The External Cost of Alcohol Consumption in South Africa: Ban on Alcohol Advertising versus other Appropriate Intervention Policies

Clarize Marais (clarize@econex.co.za) and Helanya Fourie (helanya@econex.co.za)

A recent study published in the South African Medical Journal (SAMJ) sparked renewed interest in the burden inflicted by alcohol on the South African economy. That study found that the damage caused by alcohol misuse equalled up to 10% of South Africa’s GDP in 2009, and provides support for the Control of Marketing of Alcoholic Beverages Bill published for comment in 2013. The purpose of this research note is not to dispute the cost of alcohol misuse on the South African economy (as measured by the SAMJ study). Instead, it is to highlight that there are a number of more effective ways to reduce alcohol misuse than a ban on alcohol advertising, as international literature has shown that advertising bans are not always efficient in achieving this aim. Alternative options include pricing regulation and taxation, restrictions on the availability of alcohol, direct drink-driving interventions, community mobilisation, education and public awareness, interventions in the drinking environment, and other brief interventions. This note also emphasises the crucial role of community interaction and industry for improved implementation and enforcement. It suggests that, within the South African context, these options may provide a more cost-effective means of limiting the costs of alcohol misuse on the economy.

1 Introduction

The issue of a total ban on alcohol advertising has been on the policy agenda for some time, and has again recently been rekindled by an article published in the South African Medical Journal (SAMJ).\(^1\) It found that the damage caused by alcohol misuse equalled up to 10% of South Africa’s GDP in 2009.\(^2\) These findings provide some support for the Control of Marketing of Alcoholic Beverages Bill that was published for comment in 2013. However, a finding of 10% means that the total cost of alcohol abuse exceeds South Africa’s total healthcare expenditure (public and pri-

In order to aid the government in their decision surrounding the bill, the Department of Health (DoH) is expected to appoint a service provider that will conduct a regulatory impact assessment to measure how much the alcohol industry could suffer from a ban on alcohol advertisements. It is therefore imperative that such estimates of the effect of alcohol on the economy be at least credible in terms of relative benchmarks, as this will inform important policy decisions.

In terms of considering the appropriate policy options, the South African government considers alcohol to be a major risk for health as well as family and community cohesion. They hold that the crime, abuse and road accidents that result from alcohol misuse place a burden on the state’s resources. The DoH’s strategy is derived from the World Health Organisation’s (WHO) “Global Strategy to Reduce the Harmful Use of Alcohol” as opposed to the liquor industry’s strategy of focussing on educating consumers about the responsible alcohol use. The ‘public health approach’ looks at the broader picture concerning the product (alcohol), the host (drinker) and the environment (advertising), with the aim to reduce alcohol misuse by making the environment less ‘pro-alcohol’ and thereby reducing the per capita consumption of alcohol. South Africa’s Minister of Health follows the same broad approach and has hence proposed tighter restrictions on alcohol advertising. However, before banning alcohol advertising, the government first needs to acknowledge that all commercial speech regulations must be proven to materially and directly advance an important government interest (i.e. reducing per capita alcohol consumption).

The international literature referred to in this note suggests that an advertising ban on alcoholic beverages will not necessarily achieve this aim. The research shows that advertising restrictions are ineffective and do not have a significant impact on alcohol-related harm. One of the many possible reasons for this is that they can be circumvented relatively easily, due to the gap being filled by other advertisers, over the Internet and other digital media. At the same time, a total advertising ban could have a significant negative impact on the media industry, due to the probable job losses that could ensue. International bans that cover multiple beverages and types of media have failed to demonstrate that advertising bans reduce alcohol consumption.

In addition, studies on brand advertising fail to establish a spill-over effect of successful brand advertising on the market-wide demand for alcoholic beverages. An industry-wide advertising response function is hence absent, under conditions of brand rivalry in a declining market. The proposed ban on advertising of alcoholic beverages can therefore not be assumed ex ante to be effective in reducing the (ab)use of alcohol, and thus alcohol-induced harm.

Despite the SAMJ study’s controversial 10%, the goal of this research note is not to dispute the damage inflicted by alco-

hol misuse on the South African economy. Instead, we will analyse various intervention policies that could possibly be more effective than an outright advertising ban on alcoholic beverages.

