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Speech in the Scottish Parliament

Alcohol Etc. (Scotland) Bill

10 June 2010

I am clear that Scotland has a problem with alcohol: we drink when we are happy, we drink when we are sad, we drink to celebrate and we drink to commiserate.

Very little of what we do socially does not involve alcohol.

This is a cultural issue; one that is catching on across the globe.

The cost of alcohol abuse to the NHS in the Highlands and Islands is in the region of £12.3 million a year, which is massive, but the cost to families, particularly children, is immeasurable.

Doing nothing is not an option.

To the Government's credit, it introduced the bill in an attempt to tackle the issue.

That said, what the bill proposes and what is missing from it need to be challenged.

Some measures in the bill will work well, but others will not.

In its briefing, Children 1st said:

"Minimum pricing is not a 'silver bullet' but we support it because it will help to put an end to cheap alcohol."

Minimum pricing has gained such support because it is seen as the only option.

That is not the case.

It is our duty to ensure that the options that are put forward are workable and effective.

I was part of the Health and Sport Committee delegation to France and Finland, where we looked at policies and problems.

In Finland, the price of alcohol is historically high due to taxation and the country always having a strong temperance movement.

All off-licences are operated by Alko, the state-owned monopoly; supermarkets cannot sell alcohol apart from low-alcohol beer.

That means that anyone who wants to buy alcohol has to go to Alko, where there are no special offers, no promotions and no enticements to drink more.

When Estonia joined the EU, the Finnish Government recognised that Finland would be subject to cross-border trade and lowered taxation on alcohol to mitigate the effect. That led to a substantial increase in Finnish alcohol consumption, as a result of which the Government again increased taxation on alcohol over a number of years.

It is clear that the falling price led to an increase in consumption. However, the rise in price did not lead to a fall in consumption.

In France, things are different.

Historically, the French have had a very high alcohol consumption rate.

Because of the strong wine industry lobby, it is almost impossible for the Government to raise taxes on wine, therefore it remains a low-cost product.

However the Government has increased taxation on spirits, making them much more expensive.

The overall rate of alcohol consumption in France has fallen, but that fall has masked a rise in spirit drinking—it is wine consumption that has fallen dramatically.

Again, rising prices appear to have had little or no impact on consumption.

In both countries, people pointed to a range of factors that had helped to decrease drinking.

In France, it was believed that wine consumption had fallen due to drink driving laws. Wine had been the drink of choice of the older generation, who tended to live in rural areas.

When drink driving laws were enforced, those who had to drive had to stop drinking.

In Finland, there has been a drop in consumption in the 18-to-24 age group.

No research has been carried out into the reasons for that; the only explanation that people could offer was Alko's advertising campaign, which focused on parents, encouraging them not to drink when their children were present and showing the impact on young people of their parents' drinking.

In France, people believed that they were moving from a Mediterranean drinking culture to a more global drinking culture that had much more in common with the drinking culture of northern Europe and involved young people binge drinking on spirits.

The main policy direction of the bill is minimum unit pricing, but there is no empirical evidence that a price increase leads to a decrease in consumption.

However, there is clear evidence that lowering price leads to increased consumption.

The bill looks at promotions, but it is not clear that it goes far enough in that area.

In effect, promotions lower price, and it has been shown that lower price increases consumption.

The bill needs to be strengthened in that regard.

Minimum pricing will not have the effect that is sought.

That is borne out by the experience of other countries.

The only supporting evidence is the Sheffield report, which uses modelling rather than empirical evidence to show effect.

Increasing price has not impacted anywhere else, and there is no evidence that Scotland will be different.

I will touch on the social responsibility levy.

The committee attempted to take evidence on the policy, but that became impossible due to a lack of detail.

It appeared to me that there were three policy choices: a polluter-pays levy, a blanket levy and a levy with incentives for good practice.

Different sections of the community and industry believed that levies would work, but it was difficult to build a consensus, due to the lack of detail.

In the written answer to a question from my colleague Richard Simpson, it emerged that the cabinet secretary had not met the industry since August 2009, which makes it difficult to work through the process and to get more detail on the policy.

The Government argued to the committee that the levy could help to recoup the largesse of the minimum pricing policy.

However, it was not clear whether only off-licences would have to pay the levy.

It appeared that the on-trade, which would not benefit financially from minimum pricing, might also have to pay.

Others argued that recent changes to the licensing laws had not been properly implemented and that proper implementation of those changes would negate the need for a social responsibility levy.

However, it was clear that the levy could provide finance to help local authorities to deal with the cost of problem drinking.

Again, that issue needs further work.

As I indicated, the cost of drinking to the NHS is massive.

I ask the cabinet secretary to consider ways of ensuring that funding from the levy can be used to offset some of that cost.

The cabinet secretary needs to return to the committee at stage 2 with a great deal more detail on the proposals, to enable the committee to scrutinise them effectively and to bring forward a policy that is fair and that works.

Regardless of whether it is or is not legal, minimum pricing will not tackle Scotland's problem with alcohol.

The Government needs to bring forward robust measures to tackle the problem, or the opportunity that the bill presents will be missed.