

Alcohol Industry & Public Health Policy: Irreconcilable conflict of interest?



Katherine Brown, Director, Institute of Alcohol Studies

Prepared for Alcohol Policy Network, November 2016

IAS: Who we are, what we do

“The core aim of the Institute is to serve the public interest on public policy issues linked to alcohol, by advocating for the use of scientific evidence in policy-making to reduce alcohol-related harm.”

- Independent charity
- Supported by board of scientific advisors
- Strong links to NGO networks and policy makers in UK, Europe and globally



Presentation outline

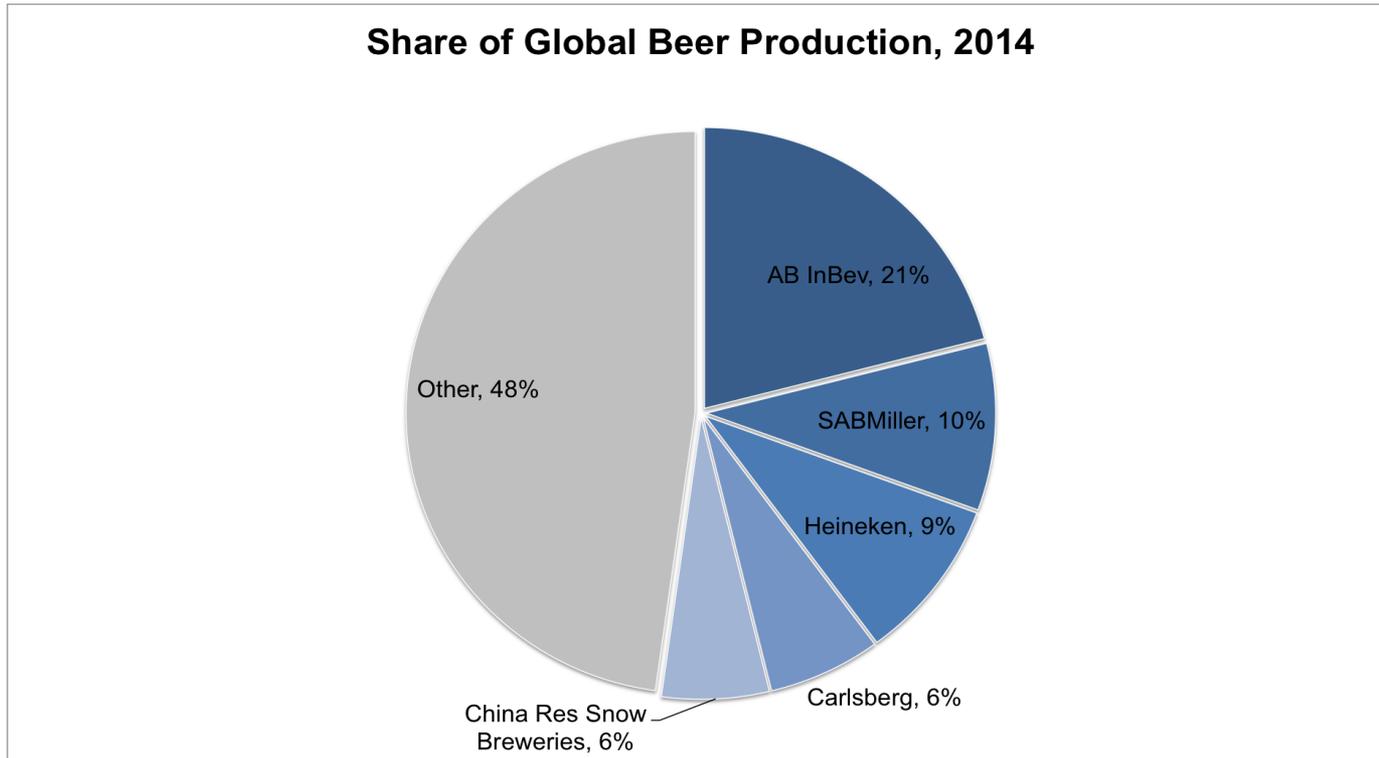
- Who are the global alcohol producers?
- How do they engage in public health policy?
- What impact does this have?
- Managing conflicts of interest – next steps

