



JOINT
LEARNING
NETWORK
For Universal Health Coverage

Webinar Series Synthesis Report

Bottoms Up: Alcohol Policy to Raise Revenue and Protect Health

IN PARTNERSHIP WITH



Webinar Series Synthesis Report – 23 September, 2021

Bottoms Up: Alcohol Policy to Raise Revenue and Protect Health

Webinar Description.

Harmful alcohol consumption has significant health and economic costs. Global life expectancy would be about a year higher if people consumed alcohol at recommended levels. Furthermore, about 2.4% of global health expenditure is allocated to health needs arising from harmful alcohol consumption. In an analysis of 52 countries, the resulting productivity losses were equivalent to reducing the workforce by 33 million people. The COVID-19 pandemic has exacerbated the challenge of harmful alcohol consumption. Across 11 countries, 36% of respondents reported increased consumption of alcohol and 43% reported a higher drinking frequency.¹

This webinar examined the case for alcohol policy reforms in low-and-middle-income countries to boost population health and expand fiscal space, including as part of the recovery from the COVID-19 pandemic. The webinar series has been facilitating peer-to-peer country exchange on design and implementation of these reforms. The webinar was the third in the Health Taxes Series, following *“Using Health Taxes to Support Revenue and Save Lives: Role of IMF and World Bank,”* and *“Taxing Sugar-Sweetened Beverages in the USA: Implications for Optimal Design.”*

This discussion was jointly hosted by the Joint Learning Network for Universal Health Coverage, the Sustainable Financing for Health Accelerator (SFHA), and the World Bank Health Financing Global Solutions Group.

¹ Organisation for Economic Co-Operation and Development. (2021) Preventing harmful alcohol use

LESSONS AND KEY TAKEAWAYS

- The direct health and economic cost of alcohol consumption is significant
- There are serious gaps in global strategies to tackle harmful alcohol consumption
- Although alcohol consumption has remained stable in the last decade, the volume and frequency of alcohol consumption has significantly increased amongst the heavy drinkers with the vulnerable population such as women, parents of young children, people with higher income and individuals with depressive and anxiety symptoms reporting the highest increase in alcohol consumption
- The pandemic has both resulted in an increase in alcohol consumption with implications on public health, and imposing fiscal pressures on the government budgets to increase revenues for health
- During the pandemic, unintended social consequences of alcohol consumption such as domestic violence have also spiked and are exacerbated by lockdowns and stay at home orders
- In this context, alcohol taxation offers a double win first and foremost by reducing consumption through higher alcohol prices as well as providing an additional source of government revenue for health spending and otherwise
- The indisputable role of alcohol taxation in mobilizing additional revenues for health or otherwise particularly during fiscal pressures caused due to COVID-19 pandemic was underlined
- However, the cost of enforcement, bootlegging, illegal consumption, corruption and availability of cheaper products across the border are barriers in the success of alcohol taxation as a revenue raising and health benefiting tool
- Collaboration between the Ministry of Health and Ministry of Finance in a financially constrained environment is encouraged for the effective implementation of the alcohol policies
- Applying the PPPP (Police enforcement, Protecting children, Primary care, Pricing policies) Approach to address the current policy gaps in alcohol policies is strongly recommended.
- Inspired by the global concerted efforts in tackling tobacco consumption; a coalition of global consensus, political drive, media coverage, community action, academic and policy practitioners is pertinent to reduce alcohol consumption

Opening Remarks

Dr. Toomas Palu, Adviser on Global Health Coordination, World Bank

Overview Presentations

Dr. Michele Cecchini, Senior Health Economist and Policy Analyst, OECD

Ms. Céline Colin, Tax Economist, Centre for Tax Policy and Administration, OECD

Country Discussants

Dr. Maris Jesse, Public Health Expert, Estonia

Dr. Da-Costa Aboagye, Fellow of the Higher Education Academy of England and Wales

Dr. Ramesh V. Penumaka, Public Health Expert and Former Principal Health Secretary, Government of Andhra Pradesh, India

Ms. Gianna Gayle Amul, Advisor at Research for Impact, Singapore, and PhD student at the University of Geneva

Closing Remarks

Dr. Michael Borowitz, Lead of Secretariat of Sustainable Financing for Health Accelerator and Chief Health Economist, Global Fund

