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No cheers for CDC

By Antony Davies

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The Centers for Disease Control and Prevention recently urged states to keep control of alcohol sales, saying private ownership increases liquor consumption.

After more than 20 years of trying, the academic literature has been unable to show consistent evidence of a negative social impact from privatization. In fact, many studies show improved social outcomes following privatization. The CDC's recent study even contradicts its own previous research that found no negative effects from privatization.

States around the nation are considering privatizing -- or unprivatizing -- sales of alcohol because of budget woes. It's critical that lawmakers in those states look closely at the methods of studies before giving them weight and creating laws that backfire.

Part of the problem with the CDC's analysis is that it bases its findings not on whether privatization causes any actual harm, but on whether privatization was associated with increased alcohol consumption. In fact, the CDC readily admits that it reviewed only three studies that looked at alcohol-related harm and that those studies showed no detrimental effects from privatization.

The CDC study relies on what is known as the Single Distribution Theory (SDT), which maintains that government should seek to reduce alcohol consumption across the entire population. SDT is a throwback to the prohibitionists' position that alcohol is bad because it is alcohol.

SDT advocates believe that, as alcohol consumption declines, drinkers who abuse alcohol will reduce their consumption more than will moderate drinkers. The hand-waving part is that policies that make it harder for everyone to buy alcohol will result in reduced social harms.

The problem with SDT is that it treats all alcohol consumers as if they are abusive drinkers and it assumes that abusive drinkers will be more responsive to alcohol policies than will moderate drinkers. However, not all drinkers are the same.

If a hardworking man has a beer or two when he gets home each evening, is the world a better place if higher prices force him to stop? What about a couple that splits a bottle of wine with dinner? There is nothing in the literature to suggest that government policy should work against moderate drinkers. In fact, since there are health benefits from moderate drinking, I would argue that

government policy should *not* attempt to change such drinking behaviors.

What about the idea that abusive drinkers are more responsive to alcohol control policies? The National Institute on Alcoholism and Alcohol Abuse, the government's real alcohol experts, recently sponsored a study conducted by researchers at Yale University that compared moderate drinkers to heavy drinkers. The researchers concluded that *heavy* drinkers were the least likely drinkers to respond to higher prices. This result directly contradicts the premise that the CDC relied on in making its anti-privatization recommendation.

If our goal is to reduce alcohol consumption, then it makes sense to outlaw alcohol in Pennsylvania and shut down all state stores. If our goal is to reduce social harms associated with alcohol consumption, there is no evidence that privatizing state stores will harm us. If our goal is to raise funds for state coffers, let's be open about that.

In deciding whether to privatize stores in Pennsylvania, the CDC recommendation is a recommendation worth ignoring.

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