Alcohol policy update 11/2024

EHYT Finnish Association for Substance Abuse Prevention



Alcohol policy in the government programme



- <u>Fermented</u> beverages containing up to 8% alcohol may be sold in grocery stores. (p. 105) (IMPLEMENTED)
- By the mid-term review, the Ministry of Social Affairs and Employment and the Ministry of Economic Affairs and Employment will prepare a report on the liberalisation of the sale of 15 % strength wines (p. 105). (ONGOING)
- Independent report on the transfer of regulation of alcohol policy from the Ministry of Social Affairs and Health to the Ministry of Employment and the Economy (p. 105)
- Clarify the prevailing ambiguous interpretation to make it unambiguous that Finns have the right to buy alcohol through distance selling from companies in other EU countries (p. 105).
- Allowing Alko and domestic licensed retailers to sell alcohol online and other retail concepts based on delivery and collection, while ensuring age limit controls (p. 105). (IN PARLIAMENTARY COMMITTEES)
- Extending the tax liability of purchasers in online alcohol sales. +20M € (p. 237)
- Tightening taxes on spirits and wine +€40M (p. 237)
- Beer tax cut -€25M (p. 237)
- The Government will not change Alko's public health mission and role. (p. 105)
- **Comment: In** practice, the status is already being changed and further changes are being sought. https://valtioneuvosto.fi/en/governments/government-programme#/

The Government Program Shifts Alcohol Policy Framework from Social and Health Policy to Competition and Trade Policy



FINLAND: Changes in Alcohol Policy

- The most immediate legislative action was to allow "the sale of beverages containing up to 8% alcohol produced by fermentation in grocery stores."
- On-going: "Enabling Alko and domestic retailers licensed for alcohol sales to engage in online sales and introduce new retail concepts based on delivery and pickup"
- Beer taxation reduced by 25 million euros, while taxes on spirits and wines will increase by 40 million euros.
- It is equally important to recognize that liberalizing wine sales would likely lead to the expansion of spirit sales and the erosion of the current monopoly system.
- The government program also includes the permanent availability of nicotine pouches in grocery stores and kiosks (16,6mg nicotine/pouch, flavours mint and menthol).

Policy reviews



There was interest in implementing more substantial changes, but currently, these are limited to two studies:

"Conducting a study by the mid-term policy review on the possibility of allowing the sale of wines up to 15% ABV in grocery stores, in cooperation between the Ministry of Social Affairs and Health (STM) and the Ministry of Economic Affairs and Employment (TEM)."

Additionally, an "independent study on transferring the regulation of alcohol policy from the Ministry of Social Affairs and Health to the Ministry of Economic Affairs and Employment" will be conducted.

Home delivery



- The latest proposed reform would allow express couriers to deliver alcohol to homes.
- According to a Finnish Institute for Health and Welfare (THL) survey, 75%
 of respondents do not trust that age limits or intoxication levels can
 be effectively monitored in home deliveries.
- Numerous international studies have reached similar conclusions. As alcohol consumption increases in society, so do the harms to families.

- The "Invisible Children" campaign highlights the impact of these proposed legislative changes on children.
- The campaign emphasizes the harm caused to children by their parents' alcohol use.
- As part of the campaign, organizations are collecting signatures for a petition aimed at ensuring children's rights are considered in alcohol policy.

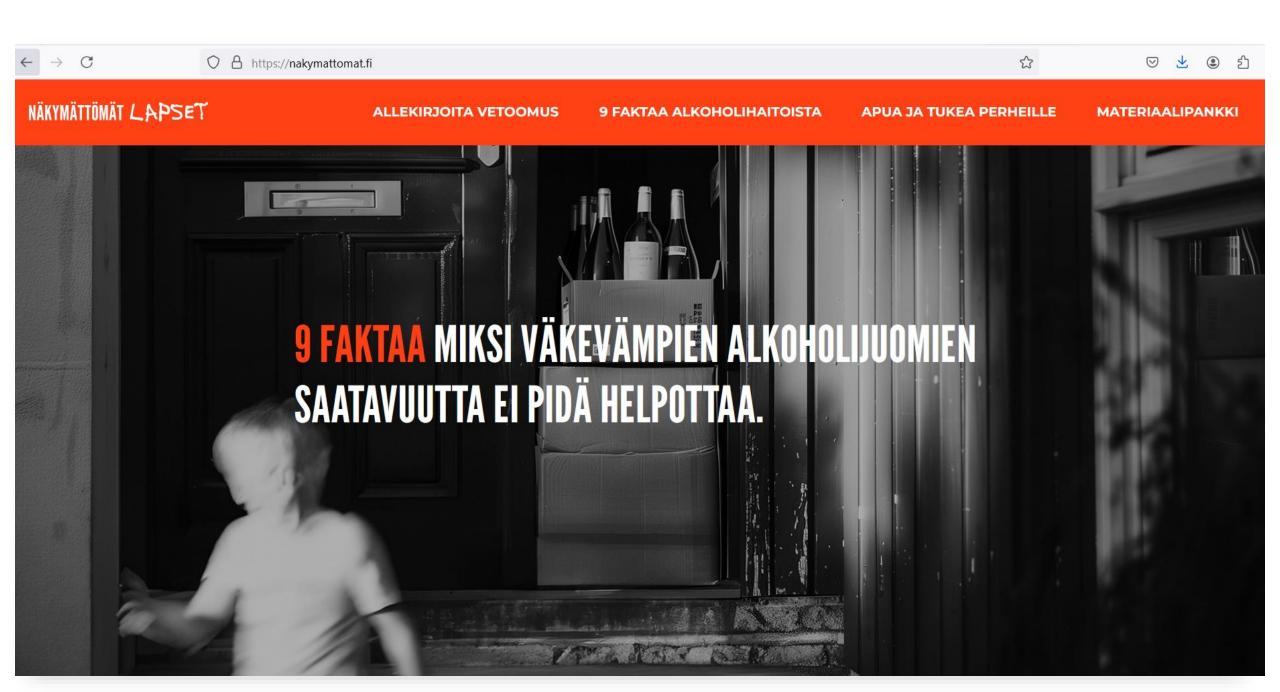


A SAFE CHILDHOOD IS A FUNDAMENTAL RIGHT.

No, I do not want stronger alcoholic beverages in grocery stores or available for home delivery.

Alcohol consumption at home exposes children and young people to neglect, insecurity, and fear.







"Stronger alcoholic beverages in grocery stores might not be a problem for you or your family. For invisible children, they are. Invisible children bear a significant portion of the harms caused by alcohol use in our country.

These are children in families where alcohol is overused. At home, they retreat into invisibility to escape a parent's drinking. In society, invisible children are not talked about, and their voices are not heard, even though there are over 89,000 of them.

Protecting children from alcohol-related harms must be central to Finnish alcohol policy. Invisible children need to become a visible part of the alcohol policy debate."



- It is often thought that harm only occurs in families with heavy alcohol users.
- However, the majority of children suffering from their parents' alcohol
 use are in ordinary, working families where alcohol-related problems are
 not immediately apparent.
- In Finland, approximately 89,000 children have at least one parent who
 has had a serious substance abuse problem requiring treatment before
 the child reaches adulthood.
- This figure represents as much as 8.7% of all minors. Most of these
 parents have an alcohol problem. The actual number of children living
 with a parent's substance abuse problem is likely higher.



- Registry data can only identify the most severe cases and those seeking and receiving treatment.
- According to the "Fragile Childhood" survey, about one in four adult respondents reported experiencing excessive substance use in their childhood home.
- Estimates from different countries suggest that the number of children suffering from their parents' alcohol problems ranges from 19% to 32%. For example, in Sweden, the proportion is estimated to be around 20%.
- Additionally, according to THL's Drinking Habits Survey, alcohol negatively
 affected the family life of 140,000 people in some way.

About the supporting organizations



A-Clinic Foundation is an expert organization on addictions, aiming to prevent and reduce substance abuse and dependency harms. The foundation focuses on building a more humane society through direct interaction, online assistance, and addiction research. <u>a-klinikkasaatio.fi</u>

EHYT (The Finnish Association for Substance Abuse Prevention) is a nationwide expert organization in preventing substance abuse and gambling-related harms. It also serves as a civic organization, providing a humane arena for volunteer activities, peer support, and human interaction in various environments. The work combines efforts from member organizations across Finland, volunteer activities, and the expertise and knowledge of its staff. ehyt.fi

The Federation of Mother and Child Homes and Shelters is a civic organization that aims to secure children's rights to favorable growth conditions and safe development, support parenting and families, and prevent domestic violence. The goal is to ensure everyone's safety. <a href="mailto:ensure-

For more information, visit the Invisible Children campaign page: www.nakymattomat.fi

Home delivery and online sales



The draft Government proposal to the Finnish Parliament for an Act amending the Alcohol Act (home delivery)

TRIS - European Commission

Notification Number: 2024/0521/FI (Finland)

https://technical-regulation-information-system.ec.europa.eu/en/notification/26268

The proposed law would amend the Alcohol Act to allow Alko Oy, the alcohol monopoly, and licensed retailers to sell alcoholic beverages online and through distribution methods such as home delivery and pick-up services.

