



OECD WORK ON HARMFUL ALCOHOL CONSUMPTION

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A New OECD Project to Assess the Economics of Alcohol Consumption (and Other Risk Factors)

- **Objective:** to develop a framework to assess the economics of alcohol
 - Alcohol's impact on the economy
 - The impact on the economic of tackling Alcohol
- **Geographical scope:** primary focus on EU and OECD countries but potential to be extended more broadly
- **Timeframe:** 2 year project started in January 2017



The Economics Behind Alcohol, or What the Project will Look at:

Alcohol's Impact on the Economy

Healthcare costs	Labour market impact	Welfare benefits and other transfer payments	Other indirect costs	<i>[Morbidity and mortality costs]</i>
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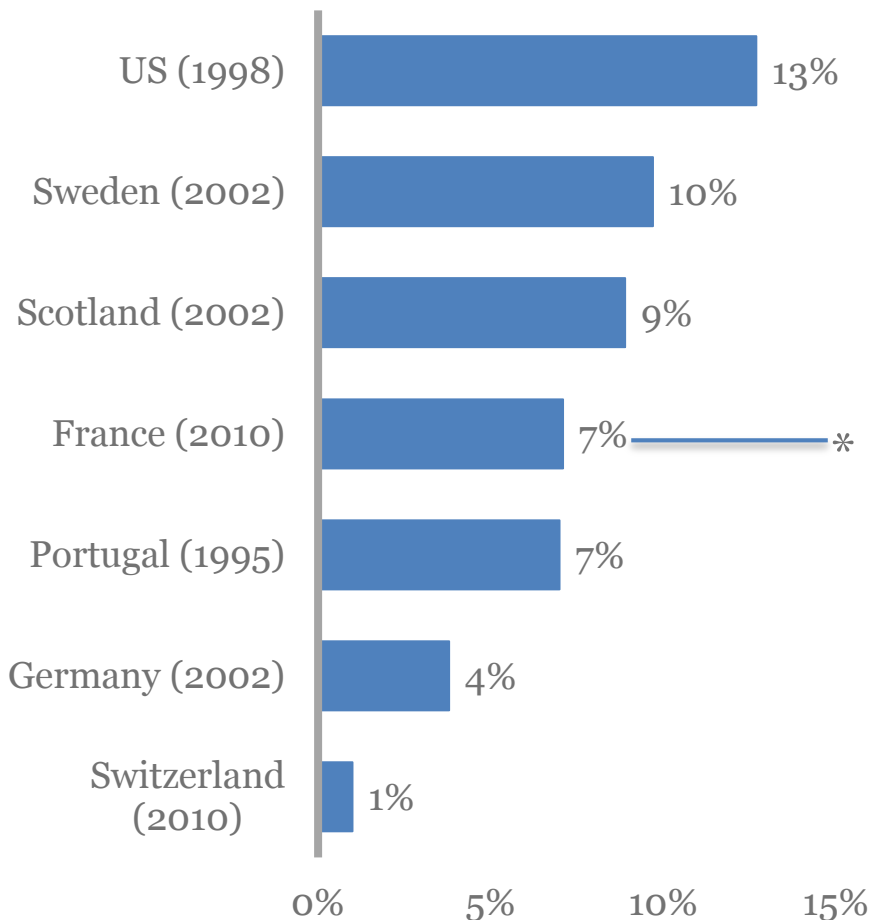
The Economic Impact of Tackling Harmful Alcohol Consumption

Cost-effectiveness of policies	Costs incurred by the private sector to comply with new regulations	Consequences on employment and governmental revenues	
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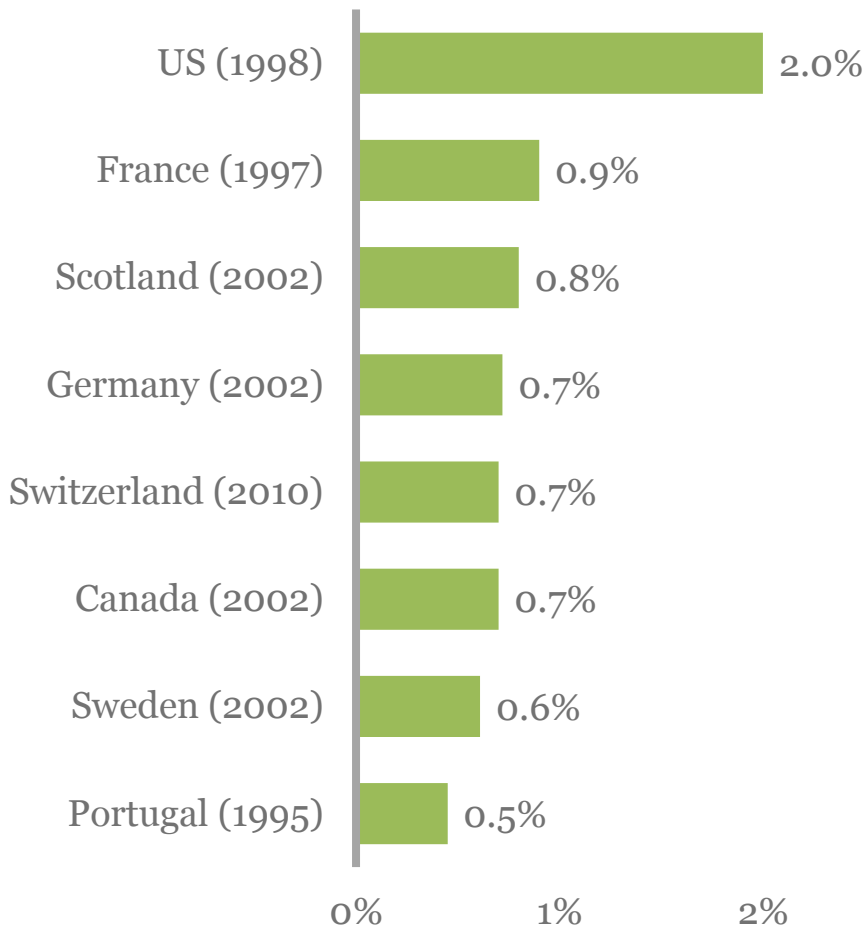


