Implications of privatizing/deregulating alcohol retail sales: projections of alcohol consumption in Ontario.

Her M, Giesbrecht N, Room R, Rehm J.

Center for Addiction and Mental Health, Toronto, Ontario, Canada. Mher@arf.org

PURPOSE: To project the consequences of privatizing or deregulating current alcohol retail monopolies in Ontario, Canada. METHODS: The projection is based on a multiplicative model and applied to estimate per capita alcohol consumption for four hypothetical scenarios, including both partial and complete privatization for the Province of Ontario, Canada. Those scenarios are mainly focused on the two dimensions of changes affected by privatization: alcohol physical availability and economic availability (i.e., retail prices). Various assumptions involving availability and prices are largely based on the Canadian and international research literature on deregulation/privatization. RESULTS AND IMPLICATIONS: The study showed that per capita alcohol consumption in the short/medium term is expected to increase in all four hypothetical scenarios examined, with the magnitude ranging from 11% to 27%. The sensitivity analysis also revealed a similar increase in alcohol consumption, even though the magnitude of the increase would be less for some scenarios. Therefore, any deliberations on modifying alcohol control policies are well advised to proceed with caution, since an increase in alcohol consumption is likely to be associated with elevated levels of drinking-related problems.