Global alcohol producers

Company	Category	HQ	2014 Revenue	Major Brands
	Beer	 Leuven, Belgium	£31bn	   
	Beer, Cider	 London, UK	£15bn	   
	Beer	 Amsterdam, Netherlands	£14bn	   
	Beer, Cider	 Copenhagen, Denmark	£6bn	   
	Spirits, Beer, Wine	 London, UK	£10bn	   
	Spirits, Wine	 Paris, France	£6bn	   
	Spirits	 Hamilton, Bermuda	£3bn	   
	Wine, Beer, Spirits	 Victor, NY, USA	£4bn	   
	Wine	 Modesto, CA, USA	£3bn	   

Source: Annual Reports, company websites and press reports (Please note: AB InBev and SAB Miller are treated as separate entities as the details of 'NewCo', their merged entity, remain unclear)

Market dominance: Beer



Source: Barth-Haas Group, The Barth Report 2014-15

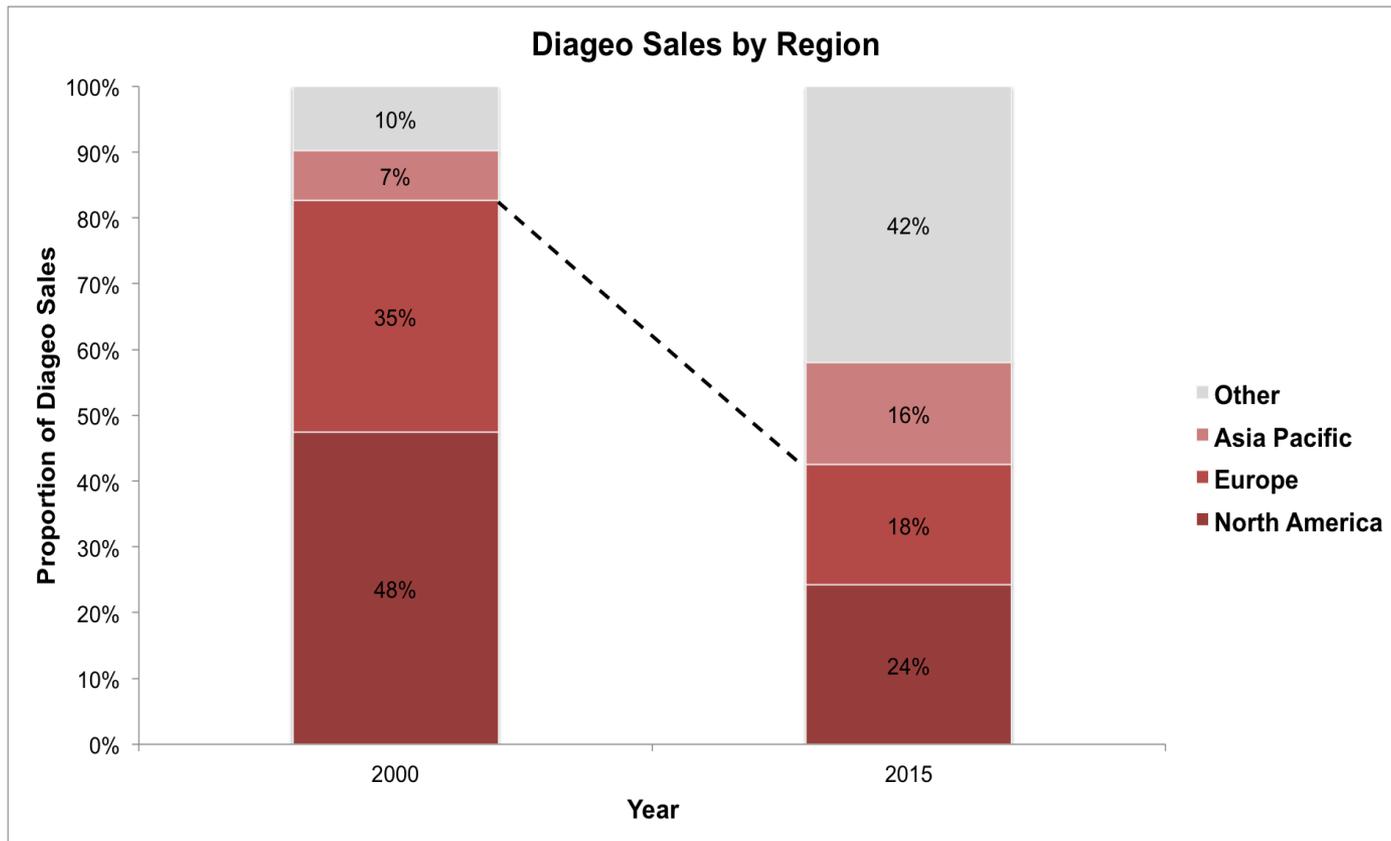


Mergers & Acquisitions

Major global brewers substantially shaped by recent mergers and acquisitions:

