

Alcohol Industry Influence on Public Policy: A Case Study of Pricing and Promotions Policy in the UK

Background

In the field of health policy, much attention has been paid to attempts by Transnational Tobacco Corporations (TTCs) to stymie regulation of their industry (Holden and Lee 2009). Relatively little research has been conducted on alcohol industry actors and their attempts to influence policies to reduce alcohol related harm. This is surprising given the rising burden of disease in many countries associated with harmful and hazardous levels of alcohol consumption. In the UK, increasing levels of alcohol consumption – and the associated harms – over recent decades have coincided with the increased availability and affordability of alcohol. There has been a trend away from consuming alcohol in licensed premises towards the purchase of cheaper alcohol from the off-sales sector for consumption at home (Foster and Ferguson 2012). In particular, significant volumes of alcohol are now sold through the 'big four' supermarkets, which wield significant political power (Seth and Randall 1999). On the production side, the UK alcohol market has become increasingly dominated by a small number of large, multi-national corporations (Jernigan 2009).

Alcohol policy under New Labour followed an agenda closely aligned with that advocated by alcohol industry actors (Cabinet Office 2004; Department of Health 2007). Policies targeted interventions on those sections of the public seen to be at greatest risk of harm, placing education, public information, health and treatment services, crime and disorder at the centre of the strategy. Particular emphasis was given to the role of the alcohol industry as a key partner in achieving policy goals through a system of voluntary self-regulation (see Portman Group 1996; Advertising Standards Agency et al. 2005). The thrust of this policy stands in stark contrast to the policy prescriptions advocated by public health researchers and campaigners, who favoured 'whole population' measures to restrict the availability and price of alcohol, which were supported by a significant evidence base (Babor et al. 2010).

In Scotland, policy debates diverged considerably from those pursued in England in this period. In 2008, the Scottish Government announced plans to introduce a Minimum Unit Price for Alcohol (MUP). This met with significant resistance from a coalition of alcohol industry actors (principally spirit producers and off-trade retailers) opposed to the measure and MUP was eventually removed from the Alcohol etc. (Scotland) Bill in its passage through parliament. The Scottish National Party majority government elected in 2011 has since introduced a new Bill to introduce MUP. The policy debates in Scotland have brought price based interventions onto the agenda in other parts of the UK (Northern Ireland Assembly 2010; HM Government 2010; Oakeshott and Hookham 2012)

Whilst much of the literature on alcohol policy exhibits a clear assumption that industry actors are extremely powerful (Jernigan 2009; Baggott 2006), we know relatively little about the processes through which alcohol policy is made and the specific role played by industry actors in these processes. The current project aimed to fill this gap by examining the debates around pricing and promotions policy in England and Scotland. It examined the structure of the UK alcohol industry, identifying the positions adopted by key actors on the issues at hand and sought to identify the mechanisms through which they engaged in policy debates.

Methods

Whilst research on the political strategy of tobacco companies can draw on internal industry documenta-



tion released as a result of litigation (Hurt et al. 2009), equivalent documents are not available for alcohol industry actors. Alternative data sources must, therefore, be sought. Semi-structured interviews have been utilised successfully in a number of studies of corporate political influence (Braithwaite and Drahos 2000) and were employed in this study alongside an analysis of publically available documents, including submissions to the Scottish Government (2008) consultation on pricing and promotions policy.

The study began with a preliminary stakeholder analysis (Varvasovszky and Brugha 2000; Brugha and Varvasovszky 2000) based upon a review of relevant literature and industry documents. This provided the basis for our interview questions and for purposive sampling of potential respondents. A number of respondents agreed to be interviewed on condition of anonymity and/or confidentiality. Whilst not all those approached agreed to participate, we interviewed representatives from all sectors of the industry (including on and off trade retailers; producers of wines, spirits and beers) from both individual corporations and trade associations. Our sample also included a range of non-industry actors with knowledge of the alcohol policy process, including former Ministers, Members of Parliament and the Scottish Parliament, civil servants, members of civil society organisations and professional groups. A total of 35 interviews were conducted between June and November 2010. Interviews were triangulated with the consultation responses and public statements on MUP by industry actors. With respondents' permission, interviews were recorded and the transcripts of these analysed on a thematic basis. Detailed coding of the transcripts was then undertaken using Nvivo software, allowing for an iterative process of refinement as the final analysis was undertaken.