2 Intervention policies

The following sections focus on intervention policies that have been found to be more effective than advertising bans. The aim of these interventions is to address the burden of alcohol-related harm. We will specifically focus on interventions that have the potential to be successful in South Africa, as suggested by Babur et al. (2003).10

2.1 Pricing regulation and taxation

The primary reasons for increasing excise taxes on alcohol should be to correct for the external costs of alcohol consumption and to raise revenues for programs aimed at reducing the burden of alcohol misuse. A number of studies found that price increases generally lead to a reduction in alcohol consumption. Specifically, an increase in the price of alcohol reduces the demand for alcohol and thereby reduces alcohol consumption, hazardous and harmful alcohol consumption, alcohol dependence and the external costs attributed to alcohol (like alcohol-related crime). Increases in alcohol taxes have been associated with reductions in motor vehicle fatalities, crime, cirrhosis, industrial injuries and school dropouts.11 However, the size of these effects varies from country to country and from beverage to beverage, and depends on the specific environment and context of each country.12

2.2 Restrictions on the availability of alcohol

Policies that restrict the availability of alcohol try to reduce alcohol-related harm by controlling the supply of alcohol. Many countries use licences issued by the government to control the sale of alcohol, as revoking the licence can be used to punish an infringement of the law.

2.2.1 Restrictions on the minimum legal drinking age

Generally, studies find that increasing the legal drinking age can reduce alcohol sales and problems among young drinkers. A review of 132 studies published between 1960 and 1999 found strong evidence that changes in the minimum drinking age had significant effects on drinking among young people and alcohol-related harm, particularly traffic accidents.13 A review of the increase in the minimum legal drinking age to 21 in the United States found that crash-related outcomes declined by a median of 16% for the targeted age groups.14

In South Africa, the minimum drinking age is 18, which is in line with international best practices. South Africa should hence focus on enforcing the current limits rigorously, in order to realize the full benefits

14. The WHO Regional Office For Europe (2009): Evidence For The Effectiveness And Cost-Effectiveness Of Interventions To Reduce Alcohol-Related Harm. World Health Organization
of this policy. The evidence suggests that the most effective means of enforcement is to focus on sellers, since they have an interest in retaining the right to sell alcohol and can be threatened with foreclosure. The police should therefore not be solely responsible for enforcing the legal drinking age limit, but traders should also be considered responsible.

2.2.2 Restricting the hours and days of retail sales

Restrictions on the hours and days of sale relate to both on- and off-premises sales of alcohol. With regards to on-premise sales, an Australian study found that an extension of the opening hours of nightclubs from midnight to 1am resulted in an increase in violent incidents by 70%. Following an analysis of the results of the controlled experiment, it was found that the likelihood of alcohol abuse increased after midnight. The Blood Alcohol Content (BAC) levels of drivers in road accidents, who had been drinking at the extended trading premises, were also significantly higher. Similar studies have also found that assaults at licensed premises were much more likely to occur during extended trading periods, with the most frequent time being between midnight and 3am.

South Africa currently imposes restrictions on hours of retail sales. The Western Cape Liquor Act, for example, stipulates maximum opening and closing times for on- and off-premises consumption of 11am to 2am and 9am to 6pm respectively. The City of Cape Town is considering even more restricted hours, and plans restrict trade on Sundays and public holidays. However, in a country like South Africa where there are many unregulated outlets, these policies are unlikely to be successful unless accompanied by efforts to draw unregulated outlets into the regulated market. It is particularly important to provide increased access to information and to increase accountability by those agencies tasked with monitoring and enforcing regulations on hours and days of sale, such as the police, licensing inspectors, the provincial liquor boards and local authorities. Communities also need to put pressure on liquor outlets and licensing authorities to reduce trading hours in areas with a high incidence of alcohol-related violence and other problems. It is recommended that the effectiveness of restricting sales on selected days, including election days and grant pay-out days, should be investigated.

