Alcohol policy and public opinion in Iceland, 1989–2012

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ABSTRACT
AIMS – The objective of this article is to provide an overview of the changes in public opinions and alcohol policy over the last 20 years in Iceland. Furthermore, to give an overview of changes in the key areas that may have influenced alcohol consumption amongst the population. METHODS – Data was gathered from different sources, including public surveys and sale figures from the Statistical Office in Iceland and the State Monopoly. RESULTS – Per capita consumption of alcohol amongst those 15 years and older and the overall availability of alcohol in Iceland increased during the time in question, from 4.5 liters of pure alcohol in 1988 to estimated 6.9 liters in 2012. The total consumption was the highest in 2007, at 7.5 liters of pure alcohol. After the onset of the economic crisis, the consumption decreased to 6.7 liters of pure alcohol at its lowest point, but has been slowly increasing again. During this period, people’s attitude towards the arrangement of the state monopoly has remained positive and relatively stable. DISCUSSION – It appears to be a consensus in Iceland regarding the current status of the state monopoly, the limited availability and the 20 years age limit to purchase alcohol. Older people and people living in rural areas are more in favor of the state alcohol monopoly. The majority of the people are in favor of banning alcohol advertising. The total alcohol consumption in Iceland appears to be associated with availability and price. The lack of data for cross-analysis makes it problematic to make clear conclusions. KEYWORDS – alcohol policy, attitudes, public opinion, state monopoly, Iceland.

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Introduction
The objective of this article is to provide an overview of the changes in public opinions and alcohol policy over the last 20 years in Iceland, a country with a population of 320 000. Furthermore, to give an overview of changes that may influence alcohol consumption in the population. The overview begins in the year 1989, when the ban on sale of beer was revoked and the alcohol consumption increased dramatically.

For many decades, alcohol policy in Iceland has been largely characterized by restrictions. In 1928, the first laws on alcohol were introduced in Iceland, thereby banning alcohol advertising, setting the minimum legal drinking age at 21 years-of-age and limiting the conditions and hours during which restaurants were allowed to sell alcohol. In 1943, a state monopoly of alcohol was granted permission to open its first outlet. In 1986, private producers of alcohol beverages, i.e. in addition to the State Alcohol and Tobacco Company of Iceland (ATVR), were given permission to produce alcohol beverages (Arnason, 1992).

Total consumption
Overall alcohol consumption in Iceland...
has increased during the last thirty years. The total consumption was a little over 4 liters of pure alcohol in the 80’s, prior to the ban on sale of beer being revoked in 1989 (see Table 1). Prior to 1996, most of the alcohol was sold by the state monopoly, but from that year onwards it was no longer required for restaurants to buy alcohol from the state monopoly. Restaurants could then buy alcohol directly from the wholesalers and distributors. Unregistered alcohol consumption in Iceland is estimated to be less than 1 liter pure alcohol, which is low compared to other Nordic countries. The most likely reason for this is the geographical location of the country and the strict restrictions on private import of alcohol. Data from a public survey conducted in 2012 showed that only 4.3% of respondents have consumed homemade alcohol (Directorate of Health, 2013).

The increased consumption of alcohol can be viewed in the context of increased availability of alcohol as the numbers of the ATVVR outlets have increased and opening hours have been extended (see Figure 1).

### Changes in alcohol policy

The sale of beer was initially banned in 1915 by the Icelandic Parliament (Alþingi) and not revoked until the year 1988. The change officially took effect March 1st, 1989, and subsequently celebrated annually by some as “Beer day”, albeit mostly by the alcohol industry (Arnason, 1992). Subsequent to the revoking of the ban, beer has persistently topped the alcohol sales charts in the country (see Figure 2). Based on public surveys in the years 2001 and 2004 it can be argued that the increased beer and wine consumption can be explained by a change in drinking patterns.