Moderator

Dr. Adanna Chukwuma, Senior Health Specialist, World Bank

Webinar recording can be accessed [here](#) | Background Materials can be accessed [here](#)



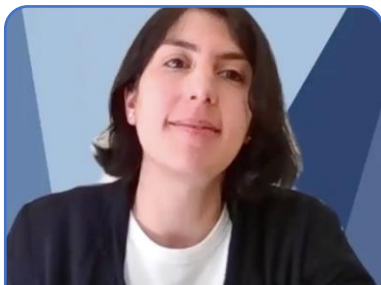
Dr. Toomas Palu, Adviser on Global Health Coordination, World Bank



Dr. Maris Jesse, Public Health Expert, Estonia



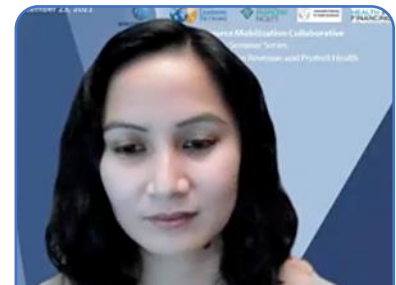
Dr. Michele Cecchini, Senior Health Economist and Policy Analyst, OECD



Ms. Céline Colin, Tax Economist, Centre for Tax Policy and Administration, OECD



Dr. Ramesh V. Penumaka, Public Health Expert and Former Principal Health Secretary, Government of Andhra Pradesh, India



Ms. Gianna Gayle Amul, Advisor at Research for Impact, Singapore, and PhD student at the University of Geneva



Dr. Da-Costa Aboagye, Fellow of the Higher Education Academy of England and Wales



Dr. Adanna Chukwuma, Senior Health Specialist, World Bank



Dr. Michael Borowitz, Lead of Secretariat of Sustainable Financing for Health Accelerator and Chief Health Economist, Global Fund

EVENT DISCUSSION

Low-and middle-income countries bear the disproportionate burden of fiscal pressures on public health expenditure caused due to COVID-19 economic contractions and an increase in pandemic-induced alcohol consumption. The recent emphasis on alcohol taxes as a financial instrument to raise more revenues for health in a fiscally constrained environment as well as a tool to nudge people towards healthy behaviors is propitious in the time of global health and economic crisis caused by the COVID-19 pandemic.

COVID-19 has triggered a global economic contraction, the likes of which has not been seen across many countries since World War 2. From a public financing perspective, countries resorting to increasing debt obligations to mitigate economic shocks resulting from the pandemic is unsustainable in the long term. In this context, it is imperative for them to domestically mobilise health resources by means of innovative health financing mechanisms such as alcohol taxes that have the double potential to improve health and social welfare and be an instrument of fiscal recovery and economic resilience.

On the other hand, alcohol consumption has a direct causal relationship with various health consequences, mental and behavioral disorders and is linked to more than 200 illness defined by the International Classification of Diseases (ICD-10). In 2013, alcohol accounted for 5.1% of all deaths globally, and accounted for 4.1% of the total global DALYs lost.² Beyond health consequences, indirect and unintentional social consequences like road accidents, violence (particularly gender-based), suicides, and fatal alcohol-related injuries occurring in relatively younger age groups also cannot be disregarded.

The recently released OECD Report on Preventing harmful alcohol use (2021) illustrates worrying trends in alcohol consumption in some of the OECD, EU and G-20 countries. The volume and frequency of alcohol consumption significantly increased amongst the defined target group of heavy drinkers which constitute a significant proportion of the population. COVID-19 has also significantly impacted drinking behaviors and correlated harm. People have resorted to alcohol consumptions as means of dealing with the COVID stress and there has been a stark increase in alcohol levels amongst the drinking populations with 43% respondents from 11 countries reporting an increase in their drinking frequency. In addition to health cost, alcohol consumption also poses a serious economic burden. Estimates suggest countries experience a 2.2% reduction in GDP and an increase of 1.5% of healthcare expenditures on account of harmful alcohol drinking.