Findings

We found evidence of significant involvement in the policy process by alcohol industry actors at both Edinburgh and Westminster. Industry actors enjoy extensive access to civil servants, Ministers and parliamentarians and invest substantial resources in fostering links with government. Alongside official consultations, party conferences, parliamentary all-party groups, trade associations, bilateral and multilateral meetings provide opportunities for industry to engage policy makers. Industry respondents saw regular cycles of meetings with government officials as a normal and desirable part of the policy process, which facilitates well informed decision making and better policy. This series of regular and ad hoc meetings was thus presented as benefitting the government (and the general public) rather than as a means through which narrow corporate interests are pursued. The strategic aim of industry actors is to be perceived as key partners in the policy making process; their tactic to build long-term relationships with key decision makers. They defend their right to be consulted on policy issues as relevant stakeholders and are able to offer policy solutions to ministers faced with a multitude of problems and finite resources to address them. Despite the limited evidence of their effectiveness (Babor et al. 2010), self-regulation and Corporate Social Responsibility (CSR) regimes such as those overseen by the Portman Group (1996) are presented as attractive alternatives to further legislation and costly enforcement regimes. Public information provided through the Drinkaware website is also funded by industry actors.

In Scotland, the election of an SNP led minority government in 2007 disrupted the prevailing relationship between policymakers and industry actors. It brought to office a party more willing to take on board the evidence provided by public health advocates and less willing to rely on industry actors. Consequently, the traditional channels through which industry actors sought to influence policy (engagement with officials and Ministers) began to prove ineffective. This led to a change in tactics in response to the new political environment. Unable to keep MUP off the agenda, industry actors began to target opposition MSPs in

an attempt to stymie the progress of the Scottish government's alcohol Bill through parliament. This tactic proved successful with the removal of the measures on price from the final act. Nevertheless, public health actors played a vital role in bringing evidence on whole population approaches on to the government's agenda, despite attempts by industry actors to reassert their framing of the issue as one of a problematic minority requiring a targeted response. A crucial component of the strategy to oppose MUP was a media campaign designed to highlight the adverse effects this would have on consumers and the Scottish economy. This was designed to undermine the popularity of the Bill amongst voters and make support for it problematic for MSPs seeking reelection under six months after the final Bill was to receive royal assent.

There is a high degree of similarity in the approach to government between sectors of the industry, but differences occur between (and sometimes within sectors) in terms of the substantive issues at stake. Whilst on-trade retailers were often in favour of interventions on price (which would only impact on cheaper alcohol sold through the off-trade), those in the off-trade were vehemently opposed. Spirit producers whose products are sold principally in the off-trade were equally against the proposed measures. Within the beer sector, divisions emerged between producers, some of whom favoured interventions on price and some of whom were opposed. This reflected the different corporate strategies of the organisations involved as well as the ideological position they adopted on the right of governments to intervene in the functioning of markets.

Opposition to the measure also reflected the global nature of the industry. Concerns about price regulation in the UK were motivated in some instances by fears about the affects this may have on achieving market access and deregulation in emerging markets such as China. Despite the cleavages which emerged between actors, the predominant industry voice was one of opposition to price based interventions. The predominance of this strand of opinion within the industry reflects both the vehemence with which these measures were opposed by some actors, and the unwillingness of those who may benefit from price increases to make the case for MUP. This may result from a degree of reticence amongst the business community about additional government regulation. The fear was expressed that even apparently favourable measures might turn out to have negative consequences or may pave the way for future measures which harm their interests. In Scotland, a coalition of actors opposed to MUP organised around the Scotch Whisky Association, which led the campaign against it. This seemed to be a deliberate tactic on the part of industry actors who used the iconic nature of whisky and the implied costs for the Scottish economy as a way of undermining support for the policy. Industry actors further indicated their willingness to attempt to shift the venue of policymaking by arguing that MUP was illegal under European Union (EU) competition law.

Implications

These findings make an important contribution to our understanding of alcohol policy processes in the UK and the role played by alcohol industry actors in them. They highlight the attempts by industry actors to influence policy makers through a variety of channels. In addition, they reveal the importance of the transnational nature of alcohol industry actors in deciding the policy positions these actors adopt in the UK. Whilst industry actors claim to be key stakeholders in the policy making process, this study suggests they are highly pragmatic actors who use their extensive contacts within government to promote narrow corporate interests. This calls for a thorough reassessment of the access to the policy making process currently afforded to industry actors versus other stakeholders and the effects this has on the content and form of policy. In addition, the study highlights the potential role which public health actors are able to play in shifting the policy agenda and bringing evidence about effective interventions into the policy making arena. Further



research is needed on the role of corporations in these policy debates going forwards and in other aspects of UK alcohol policy. In addition, studies are needed which adopt a comparative perspective, examining the role of industry actors in other states and at the local, regional, supranational (EU) and global (World Health Organisation/World Trade Organisation) levels of governance.

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