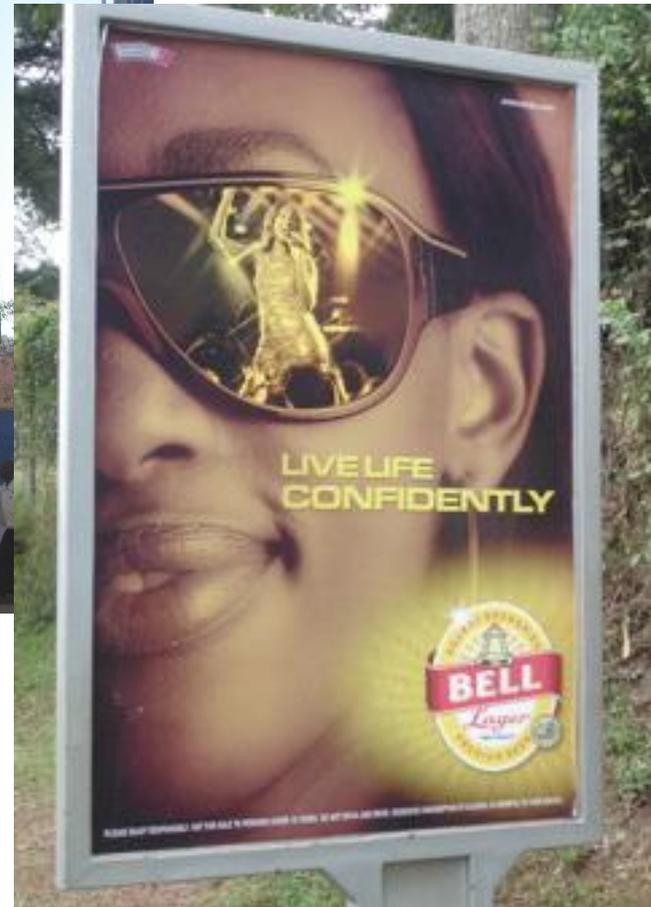
- 1999: SABMiller est. = South African Breweries bought Miller Brewing Company (US)
- 2004: ABInBev = merger Anheuser-Busch (US) & InBev (= Belgian Interbrew + Brazilian AmBev)
- 2015 ABInBev agreed £71bn takeover of SABMiller =
 - world's largest beer company.
 - biggest ever deal in the alcohol industry,
 - 3rd largest acquisition in corporate history
 - The newly created firm will account for around **30% of the global beer market**

Globalisation & Emerging Markets



Source: Diageo Annual Reports

Emerging markets & new consumers



“The backbone of SABMiller’s growth strategy in Africa is to ensure the affordability of our beers so that local, low income consumers move from drinking poor quality, and potentially lethal, alcohol to enjoying our high quality beers made with local ingredients.”