Of the many comprehensive policies to tackle harmful alcohol policies including healthcare interventions, regulations on social media and advertising and other restrictions; taxation and minimum unit pricing are considered to be most useful in decreasing healthcare expenditures and increasing labor force productivity (Figure 1). However, the effectiveness of taxation has been limited in the past, due to consistent increases in alcohol affordability primarily on account of the lack of inflation adjustment of excises on alcohol prices (Figure 2).

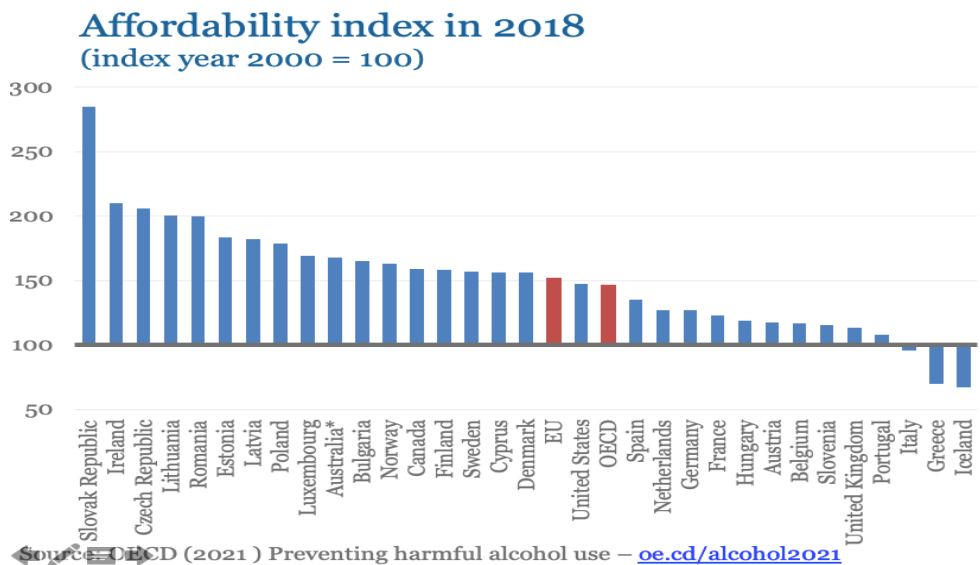
² Forouzanfar et al., 2015 Global, regional, and national comparative risk assessment of 79 behavioural, environmental and occupational, and metabolic risks or clusters of risks in 188 countries, 1990-2013: a systematic analysis for the Global Burden of Disease Study 2013

Figure 1: Policies to tackle harmful alcohol consumption

Interventions and packages	DALYs gained per year (per 100 000 population), average across countries	Health expenditure saved per year (per capita USD PPP), average across countries	Additional full-time workers per year (in thousands of workers), total across countries	Return on investment (USD), average across countries
Workplace programmes	1.8	0.1	49	0.1
School-based programmes	3.3	0.3	40	0.2
Pharmacological treatment	6.1	0.7	72	0.7
Regulation of advertising	3.2	0.3	73	2.0
Ban on advertising to children	7.6	0.7	87	2.7
Counselling in primary care	18.4	1.5	339	4.3
Sobriety checkpoints	63.7	1.0	963	11.3
Restriction on opening hours	43.0	0.6	634	43.6
MUP	47.1	4.1	1038	125.6
Taxation	48.7	4.1	1179	183.4

Note: All figures are annual average over 2020-2050, total for OECD countries included in the analysis
 Source: OECD (2021) Preventing harmful alcohol use – [oe.cd/alcohol2021](https://www.oecd.org/health/2021/04/preventing-harmful-alcohol-use/)

Figure 2: Alcohol Affordability in OECD Countries



To overcome the significant gaps in the country strategies to counter harmful alcohol consumption and as a way to improve the economic resilience during the pandemic, the discussion endorsed a comprehensive prevention package approach (PPPP). The PPPP approach encompasses the various tenets of prevention to tackle the damaging impacts of alcohol such as **P**olice enforcement to limit alcohol-related injuries and violence; **P**rotecting children from alcohol promotion through regulations on social media; strengthening **P**rimary care to help patients with harmful drinking patterns; and finally **P**ricing policies to limit the affordability of cheap alcohol. An estimated health benefit of 8.5 million cases of alcohol-related conditions avoided per year and economic benefit of USD 28 billion saved every year due to reduced healthcare expenditure, evaluates the PPPP approach to be an excellent investment to address country policy gaps if implemented in next 30 years.