2.2.3 Restricting the number and density of outlets

A number of studies have reported a significant impact of outlet density on alcohol consumption, drink-driving collisions, and public health problems. About ECONEX

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sions and assaults, particularly in high population density areas. Outlet density refers to the actual number of outlets in a specific area and has been associated with an increased risk of pedestrian collisions and violent assaults. The distribution of alcohol-related crashes is also associated with the distribution of on-premises outlets and the rates of these crashes decrease with greater distance from concentrated areas. Furthermore, higher outlet concentrations have a greater impact on alcohol-related crashes in areas with larger amounts of highway traffic and in lower income areas. On balance, the research seems to indicate that higher outlet density will increase alcohol-related collisions and fatalities.\textsuperscript{19}

According to the WHO,\textsuperscript{20} South Africa currently employs restrictions on the number of retail outlets, but there are no proper restrictions on the density of outlets. When drinking establishments have become concentrated due to vested economic interests, policy changes require a long time period for implementation. This is likely to be the case in South Africa, where approximately 80% of retail outlets operate outside the regulated market and there is estimated to be one outlet for every 190 adults. However, this average value masks the wide variation between areas, which should be properly investigated and measured before policy interventions are made. In South Africa, it will first be necessary to encourage existing unlicensed outlets to become licensed and to place greater restrictions on those outlets not operating in business nodes or operating near educational institutions, before tackling the issue of outlet density. Subsidies or other incentives could also be offered to existing liquor outlets that are willing to move out of areas where the density is already too high. It will take some time to see the effect of any changes in this area, but movement on this issue is required in order to affect change in the long term.\textsuperscript{21} Better enforcement, especially on unlicensed outlets, would probably lead to a market increase in the effectiveness of existing policies.

2.3 Direct drink-driving interventions

This section only considers international evidence on the effectiveness of interventions that directly combat drink-driving, but most policies that regulate the alcohol market will have an influence on road traffic fatalities. In order for the policies to be effective, drink-driving laws must be widely publicised in the media. If the public is unaware of a change in the law, it is unlikely to affect behaviour. Drink-driving interventions also appear to have greater effectiveness when they are incorporated as part of community programs.\textsuperscript{22}

2.3.1 Lowered BAC levels and restrictions on young drivers

Lowering BAC levels have consistently been found to lower the incidence of drink-driving behaviour at all levels and has also led to further reductions in alcohol-related road traffic accidents. The majority of countries currently have a BAC limit of either 0.05 or 0.08g/100ml for drivers. In South Africa, the BAC limit for ordinary drivers is 0.05g/100ml and 0.02g/100ml for professional drivers (for example, truck drivers).

Young alcohol consumers who drive are considered to be at greater risk due to their inexperience at both driving and

\begin{footnotes}
\item[20] See footnote 12.
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drinking. Some countries have therefore established lower BAC levels for young drivers. Extra restrictions have often been placed on young or inexperienced drivers because of their perceived greater risk. Graduated driver licence programs incorporate all of these strategies within one system, by placing restrictions on the circumstances under which young or inexperienced drivers are allowed to drive. These restrictions include placing curfews on their driving at night or prohibiting driving with other young people in the vehicle. These programs usually institute a zero tolerance policy for young or inexperienced drivers with BAC limits of lower than 0.02 g/100ml. Graduated driver licence programs have been found to be effective in reducing motor vehicle fatalities among 15-17 year old drivers by up to 19%. Implementing such a strategy could be very feasible in a country like South Africa, due to the strong link between alcohol use and injury among young drivers.23

2.3.2 Random (unrestricted) breath testing

Random breath testing involves subjecting motorists to unrestricted or random breath tests, even if they are not suspected of committing any offence. Refusal to submit to a breath test is equivalent to failing. This is in contrast to testing at selective checkpoints, where only motorists who are judged by police to have been drinking are asked to take a breath test. Such checkpoints are part of a strategy to increase the frequency and visibility of enforcement of drink-driving laws and the certainty of apprehension and punishment.

