

# CHAPTER 1

## Introduction and Background Literature

### Introduction

The substance 'alcohol'<sup>1</sup> (or 'liquor') has existed on the Indian scene, since 3000 BC<sup>2</sup> – finding itself at the centre of various shades of social attitudes. These attitudes have turned a full circle from curiosity, adoration, popularity, religious sanctity and mass production to social condemnation, social ban and once again, revival. The reason for this complete cartwheel has been the dichotomy of preferences towards the consumption of alcohol across various sections of society. Distinct approaches towards alcohol grew and exist even today.

On the one extreme, is the approach that propagates complete freedom in the production, sale and consumption of alcohol. The other extreme viewpoint supports total prohibition on these very activities.

### Literature Review

Considerable amount of literature is found to exist on both the points of view which argue 'for' and 'against' prohibition of alcohol, which is a live topic of debate even today as far as policy making is concerned. An understanding of the basis of both arguments forms a good frame work for assessing the stakes of various identified stake-holders. Both these view points are considered in the subsequent paragraphs.

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<sup>1</sup> 'Alcohol' refers to beverage alcohol in this dissertation, unless stated otherwise.

<sup>2</sup> History, *Alcohol Atlas of India*, Indian Alcohol Policy Alliance (IAPA) (Online) Available : [http://www.indianalcoholpolicy.org/alcohol\\_atlas.html](http://www.indianalcoholpolicy.org/alcohol_atlas.html) (Accessed 10 October 2009)

## **The Pro Alcohol Viewpoint**

This view is generally supported by liberalists and those who have to gain from the existence and transaction of alcohol.

Andreae Percy (1915) ***The Prohibition Movement in Its Broader Bearing on Our Social, Commercial and Religious Liberties***<sup>3</sup>. The author was one of the most successful spokesmen against Prohibition. Andreae has argued that the desire to support prohibition stems from the personal experience of people who have either lost a near relative or have been victims of over consumption of alcohol. However, he argues that the over-indulgence in alcohol due to indiscretion by one such individual should not lead to the snatching away of the privilege of others to exercise theirs, by imagining that all others would be as weak-minded as the victim. He also alleges that the movement of prohibition has religious undertones fuelled by religious zealots who, in the name of God were trying to assert their views of curbing liberties of individuals. The argument put forth by Andreae is that self-control is the sign of a developed human being and human race has always been forward looking. Curbing the liberty to decide for oneself, he asserts, would be a retrograde step in the evolutionary process. His estimate is that not more than one in a hundred persons over-indulges in alcohol. Hence, curbing the freedom of all others to inhibit the errant individual would not be justified at all. Prohibition would take away the pleasure of a smile on a Sunday from the faces of the ordinary citizen, who would be forced to attend religious events instead. He also substantiates his argument by alleging that the religious zealots were turning a blind eye to many other vices which prevail, including prostitution. "If", Andreae challenges, "alcohol was

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<sup>3</sup> Andreae, P., "A Glimpse Behind the Mask of Prohibition", in ***The Prohibition Movement in Its Broader Bearing on Our Social, Commercial and Religious Liberties***, Chicago : Felix Mendelsohn, 1915.

as contagious and evil as was being made out to be, how would it have survived for hundreds and thousands of years and not destroyed the society itself?"

The pro-alcohol viewpoint essentially argues that alcohol, by itself, cannot be discriminated against solely because it has intoxicating effects. The view strongly leverages on the ability of the human being to 'self-regulate' against reaching a stage of deviant behaviour under alcohol. The viewpoint also advocates that alcohol has a large number of benefits which cannot be denied to the society, and hence its availability should be allowed to be governed by market forces.

The view<sup>4</sup> also holds that there is widespread violation of the law by citizens rich enough to flout the law in countries with total prohibition and prohibition really does not survive. The society itself thus discards the prohibitory or regulatory approach.

### ***The Anti Alcohol Viewpoint***

This viewpoint believes in preventing what is known to be harmful rather than suffer its effects and mitigate them with remedial measures.

Samarasinghe, Dr. Diyanath (2006) ***Reducing Harm from Use of Alcohol – Community Responses.***<sup>5</sup> This booklet issued by the WHO comprehensively describes the ill effects of alcohol such as death, medical diseases, psychiatric diseases, disability and psychosocial problems. It also negates the indispensable and elixir status given to alcohol by calling these 'purported benefits'. The booklet also brings out the impact of alcohol on marginalized communities, young people and women; all three of which are

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<sup>4</sup>Report of Maltmarch (21 Jan 2007) (On Line) Available : <http://www.maltmarch.org/node/15>, Accessed 10 October 2009.