A range of experiences, limitations and recommendations from Estonia, Ghana, India and Philippines were presented, underlining the indisputable role of alcohol taxation in mobilizing additional revenues for health. However, the presenters were cautious about the existence of a threshold beyond which alcohol taxation and rise in alcohol price rendering itself ineffective in influencing healthy health behaviours.

In the case of a heavy drinking country like Estonia, the issue of regional harmonization as an influencing factor in the success of alcohol policies was underscored. By virtue of being an EU member that participates in free cross border movement of goods and services including alcohol, Estonia's liberal alcohol policies have traditionally undermined the strict alcohol policies of countries like Finland. Recognizing the significant harm ensuing from easy affordability of alcohol, Estonia made a conscious effort to develop a comprehensive alcohol policy by periodically increasing the alcohol excises taxes from 5% to currently 15% since 2010. However, despite the immediate reduction in alcohol consumption the intention was short lived; political pressures, threats of the impact of tourism and illegal alcohol consumption lead to a reversal of alcohol policies resulting in an immediate increase of consumption and harm. Going forward, the presenter recommended adjusting alcohol taxes to average salaries rather than inflation in order to restrict affordability of alcohol.

Ghana presents a case of lost opportunity where the political economy failed to leverage the pandemic induced fiscal pressures to increase alcohol taxation as an additional revenue resource as well as an apparatus to counter the increasing NCD problems in the country. In the future, Ghana aims to integrate health promotion into the architecture of healthcare by by potentially utilizing health tax revenues towards prevention rather than curative healthcare.

One of India's populous states, Andhra Pradesh's oscillatory trajectory with alcohol ban is an interesting example of experimenting with alcohol prohibition. Significantly, the presenter accentuated the role of poor and rural women who bore the disproportionate burden of their drinking husbands in demanding an alcohol ban in 1993. Infact, the strong sentiment guided the electoral propaganda of an out of power political party into victory. However, the presenter acknowledged factors such as enforcement cost, corruption, illegal manufacturing and bootlegging and the diversion of alcohol revenue to neighboring states as a rationale for the unsustainability of the prohibition policy. Consequentially, the state resorted to alcohol taxation as an alternative. An incremental increase in alcohol taxation from 25%-125% over a short period resulted in the alcohol revenue constituting more than a third of the total state revenues. Notwithstanding, the alcohol consumption wasn't dramatically impacted after a certain point indicating a threshold beyond which alcohol taxation is ineffective in nudging healthy behaviors necessitating a need for sequestering and ring fencing of alcohol taxation for healthcare.

With a history of successfully implementing sin or health taxes and earmarking subsequent revenue for health prioritization, Philippines spotlighted alcohol taxes as a potential health revenue tool. Evidence from the sin tax reforms of 2012 demonstrated a tripling of the health budget influencing the Finance Ministry to bolster earmarking as an instrument to fund Universal Health Coverage in the country. Furthermore, highlighting the occurrence of a 62 billion pesos financial deficit in the absence of sin taxes supplemented the inclusion of sin tax reforms in the TRAIN (The Tax Reform for Acceleration and Inclusion Law) Law. Having established the revenue potential of health taxes as well as recognizing the economic cost of alcohol abuse (200 billion Pesos pre-COVID) motivated the government to anchor alcohol taxes as a part of the sin tax reforms package of the TRAIN package as well. Significantly, increases in sin taxes in Philippines was also leveraged from a strong political backing and championing from the civil society.

In conclusion, health taxes unquestionably offered a double win of curbing harmful consumption and secondary consequences whilst being a potentially instrument to raise additional revenues in fiscally

constrained environments. However, the existence of a potential threshold beyond which alcohol policies render themselves ineffective in nudging health behaviours must also be recognized. The JLN discussion underlined the gravity of creating a momentum for a global transformation by building a coalition of global consensus, political drive, media coverage, community action, academic and policy practitioners to reduce the direct health and economic costs as well as indirect social impact of alcohol consumption.