Date received:

18/09/2024

End of Standstill:

19/12/2024



Farm sales and small breweries: up to 12/13 %

- The amendment would also allow microbreweries and vineyards in Finland to deliver their farm wines and beers directly to the delivery address indicated by the consumer up to the percentage limit approved for their retail sale.
- Previously, Finnish small vineyards and microbreweries have had the right to sell their alcoholic beverages under their retail licence so that **small vineyards** have been allowed to sell alcoholic beverages with **an alcohol content of up to 13** % and **microbreweries** have been allowed to sell alcoholic beverages with **an alcohol content of up to 12** % at the place of production.
- The change would enable small vineyards and microbreweries to sell their alcoholic beverages within the above-mentioned percentage limits to consumers also by delivery from the farm.

Domestic vs foreign sellers



- The proposal would thus also increase the business opportunities for domestic operators who legally sell alcoholic beverages, as well as for domestic vineyards and microbreweries.
- Furthermore, the Proposal would create a level playing field for domestic operators vis-à-vis foreign alcohol sellers, as previously it was possible, under certain conditions, to purchase alcohol by delivery to the address chosen by the customer from foreign alcohol sellers, but not from domestic alcohol sellers.
- In accordance with the Government Programme, the Government will reform alcohol policy responsibly in a European direction and continue the overall reform of the Alcohol Act carried out in 2018. The Government's objective is to promote fair and open competition.

Home delivery and online sales



- EHYT has been puzzled by the approach of amending the Alcohol Act through several separate bills during the government's term without an overall assessment of the impact of the changes. The proposed amendment should also be assessed in relation to the distance selling from the EU to Finland.
- The government programme states that the public health status of the current system of an exclusive monopoly on retail alcohol sales will not be changed. In reality, however, the government's proposals move in the opposite direction.
- The government's earlier proposal to expand the retail sales of (only)
 fermented beverages with up to 8% alcohol content has proven to be
 problematic under EU law. It is unclear whether the EU legal risks of the
 proposed legislative amendment have been assessed thoroughly enough

Estimate of the impact on public finances



EHYT sees that the proposal has not sufficiently assessed the impact on public finances.
 Studies have found that the tax revenue is not enough to cover the billions of euros in costs to the public sector from alcohol-related harm (EHYT & FCG, 2024; WHO, 2012; WHO, 2021, Sornpaisarn et al., 2017).

Alcohol has two main effects on a functioning economy:

- (1) increases public sector costs and
- (2) reduces the number of taxpayers.
- Expanding access to alcohol increases costs in public social and health services by increasing the burden of disease and services (cancers, accidents, child protection, etc.). In addition, alcohol is a burden on the police, the judiciary, and emergency services.
- The welfare regions are already running significant deficits and are unable to fulfil their tasks. According to a study by the FCG Finnish Consulting Group (2024), alcohol could cost the public health service between €648 million and €1.14 billion a year.

Financial perspective



- Alcohol increases the sustainability gap by taking people out of the workforce, reducing productivity and work capacity, resulting in a significant loss of human capital and labour.
- Preventing alcohol-related harm is more cost-effective for society than providing substance abuse treatment services and other remedial work. From a public finance perspective, the most cost-effective means of preventing alcohol harm are regulating access, controlling prices, and restricting marketing (WHO, 2021).
- If deregulation takes place, there should be a heightened focus on prevention, both on the individual and community levels. However, at the same time, this focus will be compromised as welfare areas adapt and funding for organisations decreases.

Impact on well-being and health



- EHYT recommends conducting a comprehensive study on the impact of alcohol on public finances, considering all societal costs. The most recent study by the Finnish Institute for Health and Welfare (THL) was conducted in 2013. In Finland, research and monitoring of substance abuse are under-resourced, which hampers evidence-based decision-making.
- Studies on home alcohol delivery consistently show that it increases alcohol consumption and is **associated with binge drinking**. In many countries, home delivery is more likely to be used by **high-risk alcohol consumers** (Grossman, E. et al. 2022). The proposal is likely to increase health inequalities in Finland.
- The home environment whether one's own home, someone else's, or another private space – as the most common setting for alcohol consumption in Finland (Mäkelä et al., 2023). This makes the issue of home delivery of alcoholic beverages particularly concerning.
- It is clear that fast, **same-day home deliveries of alcohol** are particularly problematic from a risk consumption perspective.

Impact on well-being and health



- In Finland, around 15% of men and 9% of women drink above the risk limits. Increasing the access to alcohol, shifting consumption away from controlled spaces (such as restaurants) to the home, and longer periods of continuous drinking can increase the risk of domestic and intimate partner violence.
- Much **intimate partner violence** occurs when the perpetrator, the victim, or both have consumed alcohol (e.g. Livingston, 2011). In Finland, 70% of murders and homicides occur under the influence of alcohol (Life Crime Statistics, 2020).
- Home delivery can increase the risks associated with alcohol consumption among older people.
 In the future, an increasing number of older adults will likely use home delivery services. In
 Finland, there is concern that older adults typically drink alcohol alone at home (Mäkelä, P. et al.,
 2023.)
- It should also be noted that older adults have a much lower tolerance to alcohol, as evidenced by lower risk consumption thresholds. Increased alcohol consumption at home is likely to lead to an increase in alcohol-related injuries, accidents, and deaths in the ageing population.



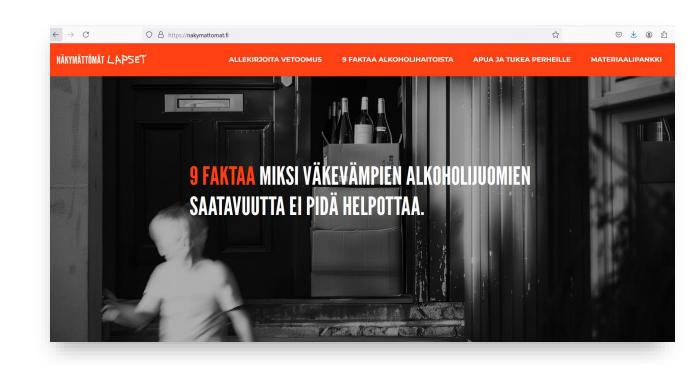
Impact on children, young people, and families

- Alcohol has a direct and indirect negative impact on children and young people. Children and young people risk hindering their development if they use alcohol. On the other hand, alcohol use in the family can compromise a safe environment for children to grow up in. The proposed change must be considered with particular attention to its impact on children and young people, who are strongly affected.
- Research evidence shows that home delivery of alcohol increases the likelihood of minors gaining access to alcohol, even when operators claim they are checking age (e.g. Noel & Rosenthal, 2023).
- Studies have shown that when adults drink alcohol at home, their ability to supervise children is impaired (Freisthler et al., 2015).
- It is often assumed that harm from alcohol consumption is limited to families with heavy drinkers. However, children affected by parental alcohol consumption are most often found in ordinary working families, where alcohol-related problems may not be immediately apparent.



Impact on children, young people, and families

- In Finland, about 89,000 children have parents who have experienced at least one serious substance abuse problem requiring treatment, which is about 8.7% of all underage children.
- The majority of these parents have a history of alcohol-related problems (Raitasalo, 2024).
- The actual number of children living with a parent who has a substance abuse problem is likely higher than the above estimate, based solely on register data.



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Child protection



- Current resources available for child protection is already concerning worrying and cannot cope with the increased burden of alcohol without serious consequences for children's growth and development.
 - In 2023, 110,269 children were reported to child protection services, accounting for over 10% of all children an 11% increase from the previous year (Forssell & Kuoppala, 2024).
- A parent's alcohol problem significantly increases the risk of a child being placed outside the home. Parental alcohol problems and related violence are the most common reasons for removing a child from their care.
 - In 2023, 11,300 children were placed outside their homes, including 4,873 in emergency care an
 8% increase from the previous year. The reform is likely to increase the workload in child protection.

Relationship with distance buying and selling from abroad



- A frequent argument for allowing home delivery of alcohol is that purchases from foreign online shops can already be delivered to one's door.
- The same problems as above apply to distance purchases, and it should be made clearer how age limits and intoxication are monitored when drinks ordered from abroad are delivered, or how much of the alcohol purchased ends up in the hands of minors.
- However, a major problem with domestic home delivery is that it would allow for express deliveries of alcohol, even on the same day. Expedited deliveries allow for longer periods of uninterrupted drinking.
- Distance purchases, on the other hand, can take several days to arrive, which slightly reduces the risks associated with distance purchases compared to express deliveries.
 However, if the bill passes, express deliveries of alcohol during the same day should be prohibited. There should be a clear time limit in the law to ensure that shipments do not take place during the same day.

Relationship with distance buying and selling from abroad



- If drinks are allowed for home delivery from farms or breweries, the public health status of the alcohol monopoly will be on a slippery slope.
 - This would be contrary to Prime Minister Petteri Orpo's government programme, which explicitly states that 'the government will not change the public health status of Alko'.
- EHYT recommends that express delivery should not be allowed. The law should stipulate that an order containing alcohol can only be delivered no sooner than the next day.
 - This would help to prevent further drinking and harm to at-risk users. The proposal should also limit the amount of alcohol that can be delivered at one time.