<sup>5</sup> Samarasinghe, Dr. Diyanath, ***Reducing Harm from Use of Alcohol – Community Responses, 2006***, WHO Regional Office for South East Asia, New Delhi.

categories highly applicable for consideration in the Indian context. While the booklet does not categorically propose a prohibitory ban on alcohol, it details the response that society should give towards alcohol and its effects. It concludes that the behaviour of people after consumption of alcohol plays a key role in the incidence of alcohol-related problems. Hence, it urges to delay the initiation of alcohol among youth so as to reduce alcohol-related problems later in life. It points out the social costs of alcohol misuse. Stating that getting away with socially unacceptable behaviour is a privilege enjoyed by habitual drinkers, it advocates that communities must reduce these unfair privileges. A profound finding it makes is that 'the consumption of alcohol increases based on its ready availability'.

Ramanathan, Hareesh N. and Jagathy Raj, Dr. V.P. ***Prohibition! A Constitutional Promise And The Reality : A study on Indian Made Foreign Liquor Markets in Kerala.***<sup>6</sup>

Though the study pertains to the alarming trend of rising alcohol consumption in Kerala, it points out that prohibition is incorporated in the Constitution of India among the Directive Principles of state policy. Article 47 says: "The state shall regard the raising of the level of nutrition and standard of living of its people as among its primary duties and in particular, the state shall endeavour to bring about prohibition of the use except for medicinal purposes of intoxicating drinks and of drugs which are injurious to health". Thus, prohibition of alcohol for uses other than medicinal, is a constitutional duty of the State.

The anti-alcohol viewpoint primarily hinges about the experiences of affected persons themselves or those that have borne the burden of another person's deviant behaviour under the

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<sup>6</sup> Ramanathan, Hareesh N and Jagathy Raj, Dr. VP, "Prohibition! A Constitutional Promise And The Reality : A study on Indian Made Foreign Liquor Markets in Kerala", Paper for International Marketing Conference on Marketing & Society, 8-10 April, 2007, IIMK.

influence of alcohol. The view questions the indispensability of the substance since substitutes to alcohol, which provide the same positive effects, are available; and holds that an alcohol-less environment will preclude the ill-effects. The view also challenges effectiveness of 'self-regulation', terming it as a paradox, since the bodily function of self-regulation itself is impaired under the effect of alcohol.

Besides, the anti-alcohol view draws its strength from Article 47 of the Constitution of India, which advocates prohibition of liquor.

### **The Prevailing Environment**

While Western cultures appear to be considerably liberal in the treatment that they mete out to alcohol in their societies, the Indian context differs greatly. Alcohol does remain a substantial subconscious taboo in households of the common middle class elderly Indian even today. Yet, trends in the volumes of production and consumption of alcohol reveal an increasing trend at alarming rate. Production in India has increased from 887.2 million litres in 1992-93 to 1,654 million litres in 1999-2000 and was expected to treble to 2300 million litres by 2007-08.<sup>7</sup> Consumption has also steeply risen from 1438 lakh nine-litre cases in 2000 to 2638 lakh nine-litre cases in 2007<sup>8</sup>. Concomitant with this increase are its fall-outs, as far as society at large is concerned.

Various attempts have been made in the history of Europe as

<sup>7</sup> News Report, "India's Alcohol Production Increasing", Express India, 02 May 2008, (On Line) Available : <http://www.expressindia.com/latest-news/Indias-alcohol-production-increasing/> 304470, Accessed 10 October 2009

<sup>8</sup> Report of *The International Wine and Spirit Record (IWSR)*, 2008 (On Line) Available : <http://www.icap.org>, Accessed 10 October 2009.

well as of USA to impose prohibition on alcohol<sup>9</sup>, supposedly to no avail. Similar attempts have been made by some states within India as well. While other states have modified prohibition laws enacted by them, Gujarat State continues to follow 'Prohibition'. However, the imposition of prohibition does not appear to have delivered the desired results in curbing the consumption of alcohol even in Gujarat, which experienced 136 deaths<sup>10</sup> due to illicitly brewed liquor in July 2009.

