

Ministry of Health
and Social Affairs



The Swedish alcohol policy
caring about people's health

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THE SWEDISH MODEL

The aim of Swedish alcohol policy is to reduce the total consumption of alcohol with a view to alleviating the medical and social damage caused by alcoholic beverages. This strategy is based on knowledge and experience of the importance of availability in terms of total consumption trends and the damage caused by alcohol.

Swedish alcohol policy is based on what is known as the total consumption model which was formulated by the WHO and which is the basis of the European region's plan of action for reducing alcohol consumption.

TOTAL CONSUMPTION MODEL

- The total consumption model, postulates a correlation between total alcohol consumption in a country and the damage caused by alcohol.
- The more people drink in a society, the greater the number of people who change from drinking in moderation to alcohol abuse.

- Conversely, if it is more difficult to obtain alcohol, less will be drunk, in overall terms, and fewer people harmed because of alcohol.

Sweden's most important means of limiting availability are the alcohol monopoly and the price instrument.

Like many other products, alcoholic beverages are fairly sensitive to price. When the price goes up, sales fall. As a result, Sweden has been pursuing a policy of high alcohol taxes for many years.

Since 1 July 1992, the tax on alcohol has been determined exclusively by the alcoholic content of the beverage and the principle is that alcohol prices should follow price trends in society as a whole.

Sweden's most important means of limiting availability are the alcohol monopoly and the price instrument.

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Swedish alcohol policy supplements these measures by:

- ☐ restrictions on private imports
- ☐ rules governing licensing permits for restaurants
- ☐ age limits for purchasing alcohol
- ☐ general health information, information about the harmful effects of alcohol and
- ☐ measures within the social and health care sectors.

The alcohol monopoly guarantees that marketing and sales are controlled and legislation relating to alcohol is complied with. **The principal function of the alcohol monopoly is to limit private profit-making interests in order to restrict the consumption of alcohol.** It is, for example, easier for a state monopoly to ensure that the age limits are complied with than it is for grocery stores. A survey conducted by the Swedish Board of Health and Welfare reveals that age controls are less effective in restaurants and shops which sell Class II beer than they are in the state liquor stores.

WHY DOES SWEDEN HAVE A RESTRICTIVE ALCOHOL POLICY?

Swedish drinking patterns differ from those in Southern and Central European countries. For centuries Nordic intoxication-oriented drinking habits have resulted in extensive social damage.

There are periods in Swedish history in which alcohol consumption levels have been very high. Some sources estimate that the

annual consumption of snaps in the mid-19th century was 46 litres per inhabitant and year. In per capita terms, this means that almost four litres of snaps were consumed every month.

At that time, many social groups had powerful economic interests in the liquor trade. Every small village had several inns or pubs and there were a great many large distilleries. In addition, considerable quantities of snaps were distilled on virtually every farm throughout the country. The so-

In the mid-19th century, per capita spirits consumption was 46 litres/year

cial consequences of snaps consumption were disastrous, especially for women and children who were subjected to both violence and starvation because of the extensive abuse of spirits.

OPPOSITION GROWS

Opposition to alcohol consumption and speculative alcohol trading grew from the mid-19th century. At the beginning of this century, public opinion, led by the temperance movement, succeeded in imposing local bans on the production and serving of alcohol. The positive experience which was acquired as a result of these measures led to growing demands for a total ban on alcohol.

A less radical alternative also gained ground alongside the call for a total ban: rationing. In 1917, the so-called ration book which limited people's alcohol purchases was introduced. In the same year, alcohol production, imports and wholesale trading came under state control; AB Vin & Sprit-centralen was set up. Rationing continued until 1955 when the ration book was abolished.

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History shows that initiatives leading to restrictions on alcohol have seldom come "from above". The retail trade monopoly, the import monopoly, the ban on illicit distilling, rationing, as well as

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age limits for purchasing and serving alcohol and strict regulations governing licensing permits for restaurants, have resulted from pressure from different sections of the population.

For example, local retail and inn monopolies were set up during the second half of the 19th century.