![Table 1. Development of total alcohol consumption per capita 15 years and older.](image)

| Year | Total consumption per cap. 15-years and older (liters of pure alcohol) | State Monopoly Sales (liters of pure alcohol) |
|------|-------------------------------------------------|------------------------------------------------|
| 1988 | 4.53                                            | 4.53                                           |
| 1989 | 5.52                                            | 5.51                                           |
| 1990 | 5.24                                            | 5.24                                           |
| 1991 | 5.14                                            | 5.13                                           |
| 1992 | 4.73                                            | 4.73                                           |
| 1993 | 4.45                                            | 4.45                                           |
| 1994 | 4.61                                            | 4.61                                           |
| 1995 | 4.76                                            | 4.75                                           |
| 1996 | 4.89                                            | 4.08                                           |
| 1997 | 5.09                                            | 4.08                                           |
| 1998 | 5.56                                            | 4.33                                           |
| 1999 | 5.91                                            | 4.61                                           |
| 2000 | 6.14                                            | 4.76                                           |
| 2001 | 6.32                                            | 4.99                                           |
| 2002 | 6.53                                            | 5.17                                           |
| 2003 | 6.52                                            | 5.18                                           |
| 2004 | 6.71                                            | 5.38                                           |
| 2005 | 7.05                                            | 5.7                                            |
| 2006 | 7.2                                             | 5.84                                           |
| 2007 | 7.53                                            | 6.04                                           |
| 2008 | 7.26*                                           | 6.11                                           |
| 2009 | 6.93                                            | 5.86                                           |
| 2010 | 6.77                                            | 5.48                                           |
| 2011 | 6.68                                            | 5.34                                           |
| 2012 | 6.93                                            | 5.32                                           |

*Figures in bold are estimations of total consumption due to lack of registration of sales in restaurants.

There has not been an increased frequency of beer consumption, but rather an increase in the amount of beer consumed per drinking occasion. There has also been a change in the wine consumption pattern, as more wine is consumed with meals weekly (Directorate of Health, 2004).
New purchasing rules for the State Alcohol and Tobacco Company of Iceland

In the spring of 2008, the Ministry of Finance confirmed new purchasing rules for the State Alcohol and Tobacco Company of Iceland (ATVR). Subsequently, the products in ATVR’s outlets are selected not only within the parameters of laws that govern the monopolies operation, but also in accordance with the Icelandic National Health Plan. The goal of the Health Plan is that alcohol consumption should...
not be more than 5.0 liters of pure alcohol per capita 15 years and older. It also suggests that the alcohol consumption of young people should be reduced by 25% (Ministry of health and insurance, 2001).

Furthermore, the new purchasing rules contain a product policy which is outlined in aims and goals. The policy states that ATVR should select products that support responsible use of alcoholic beverages and handling of alcohol. These new rules are applicable to the alcoholic products that ATVR sells but not to hotels and restaurants. The rules have objectives concerning choice of products, concerning equality and impartiality as regards suppliers and objectives concerning social responsibility (The State Alcohol and Tobacco Company of Iceland, 2008).

Attitudes towards the sale of alcohol
Attitudes towards permitting the sale of alcohol in supermarkets and other forms of loosening of alcohol controls have been monitored only irregularly in Iceland. Indeed, the surveys conducted have mostly been carried out when changes or bills are being proposed in Parliament. ATVR has also regularly monitored customers’ attitudes to the state monopoly and their services. The next few paragraphs will give an overview of the outcomes of various surveys examining attitudes relating to alcohol distribution and regulation in Iceland.