## Rationale of the Research

Prohibition or no prohibition, people in younger age groups appear to be relishing the brew in various quality, quantity and price segments in all social and economic strata. The mean age of initiation of alcohol use has decreased from 23.36 years in 1950-1960 to 19.45 years in 1980-1990<sup>11</sup>. The spectre of large number of crimes, deaths, homicides, spouse and child abuse cases, apart from the degeneration of the social capital through deviant behaviour and low performance under the influence of alcohol does not seem to deter our society.<sup>12</sup>

Various bodies have voiced their concerns about the ills caused by alcohol and the requirement to rein in its rampant spread by curbing production. However, governments in most countries have generally shunned from imposing total prohibition. It is, therefore, likely that such policy decisions have been made

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<sup>9</sup> "Prohibition of Alcohol", *Citizendium, the Citizens' Compendium, United States* ( On Line) Available : [http://en.citizendium.org/wiki/Prohibition\\_of\\_alcohol%2C\\_United\\_States](http://en.citizendium.org/wiki/Prohibition_of_alcohol%2C_United_States)", Accessed 14 October 2009.

<sup>10</sup> News Report, "Gujarat Hooch Tragedy: Death Toll Rises to 136", IBN Live, 11 July 2009, (On Line) Available : <http://ibnlive.in.com/news/gujarat-hooch-tragedy-death-toll-rises-to-136/96884-3.htm>, Accessed 19 October 2009.

<sup>11</sup> *Alcohol Related Harm in India – A Fact Sheet*, Indian Alcohol Policy Alliance (IAPA), (On Line) Available : [www.indianalcoholpolicy.org](http://www.indianalcoholpolicy.org), Accessed 10 October 2009.

<sup>12</sup> *Alcohol Related Harm in India – A Fact Sheet*, Indian Alcohol Policy Alliance (IAPA), (On Line) Available : [www.indianalcoholpolicy.org](http://www.indianalcoholpolicy.org), Accessed 10 October 2009.

consciously after weighing the pros and cons of the effects of prohibition of alcohol on its various stake holders and the most beneficial one would have led to such policy formulation.

Probably, the less dominant stake holders get side-lined in the framing of the policy only because their voices can never be heard. Wives oppressed by their tippler husbands, families destroyed by an addicted head and victims of a variety of offences stemming from the abuse of alcohol are sufferers, despite various agitations and anti-alcohol movements that have been organized by them. The 'Women's Crusade (1873-74, USA), Arrack Movement (1992, Andhra Pradesh, India) and Anti-liquor Movement (1991, Manipur, India) are some of the major such movements.

The 'pro' and 'anti' alcohol attitudes appear to have formed as the result of experiences of people involved and affected – the 'Stake Holders' - in the existence of the substance and its effects.

### ***The Stake Holders and Their Stakes***

A comparative study of the stakes of each stake holder needs to be carried out to identify the genesis of inaction in this direction and a policy needs to be suitably evolved to result in mitigation of the social evils of alcohol.

Stake-holders fall in two main categories as far as prohibition on liquor is concerned; those that stand to gain from its production, distribution and consumption on the one hand, and those who stand to lose or suffer due to the ill effects that are associated with it. An intuitive identification of the stake-holders and broad examination of their stakes is carried out in the succeeding paragraphs.

**The Drinker.** Since the brewing of alcoholic beverages developed on a domestic scale in the ancient past, its availability and consumption remained at the domestic and personal scale as a

ritual, or for religious or medicinal purposes, gradually extending to hospitality towards personal guests. The drinker derived benefit of relaxation of the mind free from stress, a social status and / or fulfillment of the spiritual desire when the substance happened to be part of a religious ritual. Peer groups are known to be formed on the basis of common drinking habits as also a fairly large number of social and commercial agreements are struck over 'a glass of beer' which acts as the linking force between the parties providing a focal point about which to feel commonly connected – a state very necessary to negotiating deals / agreements. According to Klingemann Harald<sup>13</sup>,

"Friends are part of the social environment in which young people learn how to drink and how to behave after drinking. The influence is mutual: young people are selected to be friends of drinkers because of their drinking habits and their attitudes towards alcohol; and young people – as well as adults – select *their* friends in accordance with their own drinking preferences. Thus, networks of friends share a certain compatibility with regard to alcohol."

A clamp-down on the freedom to access a drinker's need to enjoy any of these benefits is intimidating and may lead to the loss of these benefits to the drinker. The drinker, thus, has the personal stake of fulfillment. Drinkers can be categorized by several modes – environment obligation (e.g. the social drinker, the habitual drinker or addict, and the customary drinker); frequency (e.g. the light (or casual), moderate (normal) and heavy drinker), and so on.