For many years there has been and there still is for that matter a wide body of opinion in favour of restrictive alcohol policies in Sweden. More than 500,000 people are members of some form of temperance organization. It is also worth stressing that, for many people in Sweden, the opportunity to pursue a restrictive alcohol policy will have a decisive effect on their attitude to future Swedish membership of the EC.

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DIFFERENT DRINKING PATTERNS

This powerful popular support for restrictive alcohol policies has to be seen against the background of a culturally-established drinking pattern and the damage which results from it. Alcohol is widely used as a means of intoxication rather than a table drink and there is a clear tendency for people to drink alcohol when they face personal problems.

The aim of Swedish alcohol policy has been to achieve a transition from consuming spirits to the consumption of wine and beer. This policy has been

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largely successful. But Sweden's long-established intoxication traditions are a major social and medical problem, even among young people.

The correlation between the total consumption of alcohol in a

country and the damage caused is well documented. Research has revealed that there is a definite connection between total consumption and death from cirrhosis of the liver, pancreatitis, certain types of cancer, alcoholism and alcohol psychoses. As a result of the relatively low total consumption of alcohol which we have achieved today, Sweden has comparatively little alcohol-related medical damage. For example, the number of people who die of cirrhosis of the liver is 7.3 per 100,000 inhabitants in Sweden compared with around 20 in countries with a high total consumption levels.

On the other hand, the Swedish culturally orientated drinking pattern leads to a significant increase in the level of social damage every time total consumption rises. A Swedish survey reveals that an increase in total consumption of one litre of pure alcohol per capita leads to a change in the number of murders and cases of manslaughter of around ten per

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cent (based on data for Sweden from 1870 - 1913 and 1921 - 1984). Alcohol is involved in three-quarters of all the crimes of violence in Sweden. Both the perpetrator of the crime and the victim are often under the influence of alcohol.

Changes in opening hours for retail outlets and licenced premises in Sweden also reveal changes in the level in violence. During the summer of 1981, an experiment was conducted in which the state liquor shops were closed on Saturdays.

An evaluation of this experiment revealed that the number of inebriates taken into custody fell by ten per cent, the number of disturbances in private homes decreased by seven per cent and the number of cases of assault outdoors and indoors fell by five and eight per cent respectively. On the

basis of these results, Parliament decided that the state liquor shops were to be permanently closed on Saturdays.

Another evaluation was made when the law had been in force for a time. It produced much the same results; for example, the number of cases of drunkenness on Friday and Saturday fell by between ten and twelve per cent and the number of cases of assault indoors decreased by between five and twelve per cent.

The evaluation produced no evidence that the effect of closing the state liquor shops on Saturday decreased with time.

THE IMPORTANCE OF AVAILABILITY

Sweden's strategy of limiting the availability of alcohol dates back a long way. The current alcohol legislation originates from laws which were passed by Parliament at the end of the 19th cen-

Changes in opening hours for retail outlets and licenced premises in Sweden also reveal changes in the level in violence.

tury. Even if the provisions have undergone large-scale modification, the fundamental principles are still largely the same.

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The disinterest principle, in other words, the limitation of private profit-making interests in the alcohol trade, developed during the 19th century when alcohol consumption was at its highest and alcohol sales were at their most speculative. The purpose of disinterest is to reduce consumption and hence damage. The fact

Protection for young people is one of the guiding principles of Swedish alcohol legislation.

that no one should be allowed to make money from other people's dependence was also regarded as an ethical issue.

Social concern must govern the marketing and sale of alcohol - first and foremost - as a means of protecting young people. The protection of young people is a guiding principle in Swedish alcohol legislation. The ban on supplying young people with alcohol, age limits for purchasing alcohol and for serving alcohol in restaurants are all examples of this approach. The protective aspects can also be seen in the rules governing licensing permits. Discotheques and other places of entertainment which focus pri-

marily on a young audience are not granted licensing permits for beverages stronger than Class II beer.

After the Second World War, the Swedish rationing system was subjected to a great deal of criticism from several quarters. The critics claimed, for example, that consumption increased because rationing created an artificial demand for spirits. When rationing was abolished in 1955, many people therefore believed that consumption would decline. They were proved wrong. Instead alcohol consumption increased sharply. It was possible to stem this increase to some degree by once again reducing availability - by raising prices very sharply.