Attitude towards the sale of wine and beer in supermarkets
In the year 2001, the Alcohol Prevention Council conducted a public survey on public attitude towards the sale of beer and wine with alcohol content lower than 22% in supermarkets (Gallup, 2001). The survey revealed that 51% of the population held a positive view towards allowing wine and beer sales in supermarkets, whereas 49% were against it. The survey further showed that 62% held negative views towards allowing the sale of alcohol in supermarkets if spirits were also to be sold at the same place. Only 34.5% were in support of sale of all forms of alcohol in supermarkets. Women were more likely to hold negative views towards the sale of alcohol in supermarkets than were men. Similarly, older people were more against allowing the sale of alcohol in supermarkets than the younger population. Participants who live in rural areas were more opposed (71%) to allowing the sale of alcohol in supermarkets. In the capital area 61% were positive towards allowing the sale of alcohol in supermarkets. Another survey in the years 2005 and 2007 showed that fewer were positive towards selling beer and wine in supermarkets, or 59% in 2005 and 50% in the year 2007 (Capacent Gallup, 2007). Men are more than women in favor of being able to buy beer or wine in supermarkets. There are clear relations between age and attitudes of the respondents: younger people are more in favor of concessions of sale of alcohol than older people. When analyzed by income, a correlation can be seen, as the opposition to concession increase with falling income. When looking at the political position of the respondents those more liberal and right winged are more in favor of liberalization of the restrictions than those on the left wing.
Attitudes towards sale of spirits in supermarkets

A more negative attitude was revealed when the question was about allowing sale of spirits in supermarkets. In the year 2005, 13% of the respondents were positive to allowing the sale of spirits in supermarkets and 81% were negative. In the year 2007 the positive attitudes towards allowing the sales of spirits in supermarkets had increased to 16% (Capacent Gallup, 2007). In the year 2008 only 10% where in favor of it and 86% where against it or negative to allowing the sale of spirits on supermarkets (Capacent Gallup, 2008). These results show that there is more resistance against allowing the sale of spirits in supermarkets than against beer and wine. Respondents living in rural areas are also concerned that the quality of wine and beer would be lower and that the service would deteriorate somewhat.

These surveys were conducted at different times and that could have had an influence on the results. The survey in 2007 was conducted in December and the one in 2008 in January.

Attitudes towards lowering the minimum purchase age for alcohol

In Iceland the minimum age for purchasing all alcohol is 20 years, both on and off premises. A survey from 2003 showed that 48% of respondents were positive to lowering the age limit and 47% were against it. During this time some political discussion and proposals were made in the parliament for lowering the age limit. The Public Health Institute of Iceland and several NGO’s where against lowering the age limit and sent comments to the Parliament. In the year 2007 26% of respondents were positive and 69% of respondents were against lowering the age limit from 20 years to 18 years. Males held more positive opinions than females and younger respondents had more positive attitudes than older respondents (FRÆ).

Attitudes towards alcohol advertising

By law, all advertising of alcohol and specific brands is prohibited. In the year 2006 two surveys on attitudes about advertising of alcohol were conducted. The majority of the respondents in the former survey were in favor of the ban. Approximately 60% of women and 52% of men were more positive towards the ban. The older respondents were more in favor of the ban than the younger. In the latter survey an additional question was asked whether the respondents would like to tighten the existing ban on advertising. A total of 55% of the respondents answered that there was no need for more strict regulations but 45% said that there was a need for stricter regulation on alcohol advertising. When asked whether alcohol advertising for wine and beer should be allowed with special conditions, 71% of the respondents were against it (FRÆ).

Attitudes towards the state monopoly

The ATVR has conducted surveys to measure people’s attitudes towards the state monopoly and other aspects regarding the current arrangement of sale of alcohol in Iceland for several years. In the last ten years there have been some fluctuations in people’s attitudes but over all there are positive attitudes towards the current arrangement (Figure 3). When asked about the main reason for their positive attitudes towards the current form for sale of alco-
Figure 3. Attitude towards current arrangement of sale of alcohol in Iceland.

Results from the same survey show that people older than 30 years are more satisfied with the current form for sale of alcohol than younger people.

Figure 4. Satisfaction with current arrangement of sale of alcohol in Iceland.
hol people say that control and service are the main reasons (Figure 4). The question about good service is getting more important to the customers and health issues are also prioritized.

