this background, it may be a little surprising that there has been a general trend in the ECAS countries towards abolishing alcohol control measures affecting alcohol availability and known to be effective, and that at the same time all ECAS countries have been introducing control measures aiming to affect alcohol demand even if they are known to be much less effective at least in the short run.

Guaranteeing the free movement of capital, goods, services and labour has been the leading principle in organising the world economy in recent decades, and this principle has overshadowed the public health and public order needs to control total alcohol consumption. This is our basic explanation for the general trend towards the abolition of alcohol control measures affecting alcohol availability. Many of these measures have been seen, and many of the remaining ones will be seen, as obstacles to free trade in alcoholic beverages. It is difficult to

see that this trend would be discontinued or turned, even if, for instance, in the EU public health and social policy considerations have also gained some importance during the last decade (see e.g., Sutton & Nylander, 1999). In any case, it is almost impossible that structures like the comprehensive alcohol monopoly system, effective in the Nordic countries less than a decade ago, could be rebuilt in any EU country in the future.

Alcohol consumers mostly see alcoholic beverages as ordinary commodities satisfying individual consumers' needs in many ways. Otherwise it could not be understood why individual consumers are willing to allocate a good part of their money for buying alcoholic beverages even if they, based on well-distributed information on alcohol, must be fully aware of the possible harmful effects of their drinking. This means that it is very difficult to legitimate measures restricting alcohol availability by referring to the harmful effects of drinking alcohol, if sovereign alcohol consumers believe, rightly or wrongly, that they are able to control their drinking and do not need or accept any direct guidance from the state. We believe that this kind of situation will continue in the ECAS countries even in the future. And finally, there are no signs that the alcohol industry and trade would in the future take a more favourable stand towards restrictions on alcohol availability than at present. In summary, it can be projected that alcohol control measures aimed at affecting alcohol availability and directed at the supply side of the alcohol equation will in the future rather become fewer and weaker than more common and stronger.

The possible harms of drinking alcoholic beverages seem not to be disappearing in the ECAS countries, and they do not only affect the drinker himself or herself. Many times third parties, like the drinker's family members or friends or the local community, are affected. Therefore, it is quite common that the drinker's environment tries to control the drinking by informal social control, which can take the form of direct personal control or the form of more or less developed social and cultural norms about where, when and how drinking should or should not be practised. In some countries, this traditional way to cope with alcohol-related problems is not any longer working as it used to. As the informal social alcohol control is losing ground, we may in the future see new and more formalised alcohol control measures trying to restrict alcohol consumption in the workplace, in educational or public care buildings, in government offices, in public transport, in sports or other leisure events as well as in parks and streets.

This tendency may also be seen in measures aiming to affect certain groups of alcohol consumers, for instance, increased age limits for controlling adolescent drinking, more alcohol information to pregnant women, attempts to prevent known drunkards from buying alcohol, harsher controls of drinking in sport arenas and in other problem-prone leisure situations or increasing the legal responsibility of on-premise places for the behaviour of their patrons. These

trends already seen in the ECAS countries in the second half of the twentieth century may also lead to increased activities in trying to affect directly certain alcohol-related problems like drunk driving. Legal BAC limits will most certainly continue to decrease, and in the future the BAC limits may be diversified between different driver categories, for instance, lower limits for young drivers and professional drivers. Furthermore, if alcohol consumption and alcohol-related problems stay on the present level or start to grow we will most certainly see more alcohol information and education programmes and campaigns as well as harsher controls of alcohol advertisement and sponsorship.

If there is no room in a free market world for restrictions on alcohol availability, and if the regulation of the demand for alcoholic beverages is not a strategy effective enough to combat alcohol related-problems, there are basically two more possibilities to regulate alcohol-related problems. One direction would be to try to define, find and separate alcoholics or problem drinkers or heavy drinkers, and then try to cure them or educate them or persuade or force them to decrease or stop drinking or to change their drinking habits. The other direction would be to use alcohol excise duties as an instrument for preventive alcohol policy. The first direction, as well as general alcohol information and education, is convenient for the drinking population and the alcohol industry and trade as it does not really affect the drinking or the production and trade but it is costly to the governments, and ultimately to the taxpayers. The second direction is politically difficult but from the point of view of the state or local authorities it would be very cheap, in fact it would be an easy way to collect more tax revenue.

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ECAS ALCOHOL POLICY QUESTIONNAIRE

Administrative structure

1. Could you shortly describe the current administrative structure of preventive alcohol policies. Which authorities have the responsibility and for which activities?

Please indicate major changes in the administrative structure since 1950. Type of change and the years these changes occurred?

2. Could you shortly describe the current administrative structure of treatment for alcoholism. Which authorities have the responsibility and for which activities?

Please indicate major changes in the administrative structure since 1950. Type of change and the years these changes occurred?

Licensing policy

3. Do alcohol producers currently need a licence? No Yes

If yes, who is granting the licence? Please specify the name of the agency and of the department/ministry it is located in, and whether the agency is local, provincial or federal.