EXPERIMENTS INVOLVING UNRESTRICTED SALES

In November 1967, an experiment involving the unrestricted sales of strong beer in ordinary grocery stores commenced in three counties in Sweden. According to the original plans, this experiment was due to continue for the whole of 1968, but it was stopped in June because alcohol

consumption increased sharply in the counties covered by the experimental, especially among young people.

Sales increased many times over as a result of the unrestricted sale of strong beer in grocery stores. During the first half of 1967 (before the experiment began), 1.4 million litres of strong beer were sold in the experimental areas. During the first half of 1968, 13.5 million litres were sold - almost ten times as much. The increase in sales of strong beer was not accompanied by a corresponding decrease in sales of wine and spirits. According to calculations, the unrestricted sale of strong beer in these three provinces resulted in a net increase in total alcohol consumption in Sweden of almost five per cent.

A medium-strong beer with an alcohol content of maximum 4.5 per cent by volume was introduced in Sweden in 1965. As this beer could be sold in grocery stores and was not exclusively confined to state liquor shops, the introduction resulted in a

significant increase in the number of retail outlets for a beer with a relatively high alcohol content. It soon became apparent that beer sales had risen dramatically, primarily among young people, and medium-strong beer was banned in Sweden in 1977.

The evaluation made after the removal of medium-strong beer from the market revealed that total alcohol consumption rose by 15 per cent due to medium-strong beer during the period in which this beer was available, i.e. 1965-1977. When medium-strong beer was withdrawn from the market, total alcohol consumption fell. The greatest decrease occurred among young people.

ALCOHOL MONOPOLIES AND THE PRICE INSTRUMENT

Sweden already has a relatively

Highest percentage by volume

Light-beer	(Class I)	2.25 %
Beer	(Class II)	3.5 %
Medium-strong beer	(Class III)	4.5 %
Strong-beer	(Class III)	5.6 %

low alcohol consumption level. Even so, alcohol consumption

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results in extensive medical and social damage. Sweden has therefore pledged its support for the WHO's plan of action to reduce the damage caused by alcohol: to reduce alcohol consumption by 25 per cent between 1980 and 2000. All the alcohol policy instruments which are currently in use will be required if this target is to be reached, especially since social trends include a number of factors which indicate that alcohol consumption is on the increase. The process of transition which will result from Swedish membership of the EC is just one such factor.

All the research that has been conducted on alcohol policies indicates that a higher standard of living, which will probably be one of the positive effects of Swedish membership of the EC, leads to an increase in alcohol consumption. In all probability, Swedes will be influenced by new alcohol consumption habits as a result of increasing cooperation and exchanges with other countries.

This may result in a slow process of change in Swedish alcohol-

consumption habits, but experience indicates that new habits often supplement old ones, at least in the short term.

Two strategies are discussed in the WHO's plan of action which is based on the total consumption model: a population-oriented strategy and a strategy focusing on groups at risk. The plan stresses the fact that both strategies are needed in order to achieve a successful alcohol policy; measures which are directed exclusively at high-risk groups are not sufficient. The plan also stresses that, in addition to information on the effects of alcohol, a successful alcohol policy must also involve legislative measures.

The alcohol policies which have proved most effective according to the WHO involve, for example, age limits, high alcohol taxes and measures designed to limit the availability of alcohol.

The purpose of the Swedish alcohol monopoly is - and has always been - to reduce the consumption of alcohol for health and social reasons. The purpose is not - and never has been - protectionism.