Relationship with distance buying and selling from abroad



- The company trading in alcohol must be responsible for the legality of its activities
 throughout the supply chain. The responsibility for the legal supply of alcohol should
 always rest with the seller and not just the delivery operator.
- As noted in the business impact section of the bill, food delivery services often use independent contractors and operate in a platform economy. They are not salaried employees and therefore do not have employment security. Thus, they do not play a role in the overall picture. Responsibility and sanctions should not be imposed on individual vulnerable fast movers.
- EHYT stresses that if the supply authorisation model is adopted, it is essential to impose strict conditions, requirements, and penalties for granting the authorisation.
- The draft law raises the question of whether a licence is also required for deliveries from foreign companies and how it regulates the import of alcoholic beverages delivered from foreign online shops.

Penalties



- EHYT considers that the proposed maximum fine of EUR 20,000 for non-compliance with the Alcohol Act is too low, given the scale of alcohol traders' businesses and the potential risks of expanding alcohol sales.
- In Finland, alcohol sales amount to nearly €5 billion a year across all distribution channels, while the societal costs are also calculated in the billions.
- The penalty amount should be based on the model in the gambling law currently being drafted. This penalty ranges from 1,000 and 100,000 euros. For legal entities, it is 4% of the turnover, with a minimum of 10,000 euros and a maximum of 5 million euros. Under the Gambling Act, penalties for individuals are capped at 3,000 to 40,000 euros.

Penalties



- The penalty should be proportional to the size of the operator, ensuring that it effectively deters each type of entity whether it's the licensed source, the platform owner, or a large retailer such as a grocery chain.
- The authority must also have the clear ability to revoke the licence from both the alcohol seller and the transport service provider.
- EHYT considers it problematic that the proposed supply authorisation model shifts the responsibility for age and intoxication control away from the alcohol seller.
- Since many couriers are self-employed, this responsibility becomes disproportionately high and
 exposes them to unreasonable safety risks. The proposal also raises concerns about how to handle
 situations where the buyer and the recipient are not the same person.
- The bill stipulates that both the purchaser and the recipient of an alcoholic beverage must show proof of age each time they buy or receive alcohol. The age limit should always be verified both at the time of ordering and at the time of delivery.

Delivery locations



Prohibitions on alcohol supply should ensure that it cannot be ordered in places intended for use by children or young people.

The proposal should therefore specify that delivery prohibitions must include, at a minimum, the following locations:

- Indoor and outdoor facilities of vocational training and upper secondary education establishments.
- Playgrounds, for which a safety document must be drawn up in accordance with the Consumer Safety Act.
- Outdoor areas of institutions providing care under the Child Protection Act or the Mental Health Act that are intended for persons under 18 years of age (13.4.2022/283).
- Sports facilities or youth facilities organised by the town or municipality.

EHYT expresses concern that enforcing supply bans at these sites may be difficult in practice, as there is no comprehensive, up-to-date database of such sites and authorities lack the means to monitor compliance.

Test purchases

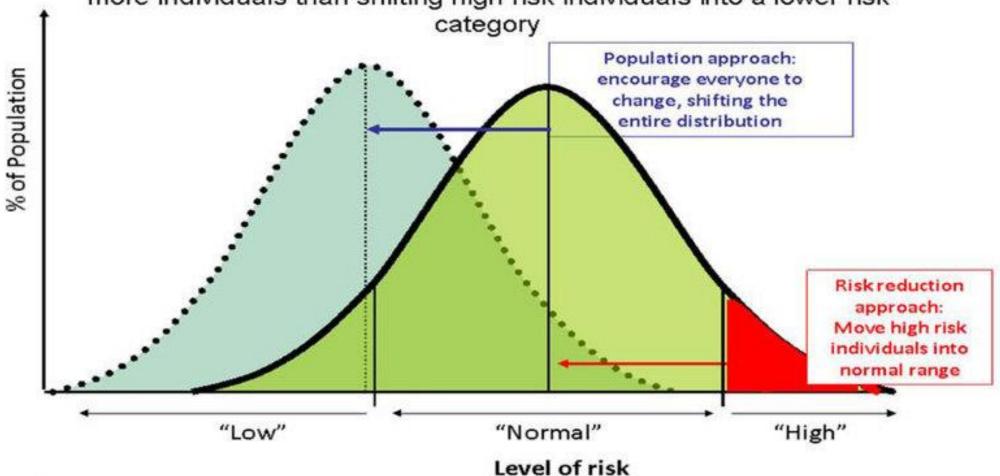


- EHYT proposes that the law should grant broad access rights to authorities and researchers to data on purchases, sales, age limits, and intoxication checks for surveillance and research purposes.
- EHYT stresses the importance of enabling authorities to make test purchases (i.e. mystery shopping) to effectively monitor activities. Failure to comply must result in the possible imposition of significant fines and the loss of the supply licence. Furthermore, authorities must receive adequate resources to ensure effective monitoring and impact assessment.
- Overall, home delivery of alcohol involves various risks across society.
 Therefore, it cannot be considered merely a welcome convenience for moderate drinkers.

The Bell-Curve Shift in Populations



Shifting the whole population into a lower risk category benefits more individuals than shifting high risk individuals into a lower risk



Source: Rose G. Sick Individuals and sick

populations. Int J Epidemiol. 1985; 12:32-38.

Expanding the sale of alcohol would increase public sector expenditure, contrary to the economic adjustment objectives set out in the government programme.



The government should pay attention to the economy of the welfare regions, strengthening employment and the crisis resilience of Finnish society.

All of these are negatively affected by alcohol.

The amendment to the alcohol law on the introduction of 8% strength alcoholic beverages in grocery stores was supported only by operators who benefit economically from the sale of alcohol.



In addition to the police, all social and health actors, from welfare areas to associations, opposed the change.

Responsible politicians must stick to a functioning alcohol policy and not make informed decisions to increase the health, economic and social harm caused by alcohol. The disadvantages of expanding the alcohol market would outweigh the benefits many times over.



78% of Finns are satisfied with the current times and places where alcohol is sold."

EHYT

(Kantar, 2022)

The sale of wines in grocery stores would largely undermine the economic, political and EU legal basis for the current system of public health-based exclusivity.

But citizens do not hope for this development:

The share of people who would like to buy spirits in grocery stores was 10% in 2024."

(Alcohol Policy Opinions, 2024)



Political context



- In the spring of 2023, Finland held parliamentary elections.
- The National Coalition Party and the Green Party publicly announced that they
 intended to permit the sale of wines in grocery stores.
- Throughout the election season, there was extensive lobbying on bringing wines to grocery stores. The main driver of the change is the grocery retail sector.
- Two industry associations, the Finnish Grocery Trade Association and the Finnish Commerce Federation, launched the "Let's Bring Wines to Grocery Stores" campaign, which aimed to promote this initiative.
 - Banners welcoming wines were prominently displayed in grocery stores across the country.
 - Strong lobbying "behind the scenes" with assistance from various lobbying firms.
- Just before the elections, industry lobbyist purchased front-page advertisements from the largest national newspaper, Helsingin Sanomat. (Cost of only two ads: almost 150 000 EUR)

Tutkimus

Faktat

Case

Q&A

VIINITRUOKAKAUPPAAN

VIINIT, TERVETULOA RUOKAKAUPPAAN!



TRANSLATION: "WINES, WELCOME TO THE SUPERMARKET!"

Distribution of respondents (amendment to the Alcohol Act)



Supporters

Federation of Finnish Commerce

Kesko Corporation / K Group

K-retailers' association ry

Ministry of Agriculture and Forestry, Food Department

Tourism and Restaurant Services MaRa ry

Beer Association

Association of Small Brewers

Grocery trade association

SOK / S Group

Finnish Entrepreneurs Association

Distribution of respondents (amendment to the Alcohol Act)



Unclear / partially in favour / with modifications

Competition and Consumer Authority

MTK

Ministry of Justice

Oy Hartwall Ab

Federation of the Brewing and Soft Drinks Industry

Association of Small Distilleries

Sinebrychoff

Finnish Alcoholic Beverage Trade Association

Finnish Wine Producers Association

Distribution of respondents (amendment to the Alcohol Act)



Against:

Brain Injury Association

A-Guilds Association

A-Clinic Foundation

Alko

ASH

EHYT

The hero of my life

Association of First Aid and Shelters

EPT network

South Karelia Well-being Region

South Ostrobothnia Well-being Region

Southern Finland AVI

Folkhälsans förbund

City of Helsinki

HUS Group

Hyvil Oy

AVI Eastern Finland

Kainuu Well-being Region

Kanta-Häme Well-being Region

Karjaan Ratatupa ry

Association for Developmental

Disabilities

Kipinä ry

City of Kotka

Consumers' Association of Finland

Lapland AVI

Office of the Ombudsman for

Children

Central Federation for Child

Protection

Road safety

AVI Western and Interior Finland

Länsi-Uusimaa Welfare Region

Mannerheim Child Protection League

Mieli

Kidney and Liver Association

Youth Research Association

Nykterhetsförbundet Hälsa och Trafik

Finnish National Board of Education

Service sector trade union PAM

Pirkanmaa Well-being Region

AVI Northern Finland

Police Board

Ombusdman / EHYT

Association for Substance Abuse

Medicine

Päijät-Häme Well-being Region

DATES

Friends of Sobriety Association

Satakunta Welfare Region

Blue Ribbon Alliance

Siun SOTE

SOSTE

Finnish Brain Association

Finnish Medical Association

The Finnish Heart Association

Finnish Cancer Society

Finnish Nurses' Association STHL ry

Office of the High Commissioner for

Equality

Tehy

THL

TTL

Tukikohta ry

Valvira

Southwest Finland's Well-being Region

Alcohol - A major economic and health issue

- Alcohol is harmful to an individual's health and, of all intoxicants, causes by far the most harmful to health and social harm. Not a normal consumer product.
- Alcohol has a negative impact on the national economy and the health and functional capacity of the population, undermines the overall safety of society and places a significant burden on social services, emergency services and the police.
- Alcohol consumption causes significant negative costs in the billions of euros in Finnish working life (e.g. reduced productivity, sick leave, disability and staff problems).
- Alcohol is a major risk factor for many chronic diseases, disability and premature death.