[Independent](#), Nov 18 2015

Alcohol industry corporate political activity

Strategy	Tactics
Access/ Information	<ul style="list-style-type: none">• Campaign contributions• Direct and indirect lobbying (meetings and correspondence)• Shaping the evidence base• Partnership/ collaboration
Constituency building	<ul style="list-style-type: none">• Forming alliances• Creation of SAPROs• Corporate-image advertising^a• Advocacy advertising^b (press releases, publicity campaigns)
Constituency fragmentation	<ul style="list-style-type: none">• Neutralizing or weakening (e.g. discrediting) opposing individuals or organizations
Policy Substitution	<ul style="list-style-type: none">• Develop/ promote self-regulation• Develop/ promote alternative regulatory policy• Develop/ promote voluntary activities
Financial	<ul style="list-style-type: none">• Contributions to political party• Hiring, or offering future employment to people with political connections• Other financial enticement (gifts, travel)
Legal actions	<ul style="list-style-type: none">• Pre-emption• Litigation (or threat of litigation)

Adapted from Hillman and Hitt (1999) and Savell et al. (2015)

^a Corporate-image advertising seeks to build a favorable image and keep the company's name in the public eye.

^b Advocacy advertising is defined as an advertisement or public communication that attempts to influence public opinion on a specific issue.

Information & Messaging

**YOU WOULDN'T SOBER
YOU SHOULDN'T DRUNK**



**SEE THE
FULL FILM**



Constituency Building



[Home](#) [About Us](#) [Brands](#) [Corporate Responsibility](#) [Making great Cider & Beer](#) [Media](#)

[Home](#) > [Strategy](#) > [Our Focus Areas](#) > [Responsible Consumption](#) > [Our Partnership with Addaction](#)

Our Partnership with Addaction

Addaction is the country's leading specialist alcohol treatment charity, working with nearly 30,000 people. It has 40 years of experience helping individuals and communities to manage the effects of alcohol misuse.

HEINEKEN has been a partner of Addaction since 2005. We work together to support new and innovative projects which aim to directly tackle and reduce the harm caused by alcohol misuse, transforming the lives of hundreds of people across the UK.

Our partnership with Addaction also challenges us to look inwards, ensuring we always put responsibility at the heart of our business. After our Senior Management Team took part in a 'Seeing is Believing' visit to one of Addaction's projects in 2010, we took the decision to remove high strength cider brands Strongbow Black and White Lightening from our product portfolio.

Some of the projects we've launched with Addaction include:

Trade agreements and litigation



Threat of legal action

ACS | the voice of local shops

BRITISH BEER PUB ASSOCIATION

NACM CIDER MAKERS LTD

wsta
THE WINE AND SPIRIT TRADE ASSOCIATION



ALL-PARTY PARLIAMENTARY BEER GROUP

Honorary Vice-Presidents
Rt. Hon. Kenneth Clarke QC, MP, Rt. Hon. The Lord Prescott of Kingston-upon-Hull

Executive Committee

Andrew Griffiths MP (Chmn), Nigel Adams MP (JV Chmn), Alan Cairns MP (JV Chmn), Sir Tony Cunningham MP (JV Chmn),
Dr Therese Coffey MP (JV Chmn), Thomas Docherty MP (JV Chmn), Clive Efford MP (JV Chmn),
Graham Evans MP (JV Chmn), Charlotte Leslie MP (JV Chmn), The Lord Kennedy of Southwark (JV Chmn),
Brian Binley MP, Ian Davidson MP, Jim Dobbin MP, Sir Roger Gale MP, James Gray MP, Eilva Llywd MP, Steve McCabe MP, Anne McIntosh MP,
Sir Alan Meale MP (Past Chmn), Greg Mulholland MP, Dr John Pugh MP, Laurence Robertson MP, Roger Williams MP, Iain Wright MP
Rt. Hon. the Baroness Dean of Thornton-le-Fylde, The Lord Dholakia, OBE, DL, The Baroness Harris of Richmond DL, The Baroness Henig CBE,
The Lord Hodgson of Ashtly Abbotts CBE, The Lord Jones of Cheltenham (Past Chmn), The Earl of Liverpool, The Lord Reddesdale

