

SOCIO AND ECONOMIC COST OF ALCOHOL ABUSE

“Healthy citizens are the greatest asset any country can have.”

– Winston Churchill—1943

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Abstract

This paper focuses the socio and economic cost of alcohol abuse. Alcohol abuse has an impact on health, health care resources, and the economy. Alcohol consumption can have both health and social consequences for the drinker. The harmful use of alcohol can also result in harm to other individuals, such as family members, friends, co-workers and strangers. Moreover, the harmful use of alcohol results in a significant health, social and economic burden on society at large. Social costs are the negative economic impact of alcohol consumption on the material welfare of society. When defining costs, a key distinction is made between direct and indirect costs. The task of estimating the social costs of substance abuse requires an accounting framework, and the choice of a framework is not a technical, scientific issue but rather a matter of political philosophy. This is surely one area where the numbers do not speak for themselves.

Key Words: *Alcohol, Social Cost, Economic Cost, Alcohol Abuse.*

Introduction

Health is a value of being connected, energetic and having active interactions on a daily basis. Health is something of an enigma. Like the proverbial elephant, health is difficult to define but easy to spot when it is seen. ‘You look well’ stands as a common greeting to a friend or a relative who appears relaxed, happy and buoyant - ‘feeling good’. Any reflection on the term, however, immediately reveals its complexity. The idea of health is capable of wide and narrow application, and can be negatively as well as positively defined. It can be in good health and poor health. Health can be seen as a multifaceted dimension of human life, and as a ‘reserve stock’ of vitality, fitness and strength (whether psychological or physical or both) which individuals can draw upon to pursue their goals and actions. From a sociological viewpoint health can be seen as both ‘attribute’ and ‘relation’, simultaneously involving biological and social factors. This suggests a dynamic view of health and illness, changing across biographical and historical time. The experience of health, both good and poor, is likely to be influenced by the circumstances into which people are born and the contexts and actions which prevail at different stages of life. The importance of health in personal life cannot be minimized. It has come to be regarded as a prerequisite for optimum socio-economic development of

man. Health care as a right of every individual has been recognized in many countries. Better health is central to human happiness and well-being. It also makes an important contribution to economic progress, as healthy populations live longer, are more productive, and save more.

Alcoholism

Alcoholism is a chronic and often progressive disease that includes problems controlling one's drinking, being preoccupied with alcohol, continuing to use alcohol even when it causes problems, having to drink more to get the same effect (physical dependence), or having withdrawal symptoms when it is rapidly decreased or stopped drinking.

Causes of Alcoholism

"The Cause of Alcoholism". It is not realistic to expect that we will find a single cause of alcoholism, although sometimes researchers, theoreticians and practitioners appear to proceed on this assumption as they champion specific causes which seem of major significance from their experience. From the old moralistic perspective, "weakness of will" would probably be held up as a major cause of alcoholism, while a biological-medical model would look for nutritional deficits or metabolic disorders and a psychologist might try to uncover a "personality disorder." Much closer to providing us with an accurate perspective of how alcoholism develops would be the contemporary multi-disciplinary model: alcoholism is the resultant end-product of a variety of contributing factors, from socio-cultural to biological to psychological. In fact these three sets of factors define the major areas of investigation as it is further sought to understand alcoholism.

The major models or theories which have been invoked to account for alcohol use and abuse. Their significance, however, reaches further than accounting for a single phenomenon since they represent global views of human behavior and will therefore influence any attempts at behavior change or intervention. The front-line worker sees much more than an alcohol dependent person; he also sees a disrupted life style with many facets and interconnections. Thus change, following from models and theories, will be tied to views on the sociological, biological and psychological forces which influence human lives.

How Alcohol Affects the Body

Drinking alcohol affects the body in many ways. These effects can lead to physical and mental changes that can put alcohol users and others at risk of injury or death. Possible dangers include falls, household accidents, and car crashes. When a person drinks beer, wine, or another alcoholic drink, the alcohol quickly enters the bloodstream and is then carried throughout the body. The alcohol gets broken down through metabolism, the process of converting substances we consume to other compounds that the body either uses

or removes. Alcohol is distributed throughout the body, affecting the brain and other tissues, until it is completely metabolized.

A drink of alcohol stays in the body for about 2 hours after being consumed. This period of time can vary depending on the person's weight, gender, and other factors. When a person drinks, the concentration of alcohol in the blood builds to a peak, and then decreases as metabolism breaks the alcohol down. At first, alcohol often makes people feel relaxed and happy. Later, it can cause drowsiness or confusion. The small intestine and the stomach absorb most of the alcohol after drinking. A small amount leaves the body through breath and urine. Eating slows the absorption of alcohol. If people drink more alcohol than their bodies can absorb, they become drunk.