In Finland, 560 000 people consume alcohol in ways that put them at increased risk of long-term alcohol-related health problems. Around 70 000 children live in families where at least one parent has a serious substance abuse problem.

TRIS - European Commission

TRIS About the 2015/1535 V The 2015/1535 and You V Search the database FAQ Contact V

Home > Prevention of technical barriers to trade > Notification Detail

Notification Detail

Government proposal to parliament for an act amending section 17 of the Alcohol Act

Notification Number: 2023/0543/FI (Finland)

Date received: 18/09/2023 End of Standstill: 19/12/2023

> FI BG HR CS DA NL EN ET FR GA DE EL HU IT LV LT MT PL PT RO SK SL ES SV **Draft Text:**

FI EN FR DE Impact assessment:

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Message

Notification Message

Other Messages Contribution

Message 001

Communication from the Commission - TRIS/(2023) 2642

Directive (EU) 2015/1535

Notification: 2023/0543/FI

Notification of a draft text from a Member State

Notification – Notification – Notificación – Hotuфикация – Oznámení – Notifikation – Γνωστοποίηση – Notificación – Teavitamine – Ilmoitus - Obavijest - Bejelentés - Notifica - Pranešimas - Paziņojums - Notifika - Kennisgeving - Zawiadomienie - Notificação -Notificare - Oznámenie - Obvestilo - Anmälan - Fógra a thabhairt



Thank you!

- + (EN) The Association of Finnish Alcoholic Beverage Suppliers on 26-09-2023
- + (EN) EHYT Finnish Association for Substance Abuse Prevention on 31-10-2023
- + (FI) Syöpäjärjestöt (Cancer Society of Finland) on 01-11-2023
- + (EN) IOGT-NTO on 17-11-2023
- + (EN) Federation of the Brewing and Soft Drinks Industry on 17-11-2023
- + (EN) Nordic Alcohol and Drug Policy Network (NordAN) on 20-11-2023
- + (EN) spiritsEUROPE on 24-11-2023
- + (EN) European Alcohol Policy Alliance (Eurocare) on 05-12-2023
- + (EN) Guttempler in Deutschland e.V. on 06-12-2023
- + (EN) European Liver Patients' Association ELPA member of the European Alcohol Policy Alliance (Eurocare) on 07-12-2023
- + (EN) Scottish Health Action on Alcohol Problems (SHAAP) on 07-12-2023
- + (EN) Nykterhetsförbundet Hälsa och Trafik r.f. on 15-12-2023
- + (EN) Movendi International on 15-12-2023
- + (EN) European Public Health Alliance (EPHA) on 18-12-2023
- + (EN) Alkohol & Samfund on 18-12-2023
- + (PL) Polish Spirits Industry Employers' Association on 19-12-2023
- + (EN) IOGT Iceland on 19-12-2023

The future of Finnish alcohol policy

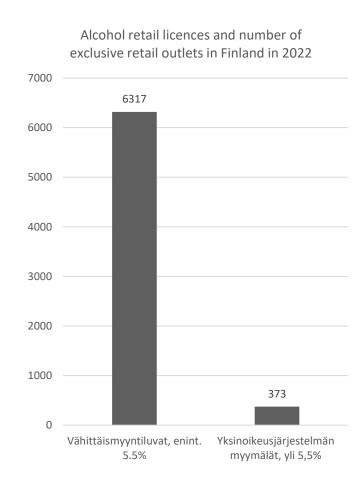


- Alcohol sales in the Nordic countries are subject to a retail monopoly (except Denmark) as follows:
 - Iceland: alcohol content over 2.25%.
 - Sweden: alcohol content over 3.5%.
 - Norway: alcohol content over 4.75%.
 - Finland: alcohol content over 5.5%.
- In Finland, the government proposes to raise the limit for beverages sold in grocery stores to 8.0% and home delivery of alcohol, and wants to clarify the sale of wine in grocery stores. Breaking away from the Nordic line.
- EHYT: Decision-makers should not push for such a change, which is harmful to the economy and public health.
 - Deepening of the social and healthcare crisis, negative employment effects and weakening of resilience.
- The interests of the industries that profit from the sale of alcohol must not be put before the interests of society as a whole (health, economy, security, social well-being).

The importance of an exclusive system for access to alcohol



- In 2022, Finland had 373 monopoly outlets (Alko), but 6 317 holders of retail licences for drinks of up to 5.5% (now 8%), of which 1 444 were restaurants.
- The sale of stronger alcohol in more than 4,500 grocery stores, kiosks and petrol stations would increase the availability of alcohol to citizens and have a negative impact on the national economy and health.
- Dismantling the exclusive retail system would mean an increase in outlets for stronger alcoholic beverages from the current level of around 370 to a potential 17-fold increase to 6,400 (+1600%).



Perspectives: the alcohol market now

- The retail sector is actively promoting the opening of the alcohol market and a stronger
 the sale of more alcohol in grocery stores. Experts believe that bringing wine into the grocery
 store would also bring spirits into the grocery store.
- The economic, political and EU legal foundations of the current exclusive rights regime would crumble. It is effectively a question of opening up the entire alcohol market.
- The state cannot compete with market operators for the sale of harmful drugs (Argument: "Alko would be able to compete").
- The increase in the availability of wines and spirits from 370 to potentially 4500-6400 outlets
 proposed by the retail sector would increase alcohol-related harm (grocery stores, kiosks, petrol
 stations). Large number of shops in Finland without an Alko.
- This is primarily driven by the commercial interests of one sector of industry. The grocery sector is seeking a share of the alcohol market, worth €1.3 billion/year out of a total market of around €5 billion/year. Finland has the most concentrated retail sector in the world ("oligopoly": K, S and Lidl).
- Industry is not homogeneous: some breweries are not in favour of change.

Citizens' perspectives

- From the public's point of view, it is misleading for the trade to talk only about wines. There is widespread satisfaction with the current system.
- 78% of citizens said that the current hours and places of sale of alcohol are sufficient for them (EHYT, Kantar Public, 2022).
- Only 12% of Finns want spirits in the grocery store (Alcohol Policy Opinions, 2023).
- The sale of wines in grocery stores would lead to a situation that only a small minority would like to see. The vast majority understand the importance of alcohol harm.
- Of the Nordic countries, only Denmark does not have an exclusive retail system (but the highest total consumption). Historically, Denmark has a strong alcohol industry.

Informed decision-making

Change to be studied: if the monopoly were to be abolished completely, what would happen?

- Total alcohol consumption: + 9% (taking into account the decrease in passenger imports).
- Alcohol mortality: +14 %
- Alcohol-related costs: +17% (+€271 million, total €1.9 billion)

Source: Stockwell et al. 2019 & Sherk, 2023

The key mechanism: increase in the number of outlets from current 370 -> approx. 4500-6400 (10-17x)



Stockwell, T., Sherk, A., Sorge, J., Norström, T., Angus, C., Chikritzhs, T., Churchill, S., Holmes, J., Meier, P., Naimi, T., Ramstedt, M. & Simpura, J. (2019). Finnish alcohol policy at the crossroads: The health, safety and economic consequences of alternative systems to manage the retail sale of alcohol. Canada: Canadian Institute for Substance Use Research, University of Victoria. https://www.uvic.ca/research/centres/cisur/assets/docs/report-alko.pdf.

Sherk A, Stockwell T, Sorge J, et al. The public-private decision for alcohol retail systems: Examining the economic, health, and social impacts of alternative systems in Finland. Nordic Studies on Alcohol and Drugs. 2023;40(3):218-232.

https://journals.sagepub.com/doi/full/10.1177/14550725231160335

It's not just a small minority



Alcohol-related harm is not just about alcohol dependence:

- The amount of alcohol in our everyday environment matters from a harm prevention perspective (the "alcoholic will always find his alcohol" argument).
- Every citizen shops at the grocery store. No one becomes addicted to alcohol without first having drunk alcohol.
- A significant proportion of alcohol-related harm occurs to non-alcohol
 dependent people, including in the form of drunk driving accidents,
 accidents and violence.
- The current health crisis in Finland will not tolerate any additional burden on social and health services. The problem cannot be solved even with money, because there is a serious shortage of social welfare staff.