Literature Review: Direct & Indirect Costs of Alcohol Consumption

■ % of healthcare budget



■ Total Indirect Costs as % GDP

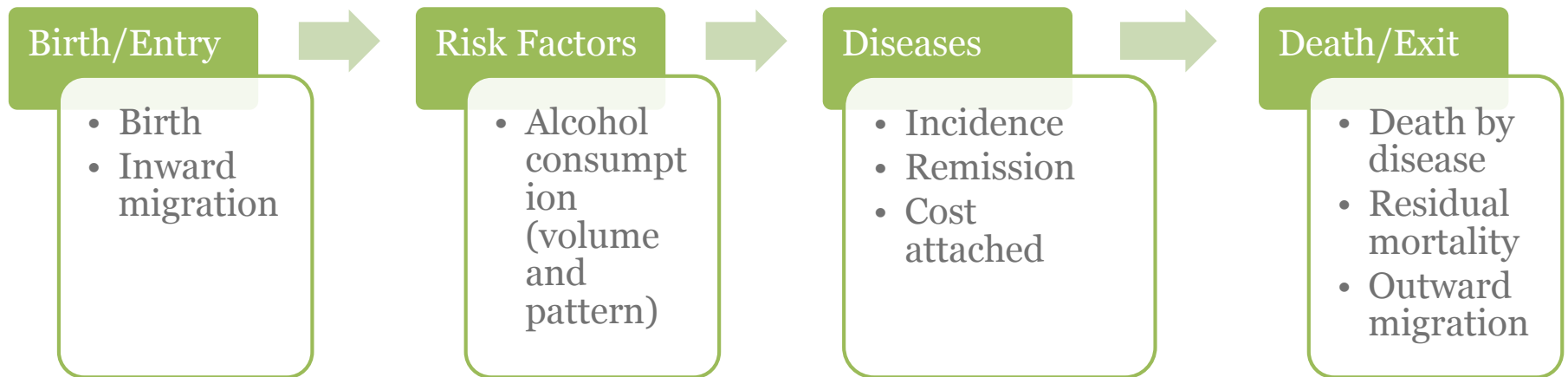


3%

Source: Rehm, 2009; Thavronchareonsap et al 2009 & own calculations; Fischer et al; Polynomics; Kopp P.; * France (1997), reviewed in Rehm 2009.