17th December 2013

[REDACTED]

02 JAN 2014

Vivienne Dew,
Chief Executive,
Office of Fair Trading,
Fleetbank House,
2-6 Salisbury Square,
London, EC4Y 8JX

18th March 2014

Dear Commissioner,

RE: Local 'voluntary' bans on higher strength beers and ciders

As the trade associations representing brewers, cider makers, vintners and spirits producers, as well as retailers, we work in partnership with many organisations at a national and local level. Our members are totally committed to working with the police, local authorities and all stakeholders to tackle alcohol-related harm and fostering a culture of responsible drinking in the UK.

However, we would like to highlight our serious concerns regarding the implementation of 'voluntary' local bans on higher-strength beers and ciders as a measure to tackle street drinking and anti-social behaviour.

Ipswich Council and Police have had much coverage of their 'Reducing the Strength' campaign. This includes a commitment by off-licences in the town not to stock beers, lagers and ciders with an alcohol by volume (ABV) of 6.5 per cent or above, excluding specialist or premium products. Ipswich claim that the scheme has achieved an almost 50 percent reduction in crime amongst the street drinking community.

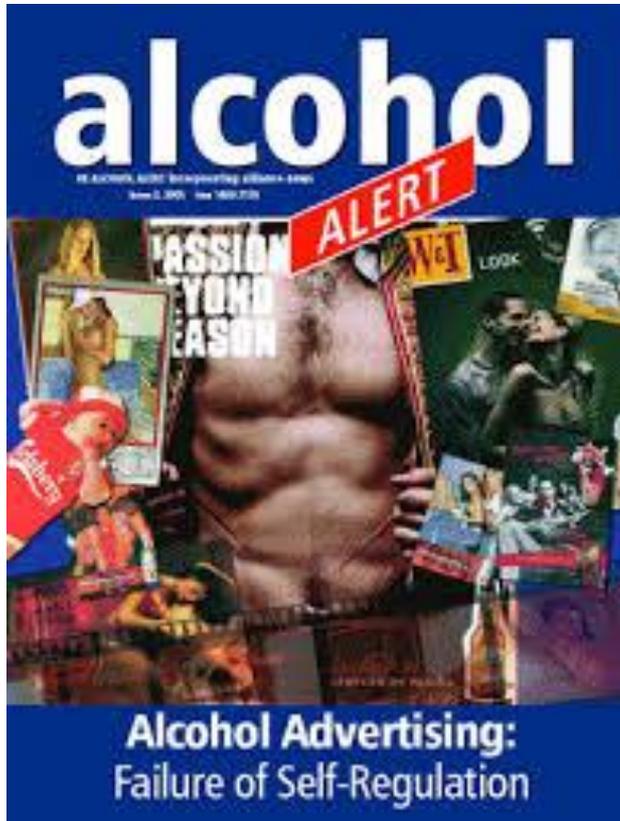
Dear Ms Dew

I write as Chairman of this Group, which has a membership of around 300 MPs and around 75 Peers. Our purpose is to take a close interest in and support the UK's brewing and pub sector. We have a linked group in the European Parliament with a membership of around 40 LUK MEPs.

In recent weeks I have been extensively briefed by representatives of the UK brewing and pub industry about schemes being introduced by Local Authorities which seek to eliminate from sale higher strength beers and ciders.

I understand that these schemes are intended to tackle problematic street drinking and alcohol related anti-social behaviour, but while we would support that ambition, I am very concerned about their legality. Such interventions seem most likely to breach competition law. I understand that some trade associations have had legal advice which supports that view.

