The Public Health Perspective on the Alcohol Industry and Regulation

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ABOUT US

Mission: Healthy Marylanders Living in Healthy Communities

Vision: To improve public health in Maryland through education and advocacy
The Public Health Perspective

A FRAMEWORK FOR PREVENTING DISEASE & INJURY
WHAT IS PUBLIC HEALTH

Medicine treats disease; Public health prevents it

- Interventions
- Surveillance
- Education
- Research
- Safety
- Advocacy
Vaccines!

Health risks of tobacco!

Risk behaviors in youth!

Worker protections!

Tracking disease outbreaks!

Is prevention really the best medicine or is it laughter?

Translating science into policy!

Food standards!

Intervention research: Public health
Factors that Affect Health

Smallest Impact

Largest Impact

Socioeconomic Factors

Long-lasting Protective Interventions

Clinical Interventions

Counseling & Education

Examples

- Eat healthy, be physically active
- Rx for high blood pressure, diabetes
- Immunizations, brief intervention, cessation treatment
- Fluoridation, 0g trans fat, smoke-free laws, tobacco tax
- Poverty, education, housing, inequality

Changing the Context to make individuals’ default decisions healthy
Factors that Affect Health

- **Socioeconomic Factors**
  - Examples:
    - Poverty, education, housing, inequality
    - Remove dangerous products, e.g. AEDs; increase alcohol excise tax; reduce alcohol outlets; restrict/reduce alcohol marketing

- **Changing the Context to make individuals’ default decisions healthy**

- **Clinical Interventions**
  - Examples:
    - Alcohol education and counseling, SBIRT
    - Evidence-based treatment and other medical interventions

- **Counseling & Education**
Health in All Policies

- Embed health considerations into decision-making processes
- Approach on health-related rights and obligations
- Improves accountability of policymakers for health impacts
- Identify populations at greater risk
- Brings multiple sectors together
- Ideally reduces unintended consequences
Why we regulate

- Acute injury (drowning, falls)
- Acute health effects (poisoning, pancreatitis)
- Chronic health effects (liver disease, cancer)
- Societal effects (crime including assault, homicide)
- Harms to others (victims of drink driving, domestic violence)
Traditional business practices not practical for alcohol

- A typical business plan includes:
  - Efforts to retain and increase customers who are frequent buyers
  - Discounts and promotions to gain new frequent buyers
  - Advertising to young people to build a future customer base

- For alcohol this means:
  - Marketing to heavy drinkers
  - Use of volume discounts to encourage greater use
  - Marketing to underage youth to encourage present and future alcohol use

*Cannot consider economics in isolation.*
Toward Liquor Control

- Creation of laws promoting temperance
- Elimination of tied house practices
- Separation of suppliers from retailers by wholesalers
- Licensing systems
- Promotion of fair trade practices
Current issues and challenges

- Deregulatory environment
- Characterization of alcohol regulatory system as “outdated” or “antique”
  - Misunderstanding of what alcohol regulatory systems are for
- Problems with terminology
  - May not know what a “tied house” is
  - “Temperance” sounds moralistic and old fashioned
- Rise of craft brewers and distillers
- Crossover with marijuana legalization
- Rise of e-commerce
- Deregulation through defunding
Product innovations

- Immediate and long term implications for health and safety
  - Average beer is 4.5-5% (standard drink is 12oz/5%)
  - Many craft brews are 7-9%
  - “I only had 1 or 2 beers!”
  - 4 Loko and similar products as high as 14% in single serve containers

Impairment and Alcohol Trends

- It can be difficult for individuals to understand what it means to be impaired
- Individuals differ in their degree of impairment at a given BAC
- Factors affecting alcohol’s physiologic influence
  - Weight, age, sex, race, ability to metabolize alcohol
- Inconsistent serving sizes and the combination of alcohol with caffeine/energy drinks undermine individuals’ ability to estimate their level of impairment
- Alcoholic beverages are now more affordable, of far greater variety, and more widely promoted

**FIGURE 1-7** Standard drinks in the United States.
SOURCE: NIAAA
NEW PRODUCTS

- Truly Spiked & Sparkling
- Lagunitas Hi-Fi Hops
- Palcohol Powdered Alcohol (Vodka, Rum, Kamikaze, Cosmopolitan, Lemon Drop)
- The Brewery - Black Tuesday: 12 Ounces of Black Tuesday = 3.8 Cans of Coors
Craft brewing market

- Proliferation of small breweries

- Craft sales comprised 22% of market, but with slow-down in recent years

- Increased competition/market saturation

- Competing alcoholic beverages (e.g., craft spirits, spiked sparkling water)

Source: NBWA, 2017; Beer Marketer’s Insights, 2017
Craft brewing market (con’t)

- Previous pattern of consolidation likely to repeat
- Consolidation already apparent
  - 50 of the largest craft brewers account for 90% of the market
  - 60 big acquisition deals 2012-2016; 5 of the fastest growing craft beer brands were acquired by one of the major alcohol marketers in 2017

Source: Dubey & Mani, 2018
Public health frame of regulation

- Regular policy reviews and updates are part of a well-functioning regulatory system
- Alcohol is a special product, and regulatory structures are built to create a healthy marketplace with key protections not only for consumers, but for non-consumers (half the population)
- 3-tier system aids in enforcement and ensures tax collection
- Strong research base to support effectiveness of regulation
- Promotion of consumer choice is a “byproduct” of the frame
  - Separation of the tiers integral to the rise of the craft movement and product diversity
Pop vs. beer
Policymaking approach

- Use a Health in All Policies approach
  - Collaboration with other sectors, reduces possibility of unintended consequences or burden on vulnerable populations

- Take time to consider the broad policy purpose of the law
- Does the law still serve that purpose?
- Do other laws serve that purpose?
- Do other societal factors further the same purpose?
- Do other societal factors or laws nullify the purpose?
Thank you!

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