Annex.1: List of Participants³ (109 participants)

1	455120	31	Elina Dale
2	Adanna Deborah Ugochi Chukwuma	32	Emi Masaki
3	Aditi Nigam	33	Esther Wabuge
4	Ajay Tandon	34	Flavia Nansubuga- WB-DC
5	Alexo Esperato (Alexo)	35	Fred Angwenyi
6	Amelia Zhao	36	Galaxy A50
7	Amit Bhandari (Amit's iPhone)	37	Gayle Amul Research for Impact (Gianna Gayle Amul)
8	Amparo Gordillo	38	Gianna Gayle Amul
9	Amy Xiaohui HOU	39	Guru Rajesh Jammy The World Bank (Jammy)
10	Anna Koziel	40	Guru Rajesh Jammy World Bank
11	Annie Milanzi	41	Harshil Parekh
12	Atia Hossain	42	Hélène Ries
13	Berq	43	Hoang TM Hanh
14	Beytullah Sarican	44	Husnia (Galaxy A50)
15	Caren's Iphone	45	iPhone
16	chanhsy's iPhone	46	Jakub Kakietek (World Bank)
17	Chenjerai Sisimayi	47	Jammy
18	Chenjerai Sisimayi (Chenjerai Sisimayi)	48	Jewel Cain
19	Clémentine Murer	49	Jonatan Daven
20	Collins Chansa	50	Kanyinsola Oyeyinka
21	Coralia Rivera	51	Kanyinsola Oyeyinka (WBG Consultant) (Kanyinsola Oyeyinka)
22	Danielle Bloom	52	Karina Davydova
23	Divya Srivastava	53	Kate Mandeville# World Bank
24	Dorothee Chen	54	Katriel Friedman
25	Dr Da Costa Aboagye	55	Katriel Friedman (World Bank) (Katriel Friedman)
26	Dr PV Ramesh (India) (PVR)	56	KGZ_Meder Ismailov
27	Dr. Somil Nagpal	57	Kjetil Bordvik# NORWAY
28	Elaine Baruwa	58	Kristina Sperkova

³ Based on self-identification

29	Elaine's Abt iPhone	59	Kyoko Okamura (マナミサ)
30	Elena Zamiatnina	60	Kyoko Tokuda
61	Larisa	90	Ramesh Govindaraj (Ramesh)
62	Lounny	91	rebonl
63	m	92	Rianna Mohammed-Roberts
64	Mabena Ntombi (National Treasury (Ntombizodwa Mabena)	93	Ronald G
65	Mamata Ghimire	94	Sara Wilhelmsen
66	Mamata Ghimire	95	Sengmontha (DOF)
67	Marie Therese Rose Ndiaye	96	Seemi Qaiser (she/her)
68	Marion Cros# GFF/WB	97	Sevil Salakhutdinova
69	Maris Jesse	98	Soulaxay bounthideth
70	Mariska Meurs	99	Stefan Nachuk
71	Marta Melnyk MOH Ukraine	100	Suphab
72	Martin Lutalo	101	T. Varalakshmi
73	michael borowitz	102	Tanya Gupta
74	Mirja	103	Toomas Palu
75	Mónica Mack	104	Tseganeh Amsalu
76	Mpho	105	Tui (WB)
77	Mustafa Keskin (m)	106	Vrishali Shekhar
78	Naina Ahluwalia	107	wbl7396
79	Nang Mo Kham	108	WB469563's iPhone
80	NHIB-National Health Insurance Bureau (NHIB-National Health Insurance Bureau)	109	zelalem Debebe (WB (WB469563's iPhone)

Annex.2: Presentations



MAKING THE CASE: ALCOHOL POLICY, POPULATION HEALTH, AND THE ECONOMY

Michele Cecchini
Principal administrator - Public Health
OECD



Overall, Alcohol Consumption Has Remained Stable in the Last Decade, But There Are Some Worrying Trends



About 30% of adults engaged in heavy episodic drinking at least once in the past 30 days, across non-Muslim majority countries



Heavy drinkers make up only 4% to 14% of the population but they consume between a third and a half of all alcohol, in CAN, ENG, FRA, KOR, MEX and USA