Is the licence permanent or does it have to be renewed periodically?

Does the licence cost anything? No Yes

Are there any rules or regulations included in the licence concerning alcohol production?

What are the major changes since 1950? Please indicate type and year of change.

4. Do alcohol importers and wholesalers need a licence? No Yes

If yes, who is granting the licence? Please specify the name of the agency and of the department/ministry it is located in, and whether the agency is local, provincial or federal.

Is the licence permanent or does it have to be renewed periodically?

Does the licence cost anything? No Yes

Are there any rules or regulations included in the licence concerning alcohol production?

What are the major changes since 1950? Please indicate type and year of change.

5. Do the off-premise retailers of alcoholic beverages (specialty stores, ordinary food stores) need a licence? No Yes

If yes, who is granting the licence? Please specify the name of the agency and of the department/ministry it is located in, and whether the agency is local, provincial or federal.

Is the licence permanent or does it have to be renewed periodically?

Does the licence cost anything? No Yes

Are there any rules or regulations included in the licence concerning alcohol production?

What are the major changes since 1950? Please indicate type and year of change.

6. Do the on-premise retailers of alcoholic beverages (restaurants, bars etc.) need a licence? No Yes

If yes, who is granting the licence? Please specify the name of the agency and of the department/ministry it is located in, and whether the agency is local, provincial or federal.

Is the licence permanent or does it have to be renewed periodically?

Does the licence cost anything? No Yes

Are there any rules or regulations included in the licence concerning alcohol production?

What are the major changes since 1950? Please indicate type and year of change.

Restrictions of availability

7. Are there legal age limits in off-premise sales of alcoholic beverages in your country? No Yes

They are _____ years for beer, _____ years for wines, _____ for intermediate products (i.e. fortified wines, aperitifs) and _____ years for distilled spirits.

Would you say that the age limits are strictly enforced? No Yes

What are the major changes since 1950? Please indicate type and year of change.

8. Are there legal age limits in on-premise sales of alcoholic beverages in your country? No Yes

They are _____ years for beer, _____ years for wines, _____ for intermediate products (i.e. fortified wines, aperitifs) and _____ years for distilled spirits.

Would you say that the age limits are strictly enforced? No Yes

What are the major changes since 1950? Please indicate type and year of change.

9. What are the business hours for off- and on-premise sales of alcoholic beverages?

Has there been any major changes in business hours since 1950? Please indicate type and year of change.

10. Are there any other restrictions on the physical availability of alcoholic beverages in your country than those mentioned under licensing policy, age limits and business hours?

If any, what kind of regulations are there currently in force in your country?

What are the major changes in these regulations since 1950? Please indicate type and year of change.

Alcohol taxation

11. Could you describe the current alcohol tax system (excise duties, VAT)? If possible, please attach the current alcohol tax law.

What are the major changes in alcohol taxation since 1950? Please indicate type and year of change.

Alcohol advertisement

12. Could you describe the current regulations (legal and industry imposed) concerning alcohol advertisement, sales promotion and sponsorship?

What are the major changes in these regulations since 1950? Please indicate type and year of change.

Education and information

13. Could you describe current activities on alcohol education and information in your country? (major educating and informing organs or bodies and their financing, the messages in education and information)

What are the major changes in these activities since 1950? Please indicate type and year of change.

Regulations and enforcement practices

14. Could you shortly describe the current regulations and enforcement practices concerning

public drinking

custody of drunk persons

drunk driving

What are the major changes in these practices since 1950? Please indicate type and year of change.

The feasibility of preventive policies

15. How does public opinion respond to the prevailing alcohol control?

Are there important alcohol related pressure groups (temperance movement, alcohol promoting organizations, etc.) in your country? Could you name them and indicate how they relate to the prevailing alcohol control?

Are there any supranational agreements which have affected alcohol control in your country?

16. a) Is there state retail sales monopoly for any type of alcoholic beverages? No Yes
 If yes
 – for beer No Yes
 – for wine No Yes
 – for distilled spirits No Yes
- b) Is there state production monopoly for any type of alcoholic beverages? No Yes
 If yes
 – for beer No Yes
 – for wine No Yes
 – for distilled spirits No Yes
- c) Are there health warning labels on spirits? No Yes
- d) Are there health warning labels on wine? No Yes
- e) Are there health warning labels on beer? No Yes
- f) Is reducing total consumption an official objective of alcohol control policy? No Yes
- g) Is reducing total consumption an official objective of alcohol tax policy? No Yes
- h) Does the state support temperance movement financially? No Yes
- i) Are there any government subsidies for alcohol production or distribution? No Yes

Areas with exceptional regulations

17. Are there any regions in your country (autonomous areas, islands, etc.) that have regulations and enforcement practices in the alcohol field which differs from the rest of your country? No Yes

Could you please name these regions and shortly describe how they differ from the rest of your country (different tax system, legislation etc.)

Are there significant cross border trade with alcoholic beverages in your country? No Yes

If so, on what borders?

Finally: If there are some special sources important for our data collection, could you please list them below