Economic Cost of Alcohol Abuse

The impact of alcohol use through the lens of economics. Alcohol use has received a considerable amount of attention in the economic literature because of what economists call "externalities". Externalities emerge when two events occur: 1) The behavior impacts one's well-being and 2) The price paid to consume a good is not equal to the price borne by society for the consumption of that good. An externality can be either negative or positive. If it is negative, as is often the case with excessive alcohol use, the price I pay is less than the costs to society of my consumption.

When thinking about alcohol use, particularly excessive use, externalities include alcohol-related traffic accidents, increased utilization of health care, lowered productivity in the labor market, crime, child or partner abuse, and unsafe sexual activity. In the case of alcohol-related traffic motor vehicle accidents, the outcome for which the costs to society are particularly high, the drinker who chooses to drive after consuming alcohol does not bear the full cost of his actions. He pays the price of purchasing the alcohol, and any injuries and resulting lost work that he sustains. If caught and convicted he will pay some portion of the victims' costs. The important point is that the drinker will, at best, pay a portion of the victims' costs. Thus, the victim (who had no ability to affect the drinker's behavior) will be made worse off as a result of the drinker's action. We can extend this externality even beyond the victim. Other drivers are negatively impacted through higher car insurance premiums, the victims' friends and family who provide care to the victims are affected, and taxpayers must cover the cost of the accident (police and emergency services, health care utilization if any of the parties are uninsured, judicial expenses, prison time). The family and friends of the drinker are likely made worse off from having someone they care about affected by such a devastating disease.

The law of demand tells us that when the price of a good increases, individuals will consume less of this good. Indeed, economists have studied the effect of raising the monetary price of alcohol (often through government legislated tax increases) and drinkers

reduce alcohol consumption when faced with a higher price. Other policies that have been used to curb excessive drinking include minimum legal drinking age, jail sentences, fines, and open container laws. These policies attempt to increase the full price of alcohol; that is the monetary and non-monetary price. Imposing a minimum legal drinking (all states currently impose a minimum legal drinking age of 21 years) increases the difficulty with which underage drinkers face when attempting to purchase alcohol. They must spend time to find someone of age to purchase the alcohol or acquiring a fake ID.

Even with these policies in place, excessive drinking remains a problem. According to the CDC 17% of adults report binge drinking (5+/4+ drinks in one drinking session among men/women). Thus, further government intervention may be warranted. Alcohol use can become an addiction and the above mentioned policies may have little impact on those who are heavily addicted. Economists show that heavy drinkers are less responsive to price increases than moderate drinkers. Perhaps providing heavy or addicted drinkers with access to low cost addiction treatment is a more promising strategy. Economists have examined the cost-effectiveness (that is comparing the benefits and costs) of a wide range of alcohol treatment programs and some have been shown to reduce excessive alcohol use at a reasonable cost. In sum, when considering providing treatment to individuals with alcohol addictions, it should be considered as the benefits to all members of society from less excessive drinking.

Social Costs of Alcohol Abuse

Drinking, smoking, and the use of psychotropic drugs have a variety of consequences for those who partake of them, for their families and associates, and for society at large. A number of these consequences are negative. Drinkers die young from heart or lung disease, drinkers get into traffic accidents and fights. In the context of public policymaking, where priorities must be set for the use of scarce resources, it seems important to have a measure of the overall magnitude of the social burden engendered by such consequences. One familiar approach is to express the magnitude of the problem in terms of the number of people who die each year. There are 107,400 deaths per year in the United States from Alcohol abuse (Harwood et al., 1998) and perhaps four times that number from Tobacco use, It is known that the stakes are very high in devising sound policies for controlling drinking and smoking. Such statistics, compelling as they are, tell only part of the story. In addition to causing early death, substance abuse makes for a variety of consequences that reduce the quality of life, both for users and other people.

To capture this broad array of consequences in a single number, analysts have estimated various measures of social cost. The estimates are important because they figure in the political process by which federal funds are allocated to the National Institutes of Health and to other agencies that play a role in combating substance abuse. The most

prominent estimates of social costs for substance abuse have utilized a conceptual apparatus developed by a task force of the U.S. Public Health Service chaired by Dorothy Rice (Hodgson & Meiners, 1979). In 1994, the International Symposium on the Economic and Social Costs of Substance Abuse issued guidelines recommending the use of this cost-of-illness method in an attempt to establish a common foundation and enhance the comparability of cost studies conducted in different countries (ICAP, 1999).