In South Africa, the low level of BAC limits, together with the high incidence of drink-driving, shows that legislation must be supported by effective enforcement, which is probably best achieved through random breath testing.24 Increasing the level of random breath testing should be considered, but has to be accompanied by an increase in the rate of prosecution. Strategies need to be sought for obtaining suitable evidence for use in court, processing cases quickly and addressing the backlog in the court system.25

2.3.3 Administrative licence suspension

This measure allows for the driving licence of a person tested positive for drink-driving to be suspended for a period of time, without a court hearing, following the offense. This action is permitted in 80% of US states. In a review of 46 studies relating to the effects of licence suspension, there was a 5% average reduction in alcohol-

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related accidents and a 26% reduction in fatal accidents.\textsuperscript{26} The major positive effect of this measure is usually seen through its deterrence, which is improved by certainty and immediacy. A key motivation behind this strategy is to dramatically decrease the time between the drink-driving event and the proximity of punishment.

With the over-crowded court system in South Africa, this is certainly something worth considering. However, strategies would also need to be implemented to deal harshly with suspended drivers who drive without a license or with a counterfeit licence.\textsuperscript{27} Lack of enforcement would serve to lower the deterrent effect, which may lead to the failure of such a program.

Decreased BAC limits, restrictions on young drivers and administrative licence suspensions are all highly cost effective to implement. Although better enforcement with random breath testing is a relatively more expensive policy option, it can have a large impact on the effectiveness of the other policies through deterrence.

2.4 Community mobilisation, education and public awareness

Documentation from grassroots projects suggest that community mobilisation can be successful at reducing aggression and other problems related to drinking in licensed premises. Community-based prevention programs can also be effective in reducing drink-driving, alcohol-related traffic fatalities and assault injuries. Interventions that showed promise were those that paid particular attention to controls on access, included the environmental contexts of where the products are sold and distributed and involved enforcement of public health policies.\textsuperscript{28}

Community mobilisation projects include actions against granting or renewing certain liquor licenses and pressure for the early closure of liquor outlets in areas where there is clear evidence of alcohol-related violence and other negative consequences. Community action projects can raise awareness and concern about alcohol-related harm.

In one part of Khayelitsha, several years ago, the community put pressure on outlets not to serve alcohol after 10pm on weeknights, which resulted in a major drop in violent incidents.\textsuperscript{29} Given the growing level of community opposition to the harm associated with alcohol abuse, there may be an argument for promoting such programs to improve community empowerment.\textsuperscript{30} Community support is essential for the enforcement of alcohol policy and should form part of the overall strategy.

In addition to community mobilisation, education programs can be used to alter the perceptions and behaviour of potential drinkers. There is considerable evidence on best practices for these programs. School-based education should not be seen as the only answer to reduce the harm done by alcohol, but should form part of a comprehensive policy package.


\textsuperscript{28} The WHO Regional Office For Europe (2009): Evidence For The Effectiveness And Cost-Effectiveness Of Interventions To Reduce Alcohol-Related Harm. The World Health Organization.


\textsuperscript{30} Monitor Company Group (2009): Alcohol Issues: Legislative and Program Options.
2.5 Interventions altering the drinking environment

There is growing evidence for the impact of strategies that alter the drinking context by training alcohol servers and managers not to serve intoxicated patrons and to prevent aggression. Another policy to regulate physical availability by allowing server liability is also gaining support. In this case, servers and owners of liquor outlets can be held civilly liable for damages if they have served persons who were clearly intoxicated and who went on to hurt themselves or others. These policies focus on reducing the supply of alcohol and related harms. Such strategies are also more effective when strengthened by community-based prevention programs.

Responsible beverage service strategies involve instituting a training program for servers and bartenders to allow them to identify alcohol abuse and prevent impaired driving. It would entail refusing service to clearly intoxicated customers or requiring establishments to offer transportation. In South Africa, such a policy was implemented in the township of Meadowlands near Johannesburg, where shebeen owners joined together to form the Tavern Owners Against Crime group. A code of conduct for tavern owners was drawn up, restricting, among other things, the sale of alcohol to minors and intoxicated persons. Through this initiative, the number of assaults reported in the area was reported to have decreased significantly. Three neighbouring township areas have since adopted the strategy. The liquor industry is keen to encourage such a program but it is preferable that law, rather than voluntarily initiatives, should mandate such a program. Although these outcomes can potentially be replicated more easily in licensed outlets, the success of initiatives in shebeens is encouraging.

