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Which costs of alcohol do policy makers care about?

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Key words: Cost-of-alcohol, alcohol policy, health inequalities

Concise statement: A focus on aggregate 'cost of alcohol' estimates is at odds with the small number of specific costs and benefits upon which given policy makers base their decisions. Future research in this area should also consider the costs of alcohol-related health inequalities.

Commentary: In his excellent and well-argued essay on the costs of alcohol, Bhattacharya (1) puts forward two main arguments. The first, that all parties involved in policy debates should be more careful to ensure the numbers they are quoting are appropriate and germane to their arguments, is undeniable and could equally well be made for any topic, not just alcohol. The second, that the oft-quoted figure of £21 billion, representing the external cost of alcohol to England and Wales, should be updated as part of a "full, holistic review of the costs of alcohol" is less clear cut. The figure is undoubtedly outdated, but one may ask, given the focus of the paper on different ways of measuring the cost of alcohol, why the external cost approach used by the Cabinet Office in 2003 (2) is the most appropriate or valuable.

A useful reference point for this question is the summary table presented by Bhattacharya (1), which suggests that the external cost approach is appropriate when seeking to quantify the externalities associated with alcohol, or when looking to set alcohol taxation at the "optimal" level (assuming one subscribes to the Pigouvian paradigm). These may be important tasks, however a significant proportion of the debates in which cost of alcohol figures feature are those around resource prioritisation. Should we devote more time and money to tackling problems associated with alcohol or illicit drug use or, more broadly, would the money be better invested in the health service or education systems? Reuter memorably describes these questions as an arms race between different societal problems where the problem with the biggest cost will get the most attention (3). In principle a full treatment of the net costs to society (after accounting for the benefits) of different issues would allow policymakers to understand the relative weight that they should place on tackling these issues and the potential for different policy options to reduce these burdens. So why do these figures not play a major role in the political discourse around alcohol and other health risk factors?

The devil, as ever, is in the details. Bhattacharya cautions that such calculations are difficult, but the problem is more severe than that; deriving any such figure involves the making of countless, often opaque or unconscious, value judgements which render any answer inherently subjective (4). For example, the question of whether purchases of alcohol by drunk or addicted consumers constitute a societal cost in and of itself, or whether we should only consider the associated private costs of the drinker. Such is the scale of this problem that Babor has equated a belief in the existence of a truly objective estimate of the total cost of alcohol to society with a belief in Santa Claus (5). The debate over whether attempting to calculate approximate estimates of such figures has any practical merit

has raged for the best part of a century (6), with no resolution in sight, but perhaps this is not the question we should be asking.

The Sheffield Alcohol Policy Model (SAPM) (7,8) has been highly influential in debates around alcohol policy in the UK and internationally over recent years. The model produces estimates of the costs and benefits of a wide range of alcohol policies on a broad spectrum of health, crime and workplace outcomes. Our experience is that decision-makers and stakeholders are rarely interested in the net sum of these figures. Instead we are asked for disaggregated outcomes which are relevant to the interests and remit of individuals or government departments (9). Department of Health representatives are primarily interested in costs to the National Health Service and improvements in health outcomes, while those from the Treasury are interested in the impact on tax revenues. This focus is perhaps inevitable given the fact that each department is generally operating within a fixed budget, with little or no mechanism in place for transfer payments between departments where the costs or benefits of a policy are not confined to a single area. This issue played a major part in the death of plans in the UK to account for 'wider societal benefits' beyond improved health when appraising the cost-effectiveness of new drugs (10,11).

In light of these realities of political decision making, perhaps a more useful focus of future research would be producing better estimates of the specific impact of alcohol on different government departments rather than focusing on trying to estimate the holistic cost of alcohol, or any other issue.

Finally, it is surprising given the increasing focus on health inequalities and the role that alcohol plays in driving these inequalities (12), that these do not feature in the debate around the costs of alcohol. Inequalities in health carry not only tangible economic costs such as increased healthcare usage and reduced workplace productivity amongst more deprived groups in society (13), but also intangible costs, with research demonstrating that we are willing to pay a premium for a more equal distribution of health across society (14). It is perhaps time that we considered these alongside the costs and benefits of drinking presented in Bhattacharya's Figure 1.

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