

Revising National Alcohol Act Together with the Alcohol Industry – The Importance of Proper Conflicts of Interest Management in Public Policy-Making



TYPE
STATUS

Revised Alcohol Act was adopted in 2017
Came to force in 2018

LAST
UPDATE

September 2021

FINLAND • NATIONAL

PROBLEM & OBJECTIVE

To describe dilemmas in public policy making raising from involving industrial actors with conflicts of interest, such as actors involved in alcohol production and sales involved in preparation of alcohol legislation aiming at reducing alcohol consumption and alcohol related harm.

In this paper the preparations for revising the Alcohol Act that started 2015 are described. As compared to previous alcohol policy processes, the aims and perspectives of the alcohol related businesses became more pronounced in this process (Sama and Hiilamo 2019, Ollila 2015).

CONTACT

Cancer Society of Finland

Eeva Ollila

eeva.ollila@cancer.fi

KEY COMPONENTS / STEPS

- The new revisions to the Alcohol Act were done in the context of the government's stated general aim of reducing and simplifying regulation, and a specific aim of reconciling the interests of various actors linked to the production, selling and use of alcohol with those stemming from health and social policy.
- Industries benefitting from alcohol production and sales were strongly involved in the whole policy revision process. They were invited by the Ministry of Social Affairs and Health together with public health NGOs and only one researcher to the preparatory workshops, while those industries suffering from alcohol use, in terms of for example loss of productivity, were not invited (Ollila 2015).
- The successful alcohol industry strategies and tactics as regards revising the Alcohol Act included strong links with the National Coalition Party (NCP) with revolving doors in terms of employers changing employments between the Party and the alcohol industry federation, lobbying in the Parliament by the NCP Parliamentarians, constituency building with the grocery-retail business, and policy substitution from regulation to self regulation. (Sama and Hiilamo 2019)
- The stated main purpose of the alcohol act (Alcohol act 1102/2017) remained to reduce consumption of alcohol containing beverages. But the new legislation in fact relaxed the previous regulation, including the types and higher alcohol contents of alcohol beverages allowed to be sold in regular shops. The relaxed legislation was followed by increases in taxation partly compensating for the effects of the de-regulation.

KEY CONTEXTUAL FACTORS

- Finland has long practiced health in all policies approaches, including intersectoral policymaking for health (Melkas 2013, Ollila et al 2013). Traditionally this concerned involving public policy-actors across sectors in discussions of proposed policies, while stakeholder involvement was through statements, policy dialogues. As described by this example from alcohol policy-making, recently industry actors have entered some public policy-making processes.
- Alcohol policy in the Nordic countries has traditionally held a strong social and health policy perspective, although alcohol policies in the EU have seen a convergence between the policies practiced in the North and those practices in Central and Southern Europe. Alcohol consumption has risen in Finland substantially during its EU membership (see for example OECD 2015 a and b, Österberg 2007).
- Since joining the EU, Finland has gradually relaxed its alcohol policy (Österberg 2007). For example, in 2004 Finland lowered alcohol taxation substantially as a response to Estonia (with substantially lower alcohol prices) joining the EU. With the consequently increased alcohol use and associated problems the need to revise the alcohol law became evident.

LESSONS LEARNED

- While policies may not be easily evidence based, they should be evidence-informed (see for example Anderson et al 2013) and not driven by interests of certain industrial sectors or other strong interest groups. Inclusion of stakeholders with strong vested interests in setting the targets of public policies should be looked at with caution. According to Sama and Hiilamo (2019), in the case of revising the Alcohol Act in Finland, inclusion of the alcohol industry in political decision making has given the industry legitimacy and new opportunities to influence alcohol policy, while limiting policies to protect the public from alcohol-related harm. While policy dialogues, hearings, and statements should be included in the processes, there should be firewalls and adequate conflict-of-interest management procedures between public policy-making bodies and interest groups (see for example OECD 2003).

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