Policy substitution



Financial incentive

Nick Clegg received Lib Dem donations directly into his bank account'

By GERRI PEEV FOR THE DAILY MAIL
UPDATED: 15:43, 22 April 2010



Liberal Democrat leader Nick Clegg is today facing potentially damaging questions over donations paid directly into his personal bank account.

Gifts of up to £250 a month were made by three leading business figures but Mr Clegg today denied any wrongdoing and insisted they were properly registered.

He said the money was used to fund a member of staff in his parliamentary office.

But critics asked why the funds were paid directly into his own account rather than to the Lib Dems.

A former chairman of the Committee on Standards in Public Life, Sir Alistair Graham, said the arrangement appeared to be 'irregular'.

Money was paid from Ian Wright, a senior executive at drinks giant Diageo, Neil Sherlock, head of public affairs at accountants former gold r

The transact bank account the Lib Dem



MEDIA RELEASE

For media inquiries, contact
ICAP Head of Communications:
susanb@icap.org

South African Companies Put Weight behind New Book Calling for Alcohol Producers' Involvement in Policy and Its Implementation

"Working Together to Reduce Harmful Drinking" demonstrates current and future contribution of alcohol producers to reducing harmful drinking and aims to stimulate enthusiasm for the private and public sectors to work together.

(Johannesburg, 23 March 2010): The International Center for Alcohol Policies (ICAP) today launched the book titled *"Working Together to Reduce Harmful Drinking."*

The book is a contribution to the World Health Organization's (WHO) global strategy to reduce the harmful use of alcohol, and includes the work of regional organizations and national governments involved in alcohol policy development and implementation. The authors are experts in their respective fields with experience in the industry, government, and academia.

The book explores areas where alcohol producers can make a positive contribution to reducing harmful drinking and where industry input has been welcomed by WHO. It makes the case that alcohol producers are legitimate stakeholders in government and public health initiatives to reduce harmful drinking; that it is essential to engage and integrate them; and that, with producers' support and involvement, efforts to reduce alcohol-related harm will have a much higher success rate.

WHO Global Alcohol Strategy (2010)

The role of the alcohol industry

Restricts the actions of “economic operators” in alcohol production and trade to their core roles as **“developers, producers, distributors, marketers and sellers of alcoholic beverages.”**

“In the view of WHO, the alcohol industry has no role in the formulation of alcohol policies, which must be protected from distortion by commercial or vested interests.” –Dr. Margret Chan, WHO Director General

WHO Global Alcohol Strategy (2010)

Industry interpretation

“When WHO reports on progress relating to the implementation of the strategy in 2013, many industry players, not only ICAP sponsors, will wish to demonstrate that in addition to contributing to the development of the strategy, they subsequently played an active role, whether in partnership with other stakeholders or acting independently, in contributing to its implementation.”

- ICAP (aka IARD)

Impact of alcohol industry actions

INITIATIVES REPORTING: Industry Actions to Reduce Harmful Drinking

Search

[ADVANCED SEARCH](#)

ABOUT

INTERACTIVE MAP

TABLE DATA

SEARCH INITIATIVES

FEATURED INITIATIVES

INITIATIVES REPORTING: INDUSTRY ACTIONS TO REDUCE HARMFUL DRINKING

Supporting the Global Strategy

For many years, the beverage alcohol industry - alone or with other stakeholders - has been involved in a wide range of activities around the world to reduce harmful drinking. This website offers a collective look at both ongoing and previous industry initiatives.

The Initiatives Reporting database was developed in 2010 following the publication of World Health Organization's Global Strategy to Reduce the Harmful Use of Alcohol. The WHO Global Strategy identifies a role for the beverage alcohol industry, and the database is a mechanism for collecting and reviewing industry's contributions to the areas highlighted in the Strategy. For this database, industry members, trade associations and social aspects organizations (SAOs) are invited to self-report ongoing or recent activities to reduce harmful drinking.