Alkoholin haitat muille kuin käyttäjälle itselleen











Terveys ja turvallisuus

pahoinpitelyt, tapot ja muut väkivaltarikokset

liikenneonnettomuudet

työturvallisuuden vaarantuminen

tulipalot

muu riskikäyttäytyminen, mm. tartuntataudit

Yhteiskunta

terveydenhuollon kustannukset

järjestyshäiriöt julkisilla paikoilla

poliisin ja pelastustoimen kustannukset

ilkivallan kulut

vankeinhoitojärjestelmän kulut

oikeudenkäyntien kulut

alentunut tuottavuus

Perheet ja lapset

lasten tarpeiden laiminlyönti

lähisuhdeväkivalta

vanhemmuuden ongelmat ja avioerot

mielenterveys ja päihdeongelmat

taloudelliset ongelmat

Raskauden aikainen käyttö ja sikiövauriot

fetaalialkoholisyndrooma (FAS) ja muut vakavat kehityshäiriöt

alhainen syntymäpaino

epigeneettiset ylisukupolviset vaikutukset kehitykseen

Lähde: Alcohol and society (2015), IOGT-NTO and the Swedish Society of Medicine in cooperation with Forum Ansvar.



Source: https://www.fcg.fi/palvelut/sosiaali-ja-terveyspalvelut/soten-tiedolla-johtaminen/pyll /

Effective alcohol policy measures

EHYT

International research and the World Health Organisation's WHO recommendations, the most effective ways (best buys) to prevent alcohol-related harm are to influence alcohol consumption:

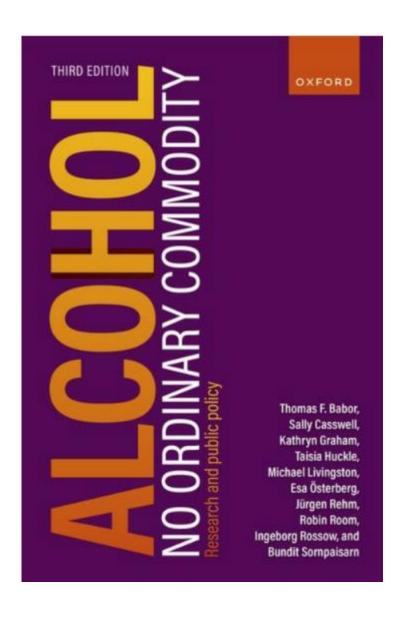
- Availability (= number of outlets and opening hours)
- Price (= tax policy)
- Marketing (= advertising and other sales promotion)

As alcohol causes harm and costs to society, society has the right (and the duty) to prevent these harms and to use the means shown to be effective.

Politicians must use the means at their disposal, i.e. legislation.

Research evidence on effective alcohol policies





Babor, T. et al. (2022). Alcohol: No Ordinary Commodity: Research and Public Policy (3rd edition). Oxford University Press.

Open Access:

https://global.oup.com/academic/product/alcohol-no-ordinary-commodity-9780192844484

The 2018 law reform and its effects

- The retail sector argues that prices will fall by 40%
 - Prices rose, also when tax increases are taken in account
- THL estimates 150 new alcoholrelated deaths
 - Alcohol-related deaths increased by 160
- The downward trend in alcohol consumption slowed down (note the corona pandemic)
 - 2008-2021 -> 8 tax increases
- Previous 2018 alcohol law reform:
 was it a "success" and for whom?

Tutkimus: Uusi laki voi laskea alkoholin hintaa kaupoissa jopa 40 prosenttia



JULKAISTU 10.01.2017 11:26 (PÄIVITETTY 10.01.2017 12:09)

Päivittäistavarakaupan teettämän tutkimuksen mukaan uusi alkoholilaki voi laskea alkoholin hintaa kaupoissa jopa 40 prosenttia.

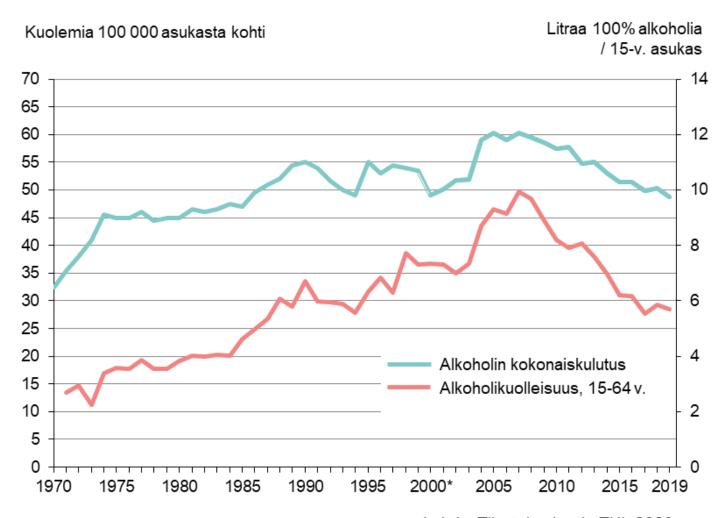
Evaluating the effectiveness of alcohol policy measures



One measure of effectiveness is the reduction in overall alcohol consumption:

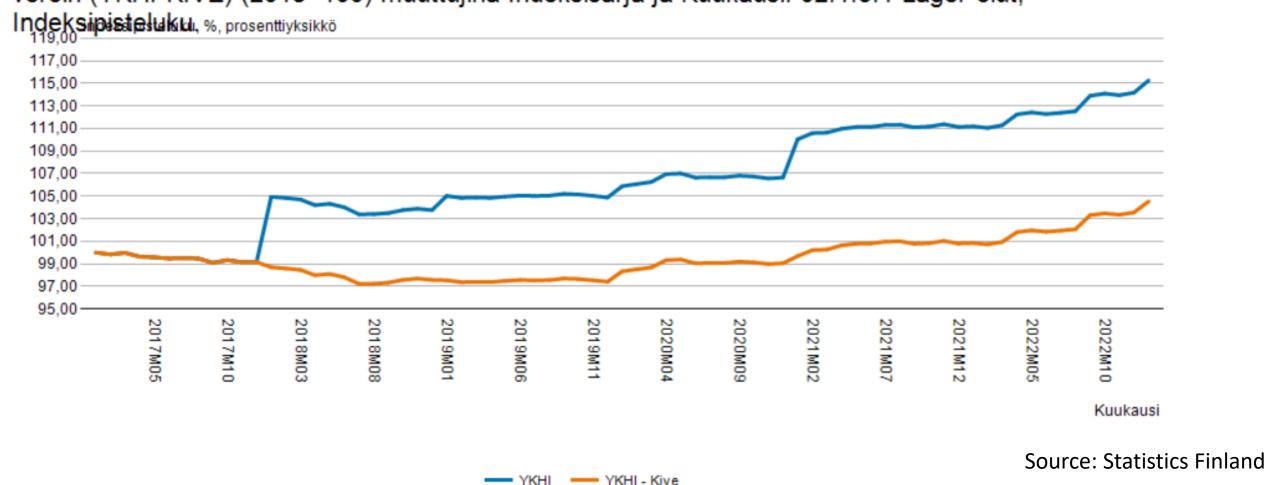
- Closely linked to alcohol-related mortality
- → 2004: reduction of alcohol tax
- → 2008-2021: 8 tax increases

Other important public health indicators include alcohol-related diseases, accidents and domestic violence.



Lähde: Tilastokeskus ja THL 2020

Yhdenmukaistettu kuluttajahintaindeksi (YKHI) ja Yhdenmukaistettu kuluttajahintaindeksi kiintein veroin (YKHI-KIVE) (2015=100) muuttujina Indeksisarja ja Kuukausi. 02.1.3.1 Lager-olut,

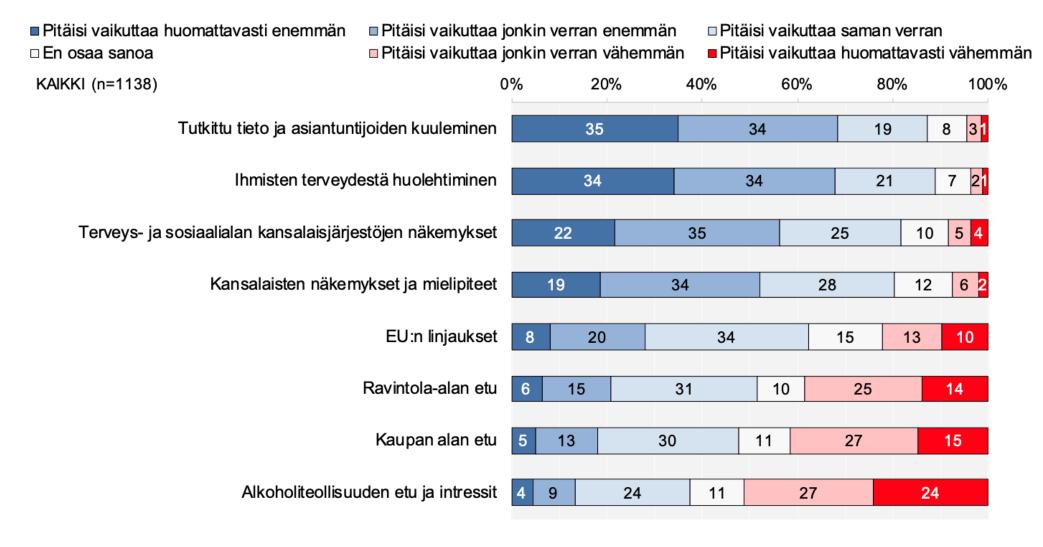


The YKHI series corresponds to the YKHI-kive series. The YKHI-hive series measures market inflation, where tax changes are removed from the price. Both series start at 100 points. In January 2023, the YKHI will have a point value of 115, meaning that prices have increased by 15% since January 2017. The YKHI-hive stone is 104.5 which indicates that prices have increased by 4.5% between 01/2017 and 01/2023 (tax increases taken into account).