Although prominent in policy debate, the cost-of-illness (COI) method has been faulted for its emphasis on production as the measure of social welfare. Economists favor a quite different approach that measures social welfare from the perspective of the consumer. The economists' preferred accounting framework is referred to in this article as the "external social-cost" approach.

Socio and Economic Cost of Alcoholism:

There is a strong interest in many countries regarding the development of scientifically valid, credible estimates of the economic costs of alcohol use (and use of other psychoactive substance use like tobacco and drugs). It is a well-established fact that the use of alcohol entails a large number of adverse consequences in such widely differing areas as physical and mental health, traffic safety, violence, and labour productivity. There has been much effort in the past three decades in attempting to estimate these costs and recent investigations have suggested that they account annually for a substantial part of the Gross Domestic Product of industrialized countries (Klingemann & Gmel, 2001).

On the assumption that the harmful effects of drinking can be evaluated in monetary terms, health researchers and economists have attempted to estimate the costs of alcohol consumption to society. According to Klingemann & Gmel (2001), social costs are largely defined as costs to society, i.e. all costs arising from alcohol consumption that are not borne exclusively, knowingly and freely by the drinker, such as spending on the drinks. Thus, social costs are the negative economic impact of alcohol consumption on the material welfare of society. When defining costs, a key distinction is made between direct and indirect costs. According to Harwood, Fountain & Livermore (1998, cited in Klingemann & Gmel, 2001), direct costs refer to the value of goods and services actually delivered to address the harmful effects of alcohol consumption. In contrast, indirect costs represent the value of personal productive services that are not performed because of the adverse consequences of drinking.

Single and colleagues (2003) summarize the many purposes that estimates of the social and economic costs of alcohol use can serve:

- Economic cost estimates can be used to argue or justify certain policies on alcohol i.e.

Such policies to reduce the harm associated with alcohol use should be given a high priority on the public policy agenda. The public is entitled to a quality standard against which individual cost estimation studies can be assessed.

- Cost estimates help to appropriately target specific problems and policies. It is important for policy makers to be aware of which psychoactive substances involve the greatest economic costs. For example, the recent study conducted in Australia concluded that the costs of alcohol (and tobacco) far exceeds the social costs from illicit drugs, thus drawing greater attention on public policy towards the licit drugs. The specific types of cost may also draw attention to specific areas which need public attention, or where specific measures may be effective.
- Economic costs studies help to identify information gaps, research needs and desirable refinements to national statistical reporting systems.
- The development of improved estimates of the costs of alcohol abuse offers the potential to provide baseline measures to determine the efficacy of drug policies and programmes intended to reduce the damaging consequences of alcohol use.

ANOVA

Variables		Sum of squares	Df	Mean square	F	Sig.
Marital status	Between groups	.142	2	.071	.229	.796
	Within groups	23.858	77	.310		
	Total	24.000	79			
Monthly income	Between groups	.087	2	.043	.088	.916
	Within groups	36.614	74	.495		
	Total	36.701	76			
Monthly family income	Between groups	.675	2	.338	1.060	.352
	Within groups	24.525	77	.319		
	Total	25.200	79			
Total assets	Between groups	2.475	2	1.238	5.766	.005
	Within groups	16.525	77	.215		
	Total	19.000	79			
Total expenses	Between groups	.283	2	.142	2.975	.057
	Within groups	3.667	77	.048		
	Total	3.950	79			

The ANOVA table explains statistical significance model. This is significant at one percent level.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + e$$

Y= Overall Health status of the Respondent

X= The socio-economic and demographic characteristics.

E= a random error term

The descriptive table estimates the determinants of the alcoholic patient's Overall health status across the socio- economic variables. The result indicate that marital status, Total asset, Total family and Individual monthly income, and total expenditure spent for treatment independent variables of the Overall health status of alcoholic patients medical treatment. ANOVA was conducted in order to explore the impact of the socio economic variables on Overall health status of the alcoholic patient. Total asset is categorized (below 5,00,000, 5,00,001-10,00,000 and above10,00,000), there was statistical difference at the $p < 0.005$ in the overall health status of alcoholic patients increases. In the same way Total expenditure spent for treatment had statistical significant by $p < 0.057$ which shows that total asset and total expenditure spent on treatment of alcoholic patients had impact on overall health status of the alcoholic patients.

Conclusion

In conclusion, the effort to produce estimates of the social and economic costs of drinking, smoking, and drug abuse is motivated by an interest in establishing a scientific basis for setting priorities in government programs. This effort has produced some useful results and a good deal of controversy surrounding the issue of what is to be counted and how. The task of estimating the social costs of substance abuse requires an accounting framework, and the choice of a framework is not a technical, scientific issue but rather a matter of political philosophy. This is surely one area where the numbers do not speak for themselves.

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