The database is maintained by the International Alliance for Responsible Drinking (IARD; www.iard.org) in collaboration with organizations and companies who self-report their activities to the site. To ensure that the information provided is comprehensive, a number of databases share information with IARD, for example, entries from [SpiritsEUROPE](#), [Worldwide Brewing Alliance](#) and [Wine in Moderation](#) are included in their entirety in this database.

Industry Actions: Implementing the WHO Global Alcohol Strategy?

WHO Global Strategy Area	Industry's categorization	Raters' categorization
Leadership, awareness and commitment	20.9%	5.5%
Health services	1.8%	1.6%
Community Action	6.9%	4.5%
Drink-driving countermeasures	15.9%	10.1%
Marketing	11.5%	2.3%
Availability and Pricing	5.3%	2.1%
Reducing the negative consequences of drinking and Reducing the impact of informal alcohol	34.8%	7.4%
Monitoring and surveillance (data sharing)	1.2%	.7%
None (Too vague to classify)	1.6%	65.8% (27.5%)

Industry Actions: Marketing Potential?

THE SURE SIGN OF A GOOD TIME
BUD LIGHT PARTY CODE
 PARTY RESPONSIBLY



HERE WE GO

GET THE PARTY STARTED RIGHT
 Whether the party's at your place, you're tailgating before the game or just hanging out with friends, it's important to have a good time. And if you're serving or drinking alcohol beverages, it's important to follow the Bud Light Party Code.

1 You gotta have a game plan
 The host isn't the only person who needs a plan. If you're heading to a party and plan on enjoying Bud Light, choose a designated driver or put a few cash numbers in your phone and stash some cash in your pocket to cover the fare.

TWO: EAT UP!
 Bust out the hot wings and seven-layer dip. High protein foods are best at slowing down the absorption of alcohol. No matter what you serve, make sure it's available all night so guests aren't drinking on an empty stomach.

THREE: BREAK OUT THE REFRESHMENTS
 Make sure there's something for everyone. Whether it's soda, O'Doul's, tea or water, it's important to give your guests a few non-alcohol choices.

4 KEEP IT GREEN
 Part of every great party is having a plan for the empties. Make sure to set up a bin so guests can recycle their Bud Light cans and bottles. Don't forget the case they came in... that's recyclable too!



5 ONE DRINK AT A TIME
 SERVE 'EM
 Whether you're the host or a guest, don't be pushy about another round. And always remember that refreshing unfinished glasses is a bad idea, as people can easily lose track of how much they've consumed.

6 Not all drinks are created equal
 Unlike pre-packaged beer, most drinks made with liquor require mixing. Depending on the size of the mixed drink, the recipe and the "bartender," the amount of alcohol in a cocktail may vary significantly.



SEVEN: PACE YOURSELF
 It always makes sense to space your drinks throughout the night. And alternating alcohol drinks with non-alcohol drinks is also a good idea.



8 WE ALL HAVE OUR LIMITS
 We all know our limits - so be sure to stay within yours. At the beginning of the night, decide how many drinks you plan to enjoy and stick to it.



NINE: HYDRATE WITH H2O
 If you're enjoying Bud Light, it never hurts to drink a few glasses of water throughout the night.

10 ENJOY YOURSELF RESPONSIBLY
 It might take you a while to enjoy a beer, but you probably take a shot in one swallow. It might not seem like a big deal, but it makes a big difference in how the alcohol is absorbed in your body. So, slow it down and enjoy responsibly.

11 WIND IT DOWN
 Don't forget the food and non-alcohol beverages (remember tips #2 and #3). Just know, that it won't eliminate alcohol from the body. Only time will do that.



12 Get 'em home safe & sound
 Encourage your guests to plan ahead and designate a driver. And if they've had too much to drink, don't hesitate to call a taxicab or ask them to spend the night.



HERE WE GO

ENJOY RESPONSIBLY
 ©2011 Anheuser-Busch, Inc. All rights reserved.