See https://ehyt.fi/uutishuone/blogit/luotatko-alkoholikauppiaaseen/

What should influence decision-making on alcohol policy? (EHYT, <u>Kantar 2022</u>)



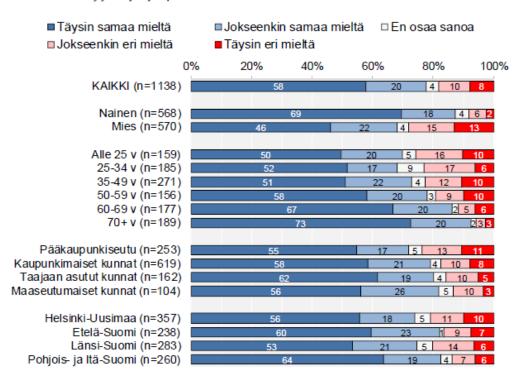


78% of Finns felt that the current hours and places of sale of alcohol were sufficient for them



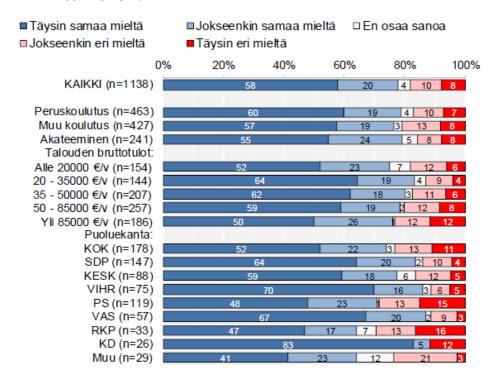
SEURAAVAKSI ESITETÄÄN VIELÄ ALKOHOLINKÄYTTÖÖN JA ALKOHOLIKULTTUURIIN LIITTYVIÄ VÄITTÄMIÄ. KERRO ERIKSEEN, KUINKA SAMAA TAI ERI MIELTÄ OLET KUNKIN KANSSA. (21/21)

Nykyiset alkoholin myyntiajat ja -paikat ovat minulle riittävät



SEURAAVAKSI ESITETÄÄN VIELÄ ALKOHOLINKÄYTTÖÖN JA ALKOHOLIKULTTUURIIN LIITTYVIÄ VÄITTÄMIÄ. KERRO ERIKSEEN, KUINKA SAMAA TAI ERI MIELTÄ OLET KUNKIN KANSSA. (21/21)

Nykyiset alkoholin myyntiajat ja -paikat ovat minulle riittävät



The target group of the survey consisted of people aged 18 and over in Finland (excluding those living in the province of Åland).

The survey was answered by 1,138 people between 26 August and 6 September 2022, with a statistical margin of error of around + 3.0 percentage points. Source: https://ehyt.fi/uutishuone/tiedotteet/kysely-alkoholin-saatavuutta-pidetaan-riittavana-78-prosenttia-eduskuntavaaliehdokkaista-tyytyvaisia-alkoholin-myyntiaikoihin-ja-paikkoihin/

Why wines in grocery stores would eventualy dismantle the monopoly?



European Union legislative factors

- The legal justification of the monopoly system could be challenged in the Court of Justice of the European Union.
- The system may no longer effectively serve its public health objectives.
- In addition, significantly reduced Alko store network could violate the requirement for store network coverage included in Article 37 of the TFEU (Treaty on the Functioning of the European Union).

The Association of Finnish Alcoholic Beverage Suppliers has supported the current monopoly and stated on the EU requirements (Feb 15, 2023) as follows: "The monopoly's sales network must be **organized in such a way that the limited number of sales points does not jeopardize product deliveries to consumers.** The number of sales points cannot be restricted so much that it would make it difficult for consumers to obtain domestic or imported alcoholic beverages."

The Association of Finnish Alcoholic Beverage Suppliers: opening only the wine market is not possible (February 15, 2023)



"Bringing wines to the shelves of grocery stores, which in practice would allow the sale of alcoholic beverages with a maximum strength of 16 or 22 percent in daily grocery stores, would very likely lead to a situation where the retail monopoly of strong alcoholic beverages remaining under Alko's control would be in violation of EU legislation. Strong alcoholic beverages cannot be placed in a discriminatory position in the market, leaving them solely within the monopoly, while other products are in the free market."

"Regarding the coverage of the sales network, the change could lead to the assessment of the monopoly as contrary to EU law if Alko's store network were reduced due to a decrease in (wine) sales. The monopoly's sales network must be organized in such a way that the limited number of sales points does not jeopardize product deliveries to consumers. The number of sales points cannot be restricted so much that it would make it difficult for consumers to obtain domestic or imported alcoholic beverages."

Source: https://www.sttinfo.fi/tiedote/69965859/viinit-ruokakauppoihin-olisi-eulle-no-go?publisherId=69819901

The Association of Finnish Alcoholic Beverage Suppliers: opening only the wine market is not possible (February 15, 2023)



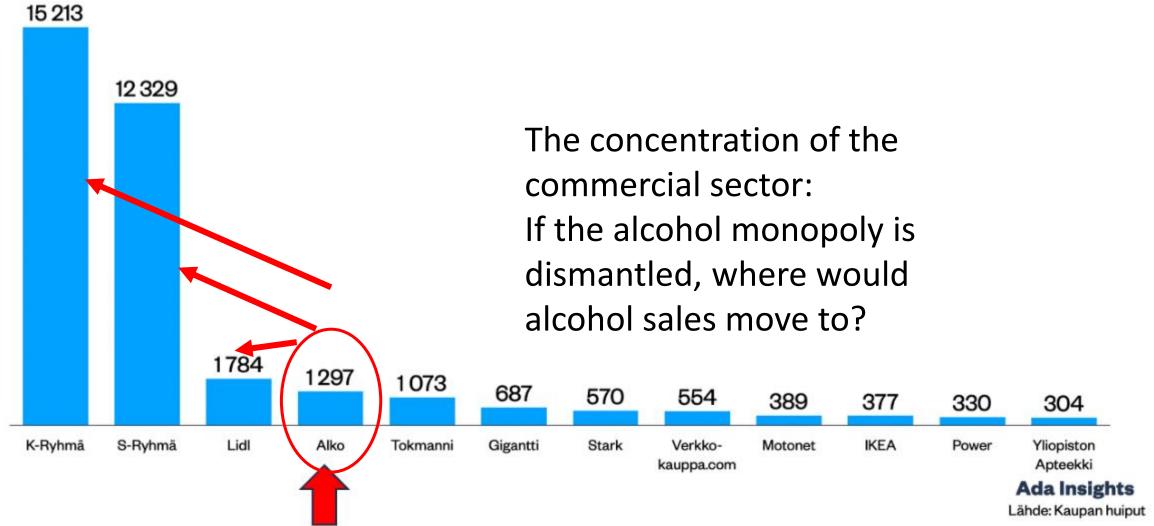
"In practice, when interpreting EU monopoly legislation, it is not possible to limit the entry of only wines into grocery stores but also strong alcoholic beverages should be included in the grocery store category. A monopoly solely related to strong alcoholic beverages in a significantly reduced Alko store network would violate the requirement for store network coverage included in Article 37 of the TFEU (Treaty on the Functioning of the European Union)."

"In interpreting EU monopoly legislation, it is not possible to bring only wines to grocery stores; simultaneously, strong alcoholic beverages should also be included in the grocery store category."

Source: https://www.sttinfo.fi/tiedote/69965859/viinit-ruokakauppoihin-olisi-eulle-no-go?publisherId=69819901

Finland's largest retail groups by turnover (EUR million)

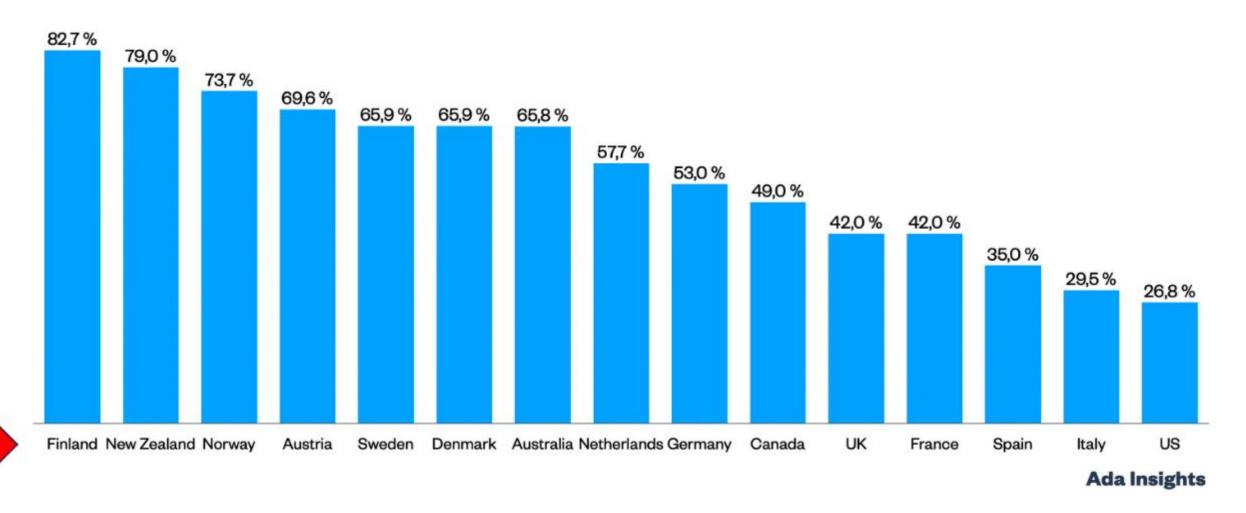




Source: https://www.adainsights.fi/blog/viisi-kuvaa-alkoholin-myynnin-vapauttamisen-keskusteluun

Combined market share of the two largest grocery chains in different countries (2021)





Source: https://www.adainsights.fi/blog/viisi-kuvaa-alkoholin-myynnin-vapauttamisen-keskusteluun

Alcohol market

EHYT

Commercial interests and public health are at odds in alcohol and drug policy.