**Changes on alcohol taxes**

Alcohol prices were significantly reduced in real terms in the years 1995-2005. Taxes on spirits increased by 17% in nominal terms, while consumer prices increased by 41%. Furthermore alcohol taxes on wine decreased with 11% but were unchanged on beer. These changes led to price reduction in real term, but to a different extent depending on the type of alcohol.

In the years 2008-2012 the alcohol tax rose significantly. Taxes on alcohol are calculated in accordance with the percentage of alcohol content in the beverage. In December 2008 alcohol tax was increased by 12.5%. In June 2009 the alcohol tax was increased by 15% and again in December by 10%. In December 2011 taxes were raised again, now with 5.1%. All these tax increases were set to increase revenues. It can be surmised that these increases as well as reduced purchasing power have affected the overall consumption of alcohol in the following years. Alcohol taxes were planned to be increased again on all types of alcohol in the beginning of 2013, but were only increased on spirits. Combined, the alcohol tax has increased by 42.6% since 2008. The sale of alcohol has fallen in the years after the financial crises but the latest sale figures show a small increase again.

Figure 5 displays changes in total alcohol consumption in percentage from one year to another. The first big change is the change from the year 1988 to 1989.
Table 3. Changes of opening hours in the state monopolies outlets.

| Year    | Changes in opening days | Changes on opening hours |
|---------|--------------------------|--------------------------|
| 1998    | Saturday                 | 11-14                    | 16 outlets               |
| 2006    | Saturday                 | 11-18                    | All outlets in the capital area |
| 2006    | Monday-Friday            | 9-20                     | 2 outlets                |
| 2006    | Monday-Thursday          | 11-18                    | 10 outlets in the capital area |
| 2006    | Friday                   | 11-19                    | 10 outlets in the capital area |

It shows an increase of alcohol consumption by over 20% from the year before. This is explained by the ban on the sale of beer being revoked. After that the next big change in 1998 can be explained by the reduction on taxes of wine and an increase of sale of wine. In the year 2002 there was a tax increase on spirits that resulted in a decreased sale of alcohol. In the year 2004 when taxes were raised on spirits it only affected the sale of spirits. The sale of beer and wine increased in those years (Hagstofan). From that figure and data it may be interpreted that changes of alcohol taxes influences the total alcohol consumption.

**Number of monopoly outlets**

Alcohol in Iceland is according to the laws on alcohol either sold in ATVR outlets or on-premises with alcohol license. There have been changes in the availability of alcohol over the last 20 years as the number of state monopoly outlets and on-premises licenses has increased. In the year 2013 ATVR runs 48 outlets or ca. 19 outlets per 100.000 inhabitants 15 years and older. The majority are in the capital area where two-thirds of the total population lives.

At the end of 1990 there were 134 permits to serve alcohol on premises, of which 92 in Reykjavik. In year 2007 there were over 500 permits. At the same time numbers of ATVR outlets had also ascended, self-service instead for over the counter service, extended opening hours that include opening on specific outlets on Saturdays. The alcohol consumption also rose during this time, from 5,2 to 7,5 liters of pure alcohol per capita 15 years and older. The opening hours have changed over this time period and also the number of outlets. The first extended opening hours were introduced in 1998, when outlets were opened on Saturdays. Table 3 shows the milestones in the development of opening hours. Table 4 shows the status on opening hours of the state monopolies outlets in January 2013.

**Governmental actions**

In the year 1990 a bill was discussed in the Icelandic Parliament proposing that warning labels, concerning fetal alcohol spectrum disorder and alcohol content, should be put on all alcohol products. This bill has not been approved. The year before (in 1989), selling beer was legalized again after being banned for many years. Political debates about advertising alcohol were in operation from 2004 until 2006 and two different propositions were made. It was proposed that it would be allowed to advertise alcohol with warning labels. The second proposition suggested making dif-
different packages for alcohol products and alcohol free products such as alcoholic free beer. This was proposed again in 2008.