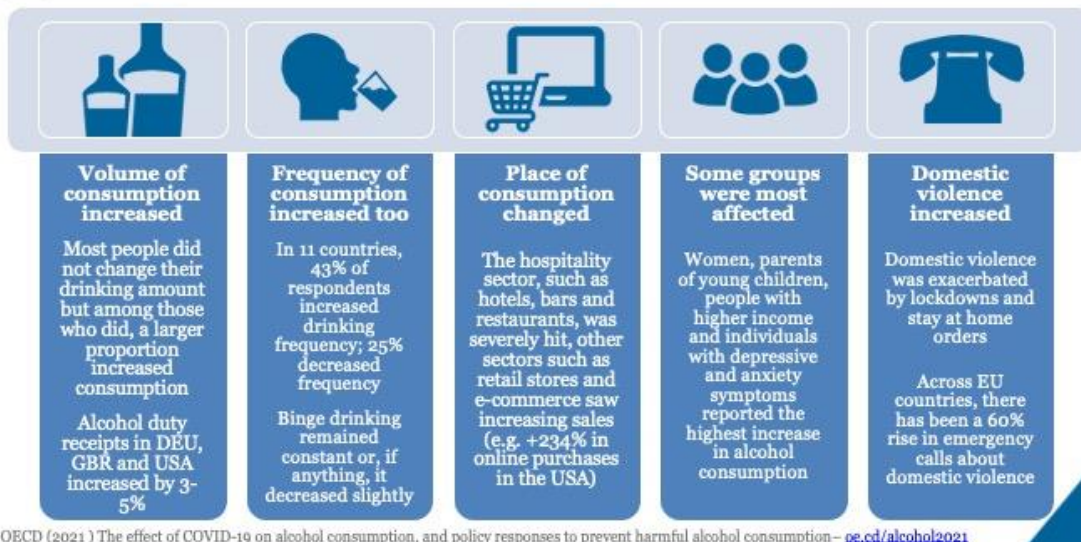
Women with higher education are 13% more likely to engage in monthly binge drinking than women without a higher education, in EU/OECD countries



Age of initiation of drinking is raising slowly, but more than 60% of teenagers aged 15 drink alcohol and one in five has experienced drunkenness in EU/OECD countries

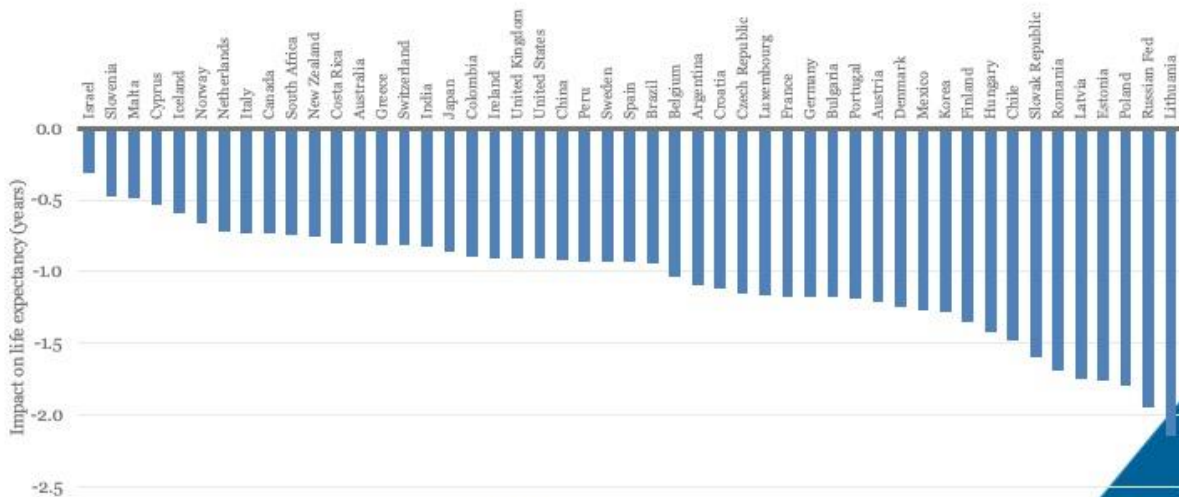
Source: OECD (2021) Preventing harmful alcohol use – [oe.cd/alcohol2021](https://www.oecd.org/health/2021/01/preventing-harmful-alcohol-use/)

COVID-19 Has Significantly Impacted Drinking Behaviours And Correlated Harm



Source: OECD (2021) The effect of COVID-19 on alcohol consumption, and policy responses to prevent harmful alcohol consumption – oe.cd/alcohol2021