How will policy change? Three conditions must be met, must be:

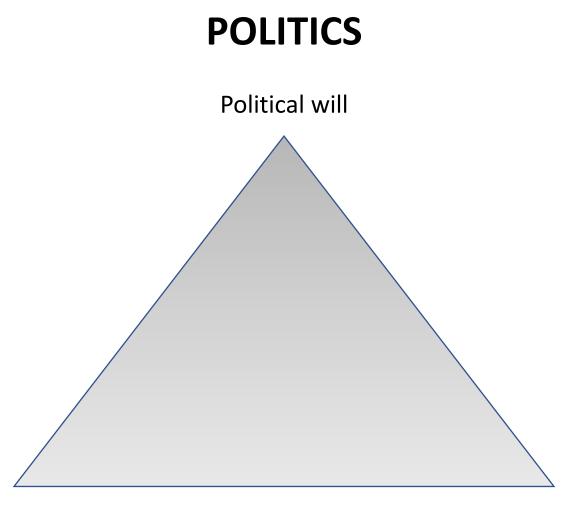
- 1) Identified problem (problem)
- 2) An enforceable proposed solution (policy)
- 3) Political will (political will / politics)
- What problem would increasing the availability of alcohol by bringing wines (and spirits) into grocery stores solve? Increasing turnover in the retail sector is not a satisfactory answer.
- In the light of current research and expert evidence, the responsibility of policy makers is crucial: do politicians want to increase alcohol-related harm and deaths?
- Expanding the sale of alcohol would not solve any social problems, but would threaten to create a host of new ones.

UNDERSTANDING POLICY CHANGE: THREE STREAMS MODEL

Kingdon, J. (1984). *Agendas, alternatives, and public policies*.

The streams model proposes that a policy is formulated only when the three policy streams of problems, policies, and politics come together (Kingdon, 1984).

The problem needs to be identified, there needs to be a policy-based solution to the problem, and governing authorities must have the political will to implement the proposed policy.



The question is:

What is the problem that would be solved by increasing the availability of alcohol?

PROBLEMS

POLICIES

Identification and framing

Policy-based solutions

The future



- Decision-making should take into account people's health before the interests of the industry. The current government programme places a strong emphasis on competition and business policy in relation to alcohol, even though the harm is felt by different sectors of society.
 - Examples include the reduction of the beer tax (€25 million), increasing access to alcohol and allowing widespread retailing of nicotine pouches.
 - The threat is growing substance abuse and deteriorating national economies and health.
- If legislative means at the societal level are not used, it is all the more important to invest sufficient resources in prevention and early intervention at the community and individual levels. No additional efforts in the government programme.

Finally, why prevent substance abuse?



Economic reasons:

- Drugs cause billions of euros in direct and indirect harm to Finnish society, including the business sector, every year.
- Drugs increase the need for services, reduce productivity and have a negative impact on the health and ability to work and function of the population.
- Alcohol has two main effects on a functioning economy:
 - 1) Increases public sector costs
 - 2) Reduce the number of taxpayers

Human reasons:

- Diseases and premature avoidable deaths cause a human cost.
- Drugs often underlie disability, homelessness and other social exclusion.

Health reasons:

- Alcohol consumption puts the health of 560 000 Finns at risk. In total, around one million Finns are at risk of drinking alcohol.
- Alcohol and drugs place a significant burden on the health system, delaying other treatment. In social services, 46 000 hospital admissions and 93 000 treatment days due to alcohol-related illnesses. Alcohol has been linked to more than 200 different diseases.

Social reasons:

- Drugs also cause significant harm to people other than the users themselves.
 - In Finland, around 70 000 children live in a family where at least one parent has a serious substance abuse problem.
- Around 250 000 alcohol-related police alerts. Over 16 000 drink-driving cases reported to the police

The public authorities shall ensure, as provided by law, adequate social and health services for all and promote the health of the population.

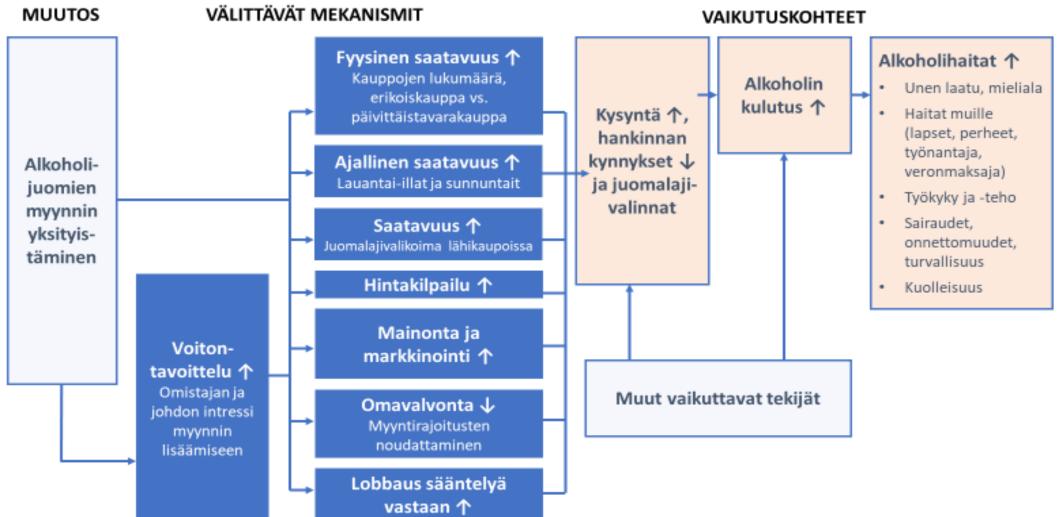
Section 19(3) of the Finnish Constitution





Mechanisms: what would be the impact of opening up the alcohol market?





THL. 2022. Alko's exclusivity scheme is an effective way to prevent alcohol-related harm Study in brief 17/2022.

https://urn.fi/URN:ISBN:978-952-343-842-2

More information at



EHYT's statement on the amendment to the Alcohol Act: https://ehyt.fi/wp-content/uploads/2023/11/2023-11-22-EHYT-Alkoholilaki-lausunto.pdf

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REPORT: Effective alcohol policies: a review of the World Health Organisation's (WHO) alcohol policy recommendations, EHYT, 2022: https://ehyt.fi/tuote/vaikuttavaa-alkoholipolitiikkaa-katsaus-maailman-terveysjarjesto-whon-alkoholipoliittisiin-suosituksiin/

PRESENTATIONS

Current Issues in Alcohol Policy, EHYT, 2023: https://ehyt.fi/tuote/alkoholipolitiikan-ajankohtaiskysymyksia/

Young people and alcohol, EHYT, 2022: https://ehyt.fi/tuote/nuoret-ja-alkoholi/

Increasing access to alcohol will accelerate the social and health crisis, EHYT, 2023: https://ehyt.fi/tuote/alkoholin-saatavuuden-lisaaminen-kiihdyttaa-sote-kriisia/

More information at



Other sources

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Sherk A, Stockwell T, Sorge J, et al. The public-private decision for alcohol retail systems: Examining the economic, health, and social impacts of alternative systems in Finland. Nordic Studies on Alcohol and Drugs. 2023;40(3):218-232. https://journals.sagepub.com/doi/full/10.1177/14550725231160335

Mäkelä, P. & Karlsson, T. (2019). How do alcohol monopolies affect alcohol consumption in the population? A review of the research literature. Social Policy 84 (2019):5-6. https://urn.fi/URN:NBN:fi-fe2019051615817.

THL (2022). The Alko exclusivity scheme is an effective means of preventing alcohol-related harm. Study in brief 17/2022. https://urn.fi/URN:ISBN:978-952-343-842-2

WHO, Reducing alcohol consumption, the Nordic way: alcohol monopolies, marketing bans and higher taxation, 30.6.2023. https://www.who.int/europe/news/item/30-06-2023-reducing-alcohol-consumption--the-nordic-way--alcohol-monopolies--marketing-bans-and-higher-taxation

Alcohol policy "Best Buy" methods

World Health Organisation (WHO) recommendations





Ladattava materiaali, Raportit ja tutkimukset

Vaikuttavaa alkoholipolitiikkaa: Katsaus Maailman terveysjärjestö WHO:n alkoholipoliittisiin suosituksiin

Raportti tuo suomalaiseen keskusteluun tietoa kansainvälisistä vaikuttavista ja tutkimukseen perustuvista alkoholipoliittisista toimenpiteistä. Erityisesti tarkastelussa ovat Maailman terveysjärjestö WHO:n alkoholihaittojen ehkäisyä koskevat suositukset. Mukana on myös puheenvuoroja tunnetuilta kansainvälisiltä asiantuntijoilta.