In 2003 and 2004 the proposition that the legal age to purchase wine and beer should be lowered from 20 to 18 years (first proposed in 1995) was not approved. In 2005 the Parliament proposed three amendments to the alcohol laws. The first one suggested lowering the legal drinking age from 20 to 18 years. The second suggested repealing the state monopoly of alcohol (wine and beer) and the third one suggested lowering taxes on alcohol. None of them were approved. Lowering of legal drinking age and repealing the state monopoly was proposed again in 2006 but was not approved (Olafsdottir, 1998). In the years 2004–2008 a proposition was repeatedly submitted in the Parliament suggesting the legalization of the sale of beer and wine in grocery stores but only products containing less than 22% alcohol. This was not approved. A new government was established in 2009 and from that year until 2012 the only propositions regarding changes on the laws on alcohol have been on advertising. In 2010 a bill for trade in alcohol and tobacco was adopted in the Parliament. Concomitantly that proposal the Minister of Finance appointed a working group which was given the task to draft a governmental policy on alcohol. That draft was submitted for approval to the government at that time. The main objective of the policy was to maintain the strict alcohol policy, including goals to reduce the total consumption, reduce harmful use of alcohol and protect young people against harmful consumption. This policy was not adopted in the Parliament. A four year action program was initiated to support children and young people. A part of the action program was about alcohol prevention. This should be carried out in schools in the same way as the mandatory tobacco prevention (Alþingi). In 2012 the Minister of Welfare appointed a working group which got the task to write a comprehensive policy on alcohol and other substances. The plan is to create an action plan with the policy and a working group will be appointed.

**Discussion**

In Iceland there seems to be consensus regarding the current status of alcohol related issues i.e. availability, state monopoly and age limit. This is in concurrence with the strict Nordic alcohol policy. The major changes in the alcohol policy in Iceland over the time period discussed are the revoke of the ban of selling beer, the changes from over the counter sale of alcohol to self-service and the extended opening hours and growing numbers of outlets. Older people and people in rural areas are

|        | The most common opening hours | The longest opening hours |
|--------|-------------------------------|--------------------------|
| Monday | 11-18                         | 10-20                    |
| Tuesday| 11-18                         | 10-20                    |
| Wednesday | 11-18                          | 10-20                    |
| Thursday| 11-18                         | 10-20                    |
| Friday  | 11-19                         | 10-20                    |
| Saturday| 11-18                         | 11-18                    |
| Sunday  | Closed                        | Closed                   |
more positive towards the current form of sale of alcohol. Also older people are more positive towards the state monopoly. An association can be seen between availability of alcohol, both with price and physical availability, and the total consumption of alcohol. The lack of data made it impossible to analyze correlations between attitudes and alcohol consumption.

During the last twenty years there have been some changes proposed in the Parliament on the current form for sale of alcohol. The changes proposed were mostly on selling alcohol in supermarkets and lowering the minimum age for purchasing alcohol. The public opinion differs on the matter of selling beer and wine with lower alcohol content than 22%, and the selling of spirits in stores. Little over 50% are against selling alcohol with lower alcohol content than 22% and that has been relatively stable. People are more negative towards selling spirits in stores. The majority of the people are in favor of banning alcohol advertising. More people are positive for the state monopoly than against. The main reasons for their positive attitudes are support of control policies and maintaining good service. People are concerned that the service will get worse and that young people under the minimum age for purchasing alcohol will have easier access to alcohol.

Some speculations have been made on the influence on the ATVR if beer and wine would be sold in supermarkets. It is not impossible to assume that this could lead to difficulties for the ATVR as it would almost only sell spirits and expensive wines. Perhaps the ATVR would not be able to run the outlets with the same service as now and perhaps even close down.

In conclusion it seems sensible to keep the current form of sale of alcohol and a restrict alcohol policy. Price and number of outlets seem to have an effect on the total consumption of alcohol in Iceland. More research is needed to determine the association between public opinion, policy and total alcohol consumption.

Declaration of interest None.

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