Life Expectancy Will Be 1 Year Lower Than It Would Be Otherwise Due To Diseases Caused By Harmful Alcohol Use



Source: OECD (2021) Preventing harmful alcohol use – oe.cd/alcohol2021

Harmful Alcohol Consumption Carries A Significant Economic Burden For Countries And Individuals



1.8%

of healthcare expenditure in OECD, EU & G20 countries is attributable to conditions caused by harmful alcohol drinking



2.2%

Reduction in GDP due to conditions caused by harmful alcohol drinking in OECD, EU & G20 countries



+30%

Chances to perform well at school in (mainly European) teenagers who have never experienced drunkenness



265 USD

Equivalent tax increase per capita due to conditions caused by harmful alcohol drinking in OECD, EU & G20 countries

Source: OECD (2021) Preventing harmful alcohol use – oe.cd/alcobol2021

Gaps Remain In Strategies To Tackle Harmful Alcohol Consumption

WHO data and evidence in the literature identifies some gaps in the policy action to tackle harmful use of alcohol. Key gaps include:

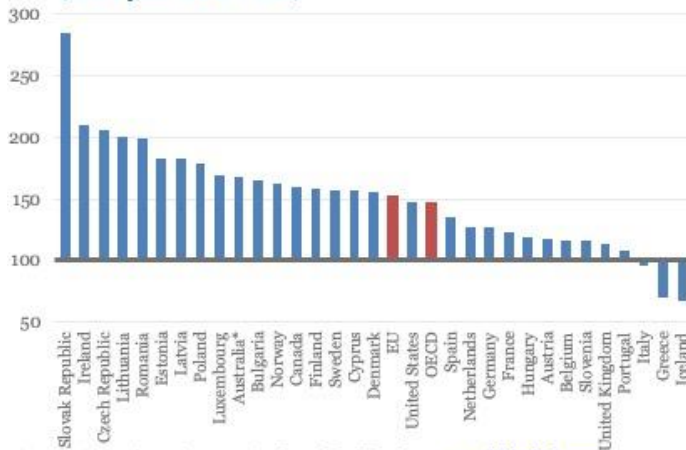
- Only **37%** of the 52 countries included in the analysis have a **written national policy** and an **action plan**;
- **74%** of countries **do not** automatically adjust alcohol taxes for inflation;
- The **majority** of countries **does not have** the most effective **regulation of advertising**, particularly in the case of social media;
- In Europe and the United States, **less than 10%** of those potentially benefitting from **screening and brief intervention in primary care** are covered by this intervention .

Source: OECD (2021) Preventing harmful alcohol use – oe.cd/alcobol2021



Alcohol Affordability In Off-Premise Market Has Increased By 50% in OECD Countries Since 2010

Affordability index in 2018
(index year 2000 = 100)



Source: OECD (2021) Preventing harmful alcohol use – oe.cd/alcohol2021

- Alcohol affordability is affected by income; price of alcohol; and price of other goods.
- The increase in affordability was caused by a growth in real income that exceeded growth in the relative price of alcohol.
- Seven out of the eight countries that saw a decline in the relative price of alcohol do not adjust excises for inflation;
- Countries adjusting for inflation experienced either no change or an increase in the relative price of alcohol



Tackling Harmful Alcohol Consumption Keeps Healthy, Decreases Healthcare Expenditure and Increases Labour Force Productivity

Interventions and packages	DALYs gained per year (per 100 000 population), average across countries	Health expenditure saved per year (per capita USD PPP), average across countries	Additional full-time workers per year (in thousands of workers), total across countries	Return on investment (USD), average across countries
Workplace programmes	1.8	0.1	49	0.1
School-based programmes	3.3	0.3	40	0.2
Pharmacological treatment	6.1	0.7	72	0.7
Regulation of advertising	3.2	0.3	73	2.0
Ban on advertising to children	7.6	0.7	87	2.7
Counselling in primary care	18.4	1.5	339	4.3
Sobriety checkpoints	63.7	1.0	963	11.3
Restriction on opening hours	43.0	0.6	634	43.6
MUP	47.1	4.1	1038	125.6
Taxation	48.7	4.1	1179	183.4

Note: All figures are annual average over 2020-2050, total for OECD countries included in the analysis
Source: OECD (2021) Preventing harmful alcohol use – oe.cd/alcohol2021

A PPPP Approach Is An Excellent Investment and Addresses Many Of The Current Policy Gaps

A comprehensive prevention package

- Police enforcement to limit alcohol-related injuries and violence;
- Protecting children from alcohol promotion;
- Primary care to help patients with harmful drinking patterns;
- Pricing policies to limit the affordability of cheap alcohol.