Summary: Impact of Global Industry Actions

- 61.0% initiated before the WHO Global Strategy published in 2010, despite claims that the Actions were “in support of” the Global Strategy
- 65.8% of Actions do not conform to 10 policy areas of Global Strategy
- Only 6% were found to have any possible effectiveness in reducing harmful alcohol use;
 - Population reach of effective actions low
- 21.4% Actions categorized as “strategic CSR”
- 21.0% Actions considered to have potential to promote a brand or product

Conclusions

1. Industry Actions have major limitations from a public health perspective

- Rarely evidence-based
- Unlikely to reduce harmful alcohol use
- Self-serving (i.e., promoting self-regulation)
- Extension of marketing practices
- Some may pose a risk to public health
- Evaluation research was minimal

2. May be compromising the work of public health experts, the WHO, its regional offices, and the NGOs

Conflicts of Interest: Identify, manage, protect against...

Alcohol policies “must be protected from distortion by commercial or vested interests”

WHO Director General, Dr Margaret Chan

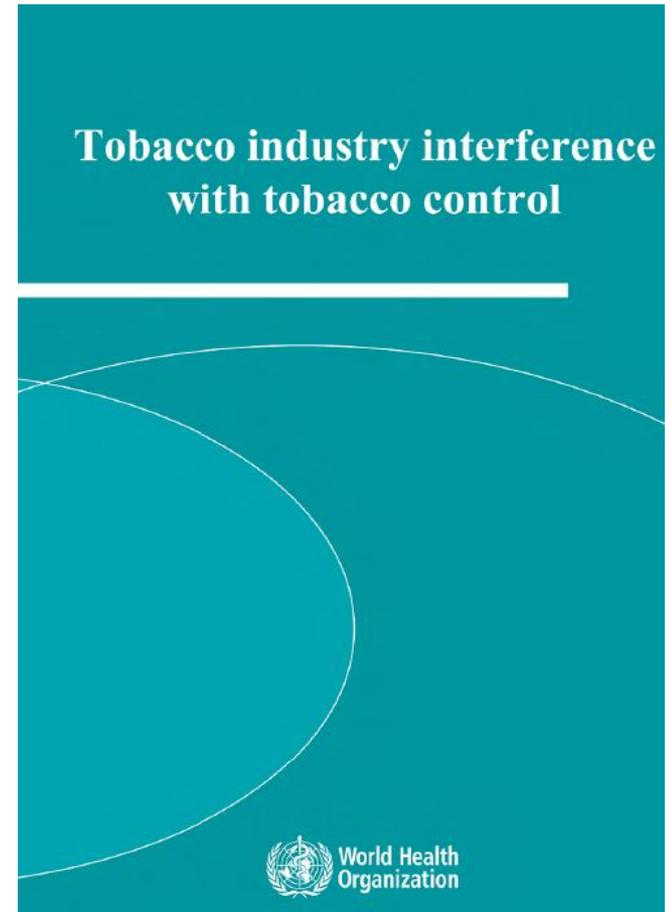
Qu: Does Tobacco Control Policy set the right precedent?

Under the treaty's general obligations, the signatories agree to protect tobacco control policies from tobacco industry interference. Specifically, Article 5.3 states: “In setting and implementing their public health policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law.” Article 12.C stresses the importance of public education and awareness about tobacco industry activities, and Parties agree to promote “public access, in accordance with national law, to a wide range of information on the tobacco industry as relevant to the objective

WHO FCTC, Article 5.3

Tobacco control: lessons to be learnt?

- monitoring the local tobacco industry;
- informing and involving the public;
- obtaining and using evidence strategically;
- using 'champions' to tell the truth about tobacco use;
- applying lessons from international experience;
- exposing the myths and refuting the industry's arguments;
- building strong anti-smoking coalitions;
- communicating and strictly enforcing tobacco control measures;
- making the industry accountable; and
- regulating the industry.



Thank you for your time



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