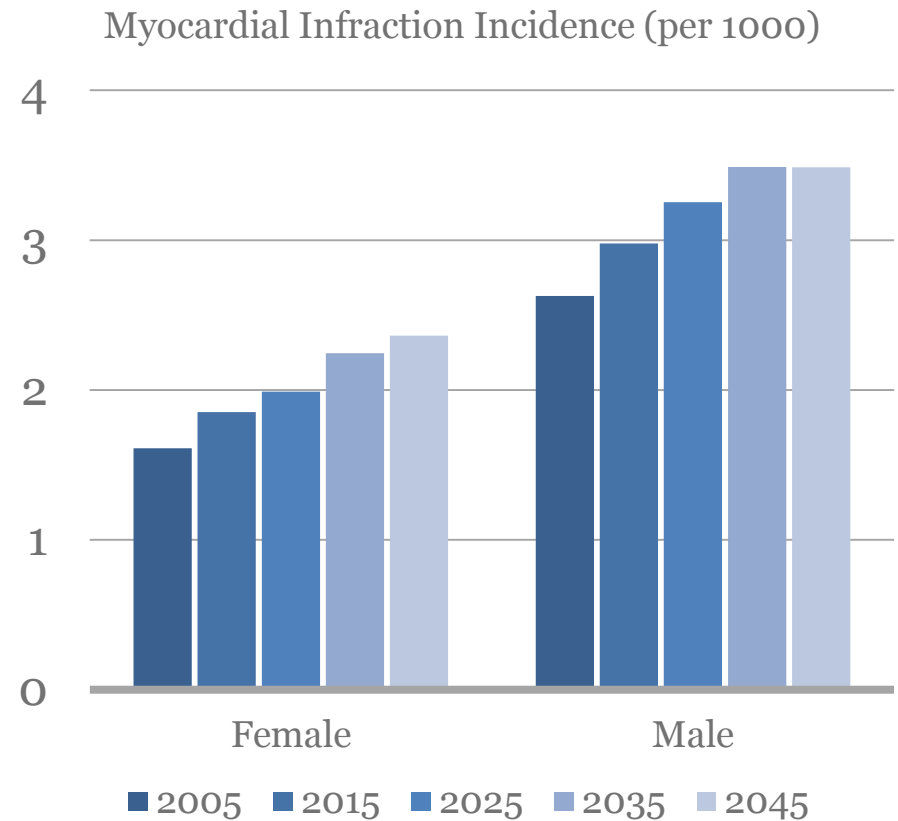
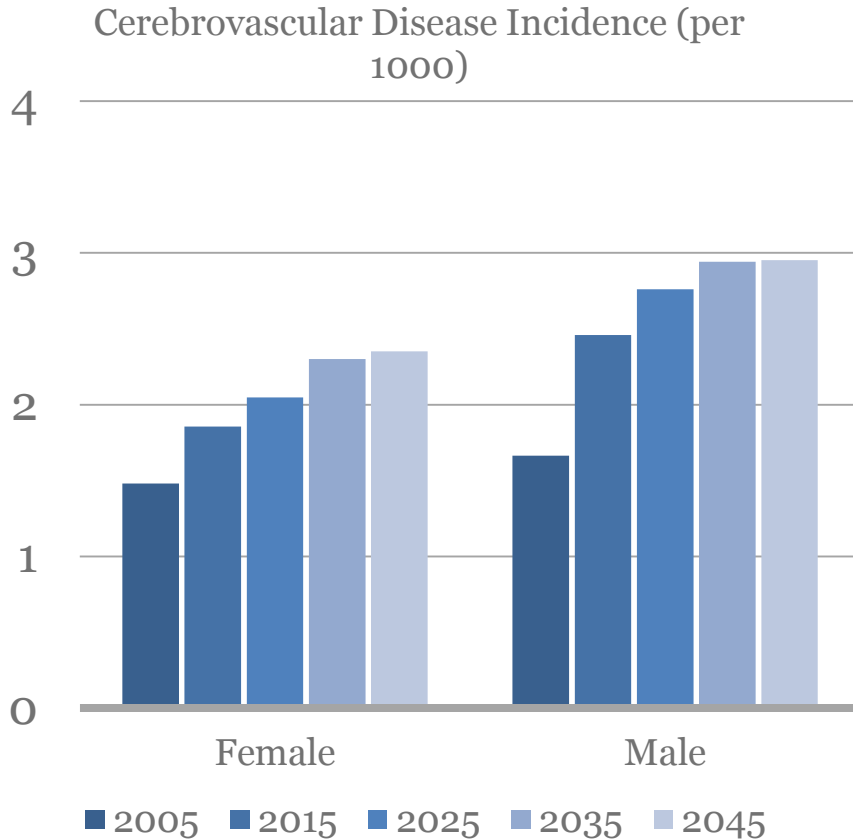


Modelling Diseases and Healthcare Costs





Ageing of Population Will Increase Morbidity: Results from the Disease Module



Preliminary results:
the raise is only due to the modification of the population age structure

















Costs Included in indirect costs

	Portugal (1995)	Sweden (2002)	Canada (2002)	Switzerland (2010)	Germany (2002)	Scotland (2002)	France (1997)	US (1998)
Premature Mortality	✓	✓	✓	✓	✓	✓	✓	✓
Reduced Productivity	✓	✓	✓	✓	✓	✓	✓	✓
Incarceration	✓	✓				✓	✓	✓
Employment Loss	✓	✓	✓		✓	✓		
Victim time	✓	✓		✓				✓

- Most indirect costs studies apply the human capital approach;
- Great heterogeneity in methodology and data quality,
- National statistics often used as main data sources



Impact on Labour Market: Alcohol-related Diseases Show a Negative Influence on (All) Outcomes

	Employment	Wages	Labour Productivity	Early retirement
Cardiovascular diseases				
Diabetes				
Cancer		n.s.		
High blood pressure				n.s.

Note: ●● strong evidence of negative impact, ● limited evidence, ● mixed results; n.s. not significant.



OECD Modelling Work to Trigger Policy Change

- Applying modelling to improve health and economic policy decisions in the Americas
- Tackling harmful alcohol use – economics and public health policy

Lancet papers on NCDs and priority interventions

WHO/OECD “Best buys” paper for the UN Summit on NCDs

Obesity and the Economics of prevention – fit not fat

OECD Health working papers

www.oecd.org/health/prevention