In 48 countries, over 30 years (2020-2050)



8.5 million

Cases of alcohol-related conditions avoided per year



USD 28 billion

saved every year due to reduced healthcare expenditure (= health budget of Israel)



3.9 million

additional full-time workers per year due to increased productivity

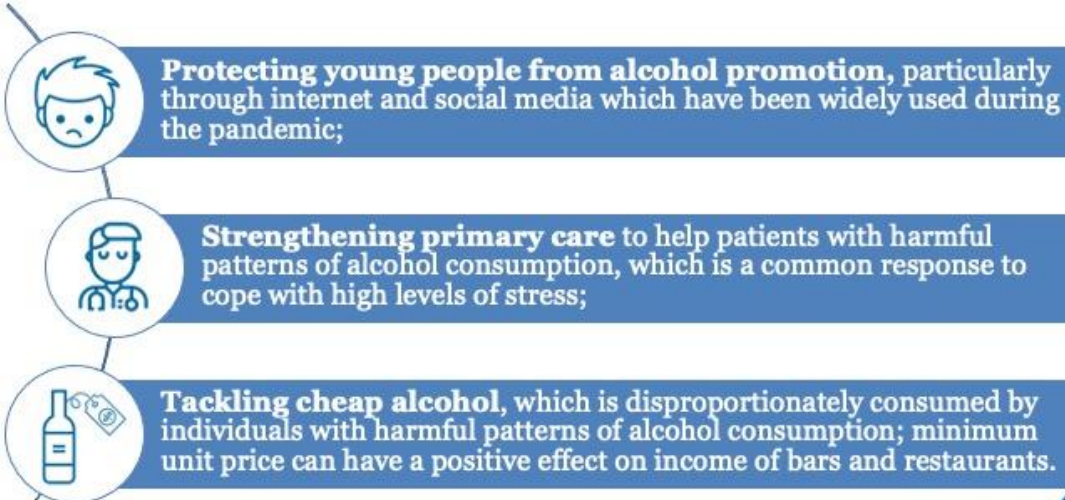


16:1

USD 16 returned in economic benefit for each dollar invested, excluding the impact on alcohol industry

Source: OECD (2021) Preventing harmful alcohol use – oe.cd/alcohol2021

Investing in the PPPP Approach Becomes Even More Important During Covid To Promote Resiliency and Re-start of the Economy



Source: OECD (2021) The effect of COVID-19 on alcohol consumption, and policy responses to prevent harmful alcohol consumption – oe.cd/alcohol2021

Preventing Harmful Alcohol Use



Do you have questions? Contact us at: Michele.Cecchini@oecd.org

Data, graphs, country notes and much more at: oe.cd/alcohol2021



Follow us on Twitter: @OECD_social



MAKING THE CASE: ALCOHOL POLICY, POPULATION HEALTH, AND THE ECONOMY

Céline Colin
Tax economist
OECD Centre for Tax Policy and
Administration
Celine.colin@oecd.org



Mobilising tax revenues to finance the health system in Morocco and in Ivory Coast



<https://www.oecd.org/tax/tax-policy/mobilising-tax-revenues-to-finance-the-health-system-in-morocco.htm>

<https://www.oecd.org/tax/tax-policy/mobilising-tax-revenues-to-finance-the-health-system-in-cote-ivoire.htm>





Key questions

- What were our recommendations with respect to alcohol taxation?
- What has changed since then?
- Can alcohol taxation be increased today?



The World Bank's support to the Joint Learning Network for UHC
is made possible with financial contributions from the following partners:



BILL & MELINDA
GATES *foundation*



THE
ROCKEFELLER
FOUNDATION

JOINTLEARNINGNETWORK.ORG



**JOINT
LEARNING
NETWORK**

For Universal Health Coverage