Lataa materiaalit



↓ LATAA





"Best buy" methods for alcohol policy

Taxation of alcoholic beverages

Regulating access to alcoholic beverages

Restrictions on the marketing of alcoholic beverages



Taxation and pricing of alcoholic beverages



- Alcoholic beverage taxes affect the price of alcohol and thus the sale and consumption of alcohol
 - Effects are visible in all groups that consume alcohol
- Alcohol taxation also generates tax revenue for the state
- Issues to consider in alcohol taxation:
 - Drinking habits of the population
 - Tax methods and their appropriateness in relation to the tax objectives
 - General price developments and inflation



Taxation and pricing of alcoholic beverages



The World Health Organisation (WHO) recommends:

- regular increases in alcohol duty, taking account of price and income developments and inflation
- the introduction of a minimum price for alcohol, if possible
- banning or restricting price advertising and alcohol discounts
- the introduction of price incentives for non-alcoholic beverages
- reducing or ending support for operators in the alcohol industry.





- Availability restriction measures have been assessed on the basis of research evidence as effective in reducing alcohol consumption and alcohol-related harm.
- The availability of alcoholic beverages is affected by factors such as:
 - Number of outlets
 - Opening hours of sales outlets
 - Other conditions imposed on the sale, such as minimum age







At the heart of the World Health Organisation (WHO) recommendations are:

- Monopoly: A monopoly on the retail sale of alcohol that limits the number of outlets and the hours of sale.
- Retail outlets: regulating the number, density and location of alcohol retail outlets.
- Hours of sale: regulation of the hours and days of sale of alcohol.
- Age limits: setting a minimum age limit for the purchase and consumption of alcohol products.
- Restriction of use: restriction of alcohol consumption in public places.





- Alcohol marketing and advertising are linked to alcohol consumption patterns
 - Marketing and advertising to normalise alcohol consumption and downplay its harms
- Alcohol is marketed and advertised through increasingly sophisticated advertising channels (including internationally)
- Exposure of children and young people to alcohol marketing and advertising is a particular problem





Alcohol marketing and advertising

The World Health Organisation (WHO) recommends:

- Legislative means, which should take into account
 - limiting the content and quantity of advertising
 - exposure of children and young people in particular to alcohol marketing and advertising
 - restrictions on sponsorship promoting alcohol products
 - restrictions on the marketing and advertising of alcohol products on new advertising channels, such as social media
- The introduction of an effective advertising monitoring system
- The introduction of effective means of intervention in situations where marketing restrictions are breached.



"Best buy" methods for alcohol policy

+

Taxation of alcoholic beverages

Regulating access to alcoholic beverages

Restrictions on the marketing of alcoholic beverages

+



Most effective when policy and action are combined



Other measures at societal, community and individual level



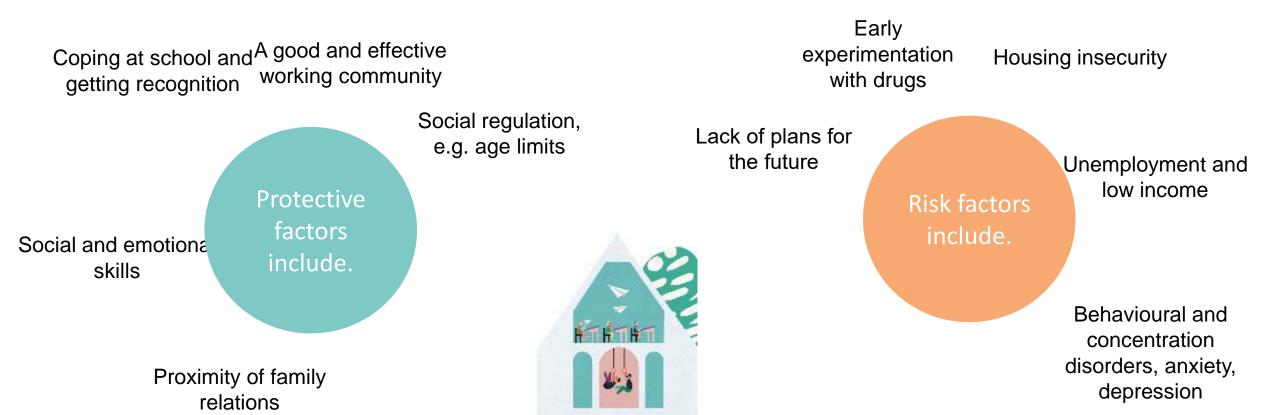
- Action is also needed in the following areas:
 - Substance abuse education tailored to the needs of target groups
 - Prevention of substance abuse in working life
 - Early identification and treatment referral
 - Road safety
 - Securing structures for preventive drug prevention



Preventive substance abuse work includes. EHY7



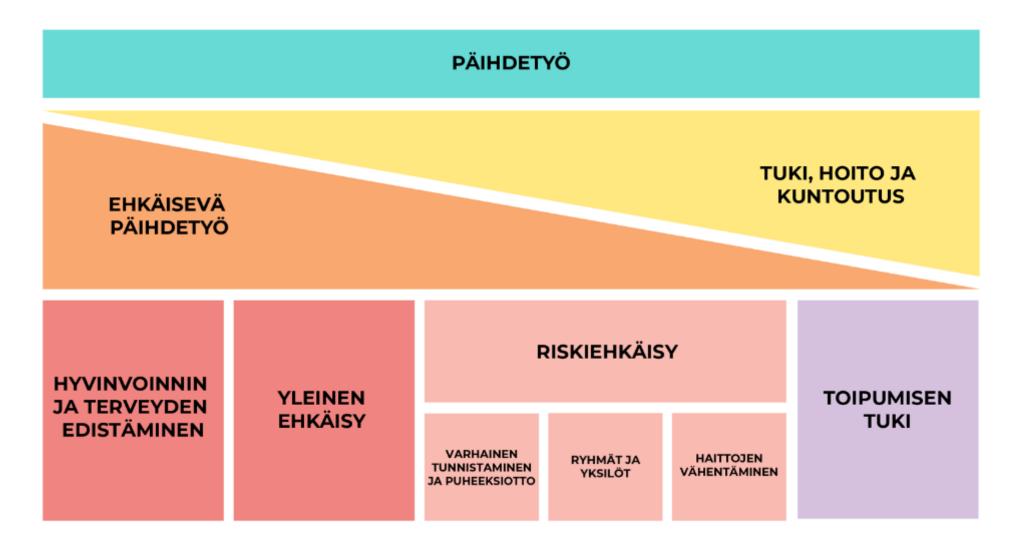
strengthening protective factors and reducing risk factors



(Stakes: Quality criteria for preventive substance abuse work, 2006)

Preventive substance abuse work as part EAY7 of the overall substance abuse work





Substance abuse prevention concerns everyone

Substance abuse or gambling problems overshadow many people's lives in one way or another even if they themselves do not struggle with these issues directly.

Prevention is the most efficient way to fight substance abuse and gaming problems for both individuals and society.

Our work is carried out where people live and work: in educational institutions, workplaces and families.







• Pluralism was the dominant school of thought from the 1950s to the 1970s in political science.

• Classical pluralism suggested that all interest groups have an equal chance to influence public policy, i.e. the approach highlights the plurality of actors and interests that influence decision-making processes (Hill, 2013, p. 27-30).



 The pluralist approach assumes that everyone has equal opportunities to raise proposals on the public policy agenda, and so it is likely that the most useful ideas are supported and implemented by governing authorities through incremental change (Hill, 2013, p. 25-37).

• Incremental steps can lead to unwanted outcomes when there is no overall strategy or a strong sense of direction.



Later, the pluralist view was criticized for its **naivety and ignorance of inequalities that prevent some interest groups from having their voices heard** (Stone, 2011, p. 232-234). The approach can be seen to be based on misguided assumptions such as:

- (1) resources to gain influence would be widely spread throughout society,
- (2) these resources would be equally available to different actors, and
- (3) the amount of potential power would always exceed the governing power.



Lindblom (1979) revised the pluralistic argument by recognizing the influence of strong business interests in policymaking.

This type of neo-pluralism acknowledged the uneven distribution of power among interest groups by arguing that there is "disproportionate political power and influence of business in politics" (Lindblom, 1979, p. 525).

Policy change



- The elitist view of policymaking assumes that there is a small but influential political elite that possesses the top positions in business, government, civic organizations, and the media.
- According to the elite theory, this relatively small group of people often share the same values and hold the power to determine the basic directions of public policy (Dye, 2008, p. 21-23).
- The streams model proposes that a policy is formulated only when the three policy streams of **problems**, **policies**, **and politics** come together (Kingdon, 1984).
- 1) The problem needs to be identified
- 2) There needs to be a policy-based solution to the problem
- 3) Governing authorities must have the political will to implement the proposed policy.