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THE ALCOHOL MONOPOLY DOES NOT DISCRIMINATE

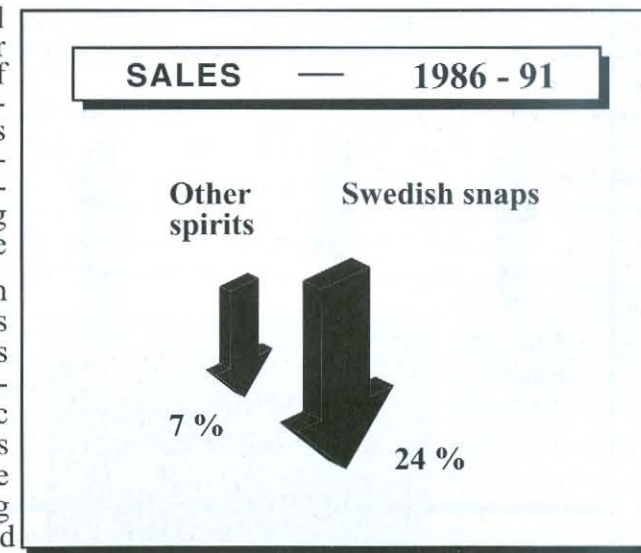
Article 37 of the Treaty of Rome states that monopolies can be accepted within the EC, but such monopolies must not be discriminatory. The Swedish monopoly in the alcohol sector is just such a non-discriminatory (and non-preferential) monopoly.

The purpose of the Swedish monopoly is - and has always been - to reduce the consumption of alcohol for health and socio-political reasons. The purpose is not - and never has been - protectionism. There is nothing in the "Systembolag" (National monopoly for Retail Sale of Alcoholic Beverages) which favors products manufactured in Sweden - if anything the reverse is true.

The Swedish alcohol policy is not that Swedes should stop drinking alcoholic beverages; it is rather that the Swedish drinking pattern should

change. For many years the "Systembolag" has tried to persuade people to change over from spirits to beverages with a lower alcohol content with a view to reducing alcohol-related damage. At present, Swedes drink slightly less spirits and more wine than they did 10-20 years ago; in other words, the consumption of Swedish-produced alcohol has decreased, while the consumption of imported products has risen.

A transition to beverages with a lower alcohol content has been promoted by the Swedish monopoly's information and

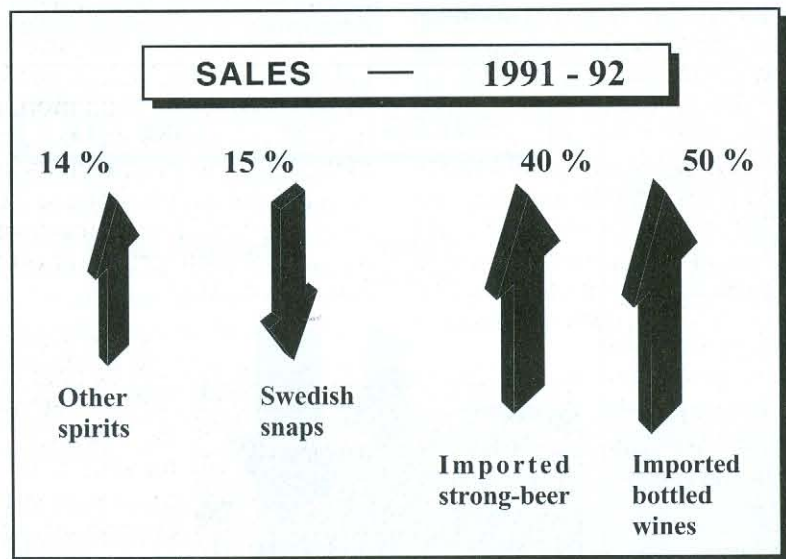


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product-range policy and by alcohol taxation. This is reflected in the sales statistics. Sales of snaps (95 per cent is Swedish-produced) fell by 24 per cent between 1986 and 1991. During the same period, sales of other spirits decreased by 7 per cent. Other spirits include whisky, cognac and liqueurs (imported brands account for 85 per cent). The tax reform which came into force on 1 July 1992 reinforced this trend still further. As a result of the alcohol tax reform, the tax

is based exclusively on the alcoholic content of the beverages in question. This meant that the price of most types of snaps rose and the price of wine and beer fell. The effect was immediate.

A comparison of the second half of 1991 and the second half of 1992 revealed that sales of snaps fell even further by almost 15 per cent, whereas sales of other spirits rose by 14 per cent. So sales of Swedish snaps declined, while sales of predominantly im-



A comparison between the second half of -91 and the second half of -92

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ported types increased. For example, cognac sales rose by 54 per cent and liqueur sales by 69 per cent. Changes in sales of strong beer were similar. Sales of Swedish-produced strong beer increased by 18 per cent, whereas imported strong beer volumes rose by just over 40 per cent. Wine imported in bottles recorded an increase of almost 50 per cent.

