

Changing patterns of alcohol use and poverty

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Concerns surrounding alcohol consumption and poverty have a long history, with both recognised to be important phenomena in current socio-economic policy analysis. In order to examine the impact of household level alcohol consumption on poverty, data from four micro-level surveys conducted by the Department of Census and Statistics was used. The main aim of this study is to measure the effects of alcohol consumption on the level of poverty in a systematic way. Using Sri Lanka as a case study, this study demonstrates that consumption of alcoholic beverages, particularly illegal beverages has a significant positive impact on the incidence of poverty. Although national poverty decreased to 8.9 per cent in 2009/10, if households consumed illegal alcoholic beverages, the probability of poverty increasing at the national level rose by 1 to 2 percentage points. This suggests that illegal alcohol consumption is highly sensitive to the changes in the incidence of poverty at the national level.

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