The affordability of alcoholic beverages in the European Union. Understanding the link between alcohol affordability, consumption and harms

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Abstract

Alcohol has historically been consumed in an unproblematic way by many people across the European Union (EU). However, a significant proportion of alcohol consumption is problematic and generates harms for individuals and societies. Europe has the highest proportion of drinkers and the highest levels of alcohol consumption per population in the world. The high levels of alcohol consumption recorded in the EU have been linked to a number of public health and other problems, including violence and crime, diseases such as liver cirrhosis, lost productivity and absenteeism, family breakdown and accidental deaths. In spite of extensive evidence that raising alcohol prices reduces consumption on a societal level, the trend is that the real price of alcoholic beverages and the real value of alcohol taxation are decreasing across the EU. Against this background, the European Commission asked RAND Europe to conduct a study of the affordability of alcoholic beverages across the EU, and of the potential impacts of affordability on harmful use of alcohol. Specifically, the study is intended to provide evidence on whether alcohol affordability could be a useful policy lever to public authorities seeking to reduce harmful alcohol consumption in Europe. In order to do this, the study: 1) examines the link between the affordability of alcoholic beverages, alcohol consumption and alcohol-related harms; 2) examines the impact of cross-border tax-driven or competition-driven price differentials; and 3) investigates the policy levers that can influence the affordability of alcohol, by providing an overview of current alcohol pricing policies in place across the EU.
Web link