The Swedish "Systembolag" has no products which it manufactures itself. The retail trade monopoly is completely separate from the Swedish production of alcohol. The "Systembolag" is neutral as regards products and brands and has a wide range comprising more than 1,200 brands which is adapted to and controlled by customer demand. No country or group of products is discriminated against. "Systembolag" product information is neutral and the staff are specially trained to supply the correct information about the products.

The "Systembolag" has 360 out-

lets distributed throughout Sweden. In addition, there are some 500 distribution points - in other words, shops in rural areas where people can order any goods they choose from range of the "Systembolag" at no extra charge. So the people in every village from the north of Sweden to the south can take advantage of the full range of 1,200 brands stocked by the "Systembolag".

All EC producers will be able to gain access to the Swedish market. The "Systembolag" and AB Vin & Spritcentralen will import products on a trial basis, an established method which is used by some North-American monopolies. This test system will also mean that the producers whose bids are not accepted by the "Systembolag" will have an opportunity to test their products on the Swedish market.

Such products will be presented in the "Systembolag" product information in the same way as other products at no extra charge to the producers. If

THE "SYSTEMBOLAG"

- ☐ 360 outlets
- ☐ 500 distribution-points
- ☐ 1200 brands

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a product can be sold on a sufficient scale, it will be included in the standard range.

THE ALCOHOL MONOPOLY AND ITS OBJECTIVES

Sweden's means of realizing the objectives of its alcohol policy are currently being scrutinized in conjunction with Sweden's negotiations to join the EC. The question of whether Sweden would be able to achieve its alcohol policy objectives by less radical means than an alcohol monopoly has been raised within the EC.

Our experience indicates that all the instruments which are currently available in order to promote alcohol policy will be needed if we are to achieve the alcohol

policy objectives which have been adopted by the Swedish Parliament.

If Sweden were to abolish its alcohol monopoly and allow private profit-making interests to participate, the country would probably be confronted by major social and health problems within a very short time. These problems would be the result of increased alcohol consumption, primarily among young people.

Competition and private profit-making interests - the most dynamic forces in a market economy - would create pressure leading to increased sales and higher consumption. It is currently impossible to identify any available measure which would be able

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to compensate for this effect and cut back consumption. The price instrument is one means which has been mentioned. Sweden already has a high-price policy. However, a high price level, per se, is not sufficient. High prices cannot replace an alcohol monopoly.

This is illustrated by the fact

The alcohol monopolies - the most important means for limiting alcohol consumption

that alcohol consumption is lower in Sweden which has alcohol monopolies than it is, for example, in Denmark which resembles Sweden in cultural terms, but has no alcohol monopoly.

Information and various means of influencing people's attitudes are important tools in limiting the damage caused by alcohol. Sweden is making major efforts in this area. It is therefore unrealistic to assume that more information would be able to compensate for the weakening of alcohol policy which would result from the abolition of the alcohol monopoly.

Experience and research demonstrate that restrictions and information supplement each other. There is little evidence to suggest that information alone is able to produce any marked change in the damage caused by alcohol.

Licensed alcohol shops (off-licences) are another method which has been mentioned. The introduction of licensed shops would bring competition and profit-making interests into this area. It goes without saying that competition, private profit-making interests and the free movement of goods are on the whole positive forces which promote economic development. Monopolies limit the involvement of private profit-making interests and this is not normally something Sweden favours for other products.

However, in the case of the alcohol trade, our interest in reducing social problems and damage to public health is so great that it justifies the restrictions on private profit-making which a monopoly implies.

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The effects of privatisation have been studied, for example in the USA, where certain states have abolished sales monopoly. When the state monopoly was closed and replaced by licensed shops in Iowa in 1987, wine consumption increased by 93 per cent.

In addition, everything indicates that the licensed shops would continue to increase in number in the long term. The situation can be compared to the trends in the restaurant business in Sweden, where the number of licences for the sale of alcohol doubled during the 1980s.

Sweden does not wish to be forced into a situation which would result in an increase in alcohol consumption. This will probably happen if we are forced to abandon the most effective and most important means Sweden has for limiting alcohol consumption, namely the alcohol monopoly.