

# Can Free Market Reduce Harm from Alcohol? Evidence from Cross-Country Study

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Excessive drinking remains one of the greatest health public challenges which is the main factor of high mortality in middle ages. About 6.2% of all male deaths in the world are correlated with alcohol consumption. According to the WHO (2011) 2.5 million of people die annually because of this problem. Authorities around the world try to eliminate damage from alcohol consumption.

The structure of Russian alcohol consumption has been changing for the last 20 years. There was a dramatic development of the beer industry, together with a very strong increase in consumption of beer since the early 90s. These led to a reduction in mortality among adult men. Therefore, we find it important to analyze the same cases in other countries.

The alcohol-mortality issue has been under the scientific spotlight for more than three decades and has been historically developed in several stages. The first part was a surge of interest after the USSR collapse and was devoted to the analysis of the Gorbachev anti-alcohol campaign ([Nemtsov, 2002](#)). The second stage was political and economic transition of Russia and other transition economies ([Gavrilova et al. \(2000\)](#), [Leinsalu et al. \(2004\)](#), [Wojtyniak et al. \(2005\)](#), [Cutler and Brainerd \(2005\)](#)). The third stage is analysis of differences in mortality for social groups ([Wojtyniak et al. \(2005\)](#), [Leinsalu et al. \(2004\)](#), [Kremer and Levy \(2008\)](#)). The fourth and the most relevant

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stage is post effect of the Gorbachev anti-alcohol campaign and structure of alcohol consumption which is analyzed in this paper ([Bhattacharya et al. \(2012\)](#), [Kueng and Yakovlev \(2014\)](#), [Yakovlev \(2015\)](#), [Yakovlev et al. \(2012\)](#))).

The research is devoted to answering the question: does an increase in the share of beer in the alcohol consumption reduces mortality rates among adult men? This research is worth conducting as it will help authorities to implement correct measures to decrease mortality caused by alcohol consumption among adult men. The analysis is very important for policy over alcohol restriction. Moreover, our research is important scientifically because this problem is analyzed in a cross-country scale for the first time.

The paper tests wheather an increase in the share of beer in alcohol consumption is connected with market and economic liberalization which leads to a growth of the beer industry in the countries analyzed. Moreover, we examine connection between the share of beer in the alcohol consumption and the cardiovascular revolution ([Vallin and Meslé, 2004](#)). Finally, we compare situations in Russia and Belarus as countries with the similar alcohol consumption patterns but different alcohol consumption structures.

We test these hypotheses using annual panel data on adult male mortality alcohol consumption, GDP per capita and health expenditure per capita for 83 countries between 1960 and 2012. Moreover, we compute the periods between economic liberalization and the increase in the share of beer in the alcohol consumption. Information about the number of deaths from diseases of the circulatory system in Russia for the period from 1990 to 2011 is used.

It was found that negative correlation between the share of beer and

mortality rates for male adults. Developed countries do not show this relation. Moreover, using data on liberalization measures and alcohol transition (a sharp growth of the share of beer in total alcohol consumption) it is shown that market liberalization is the main cause of transition.

Furthermore, comparing Russia and Belarus, this paper confirmed that economic measures can slow down alcohol transition. Information about CVD, poisoning and external factors for Russia does not show correlation between CVD and alcohol transition. However, poisoning and external factors decline with an increase of a beer proportion.

These findings demonstrate that the effect of market liberalization reduces mortality rates for male adults for a large number of countries. It means that the substitution of spirits with beer will decrease mortality rates for adult male.

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