These programs would need to be integrated with reforms in liquor licensing and would require greater commitment from the police to intervene in this area. Greater commitment would also be required from provincial departments to provide the resources needed to close unlicensed premises and to ensure that licensed outlets operate within municipal regulations. It would also be useful to set up an information system whereby the police could collect and collate information regarding the “place of last drink” in the case of alcohol-related motor vehicle injuries or public disturbances.

2.6 Brief interventions

Brief interventions head the list of evidence-based treatment methods. There is a large body of evidence on brief interventions, including at least 56 controlled trials of effectiveness. Almost all of these have concluded that brief interventions are particularly effective in targeting risky drinkers who may face negative health consequences as a result of excessive alcohol consumption, including violence, drink-driving and unprotected sex.

2.6.1 Advice in healthcare departments

Brief advice delivered in primary care, emergency departments and trauma centres has been shown to be particularly effective in reducing alcohol consumption and alcohol-related harm. An example of brief advice would be physician advice provided in primary healthcare, which involves a small number of education sessions and psychosocial counselling. A review of 23 studies found evidence for reduced motor-ve-
Vehicle crashes, suicide attempts, domestic violence, assaults and child abuse, alcohol-related injuries, emergency visits and hospitalisations, with reductions ranging from 27% to 65%.

This is especially applicable in South Africa where public health services are under immense pressure in terms of infrastructure and skills. However, the burden of HIV/AIDS and violent crime on the South African health system makes a focus on brief advice in healthcare departments challenging. NGOs and industry bodies could therefore administer brief interventions in order to reduce the burden on state health services.

2.6.2 Targeting drinking during pregnancy

Targeting drinking during pregnancy is especially important in combating the prevalence of foetal alcohol syndrome (FAS). Evidence shows that brief interventions may have a positive effect in combating the prevalence of FAS and lowering the levels of new-born mortality. A study of 255 pregnant women, who reported drinking alcohol, showed that a non-medical practitioner (with relatively little training) was able to provide an intervention significant enough to produce a positive result. These studies provide evidence that brief interventions could be conducted by non-medical personnel, which will significantly reduce the burden on state health services, minimize costs and provide new job opportunities for non-medical personnel in the health sector. These interventions are particularly important in the Western Cape and Northern Cape, which have among the highest incidences of FAS in the world.

2.6.3 Interventions at the workplace

Interventions at the workplace include stress management as a tool to combat stress-related alcohol abuse. The correlation between alcohol dependence and stress was established in Head et al (2004), where a stressful psychological work environment, based on an effort-reward imbalance, was seen to increase alcohol dependence. Stress management programs have shown to reduce drinking by between 11% and 20% and alcohol-related absence by between 6% and 16%.

3 Concluding remarks

South Africa’s current response towards dealing with alcohol-related harm is highly fragmented. This fragmentation exists between different governmental departments, as well as between different levels of government. This issue clearly needs to be addressed in order for a coherent policy to be developed and implemented.

More Information

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35. The WHO Regional Office For Europe (2009): Evidence For The Effectiveness And Cost-Effectiveness Of Interventions To Reduce Alcohol-Related Harm. The World Health Organization.
tary interventions. A number of potentially successful alternatives to advertising bans have been recommended and could form part of the policy strategy.

One of the constant themes in South Africa is the fact that the effectiveness of different interventions rely on proper enforcement. The authorities are, in many instances, simply without the necessary capacity to implement policies consistently and constantly. Interaction with other affected parties, such as community groupings and industry, contributes to capacity building within the authorities and might lead to better implementation and enforcement.

More information on alcohol abuse and related harm is crucial. Joint communication capacity should be established between all the players in the industry as well as possible pooling of resources to better address data issues. Annual reporting by different governmental departments on what action has been taken to reduce the burden of alcohol abuse and the progress made should be encouraged. Also issues of the cost-efficiency of different policy options need to be examined further in the specific context of South Africa. In summation, given the costs an advertising ban on alcoholic beverages could impose on the media industry and its likely failure to reduce alcohol demand, one should seriously consider the more relevant and cost-effective policy interventions discussed in this, research paper.