**The Brewer.** It has been said of distilled alcohol that "the sixteenth century created it; the seventeenth century consolidated it; the eighteenth popularized it."<sup>14</sup> Brewing became a big business in the latter part of the nineteenth century. The

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<sup>13</sup> Klingemann, Harald, *Alcohol and Its Social Consequences – The Forgotten Dimension*, 2001, WHO Regional Office for Europe Publication.

<sup>14</sup> Wikipedia, "History of Alcohol", (On Line) Available : [http://en.wikipedia.org/wiki/History\\_of\\_alcohol](http://en.wikipedia.org/wiki/History_of_alcohol), Accessed 14 October 2009.

technological changes--especially the railroad and telegraph, and mechanical refrigeration that enabled the growth of "big business" (or, more exactly, vertically integrated firms) in the food manufacturing, processing and distribution industries also allowed some enterprising brewers to build very large firms capable of large production volumes and wide distribution in national and even international markets. The stake of the brewer has always been commercial – that of amassing maximum profits. Large production firms require efficient processes of manufacture and quality control, entailing high costs and consequent sale prices. Hence, for a small time brewer, when the costs of setting up a quality controlled brewing enterprise become unviable, illicit brewing starts; albeit with the same aim – 'maximise profits'. The brewers' aim of securing maximum profits is propped by the ever-increasing urge and demand of the drinker; and that of the illicit brewer is propped by the ill affording drinker. ( Here, it may be noted that Percy Andreae, strong protagonist of free availability of alcohol and self-regulation, and one of the most successful spokesmen against prohibition was closely associated with brewing interests in Cincinnati, Ohio. He organized a successful resistance to the Ohio Anti Saloon League after its sweeping victories in the 1908 state elections. Eventually Andreae tried to take the Ohio resistance to a national level through a brewery-financed organization called The National Association of Commerce and Labor.)<sup>15</sup>

Those associated with the intermediate activities in distribution and sale of liquor – **the Retailers** – also stand to earn their share of profits from the transactions that they carry out in

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<sup>15</sup> Andreae, P., Editor's Note on "A Glimpse Behind the Mask of Prohibition", in *The Prohibition Movement in Its Broader Bearing on Our Social, Commercial and Religious Liberties*, Chicago : Felix Mendelsohn, 1915, (On Line) Available : [http://prohibition.osu.edu/content/why\\_prohibition.cfm](http://prohibition.osu.edu/content/why_prohibition.cfm), Accessed 10 October 2009.

propagating the consumption of liquor and also form a sub-category of positive stake-holders.

**The Government.** The desirability of the demand and supply of alcohol needs to be contested from the government's point of view. The contest is essentially between the opposing effects of alcohol consumption – the first, which provides the much sought 'elation' to the drinker, and profits to the brewer, and the second, which leads to the undesirable effects of abuse of both, the manufacturing process and consumption. In demonstration of fairness to both, governments appear to control the supply and demand of alcohol by levying taxes or duties on its manufacture, sale, purchase or consumption. The trend, however, appears to be that of maximizing the collection of revenue in this form rather than critical examination of whether the imposed taxes or duties have achieved the aim of curbing availability or illicit production. The revenue is the positive pecuniary stake for the government. The cost to society (of the ill effects of abuse) is the negative stake to the Government. Often, the burden of this negative stake is left to be borne by the affected parties rather than the society as a whole.

To quote Ramanathan and Jagathy Raj (2007)<sup>16</sup>, "Alcohol as a major source of indirect tax revenue has always been the centre-point of the policy makers' thinking and little pain and consideration were given to look on to the social aspect and economic consequences. Alcohol policies, especially those relating to production, consumption and taxation, have varied widely across the states. Alcohol policy and legislation in India is based on political compulsions rather than the interests of public health."

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<sup>16</sup> Ramanathan, H.N. and Jagathy Raj, Dr. VP, "Prohibition! A Constitutional Promise And The Reality : A study on Indian Made Foreign Liquor Markets in Kerala", Paper for International Marketing Conference on Marketing & Society, 8-10 April, 2007, IIMK.

A quick look at the collection figures of Delhi Government will prove the point. The excise department of the Delhi government is, self-professedly, the state's second largest revenue earning department<sup>17</sup>. It got Rs 6,190 Crore as liquor revenue between 1994-95 and 2004-05, while targeting an all-time high of Rs 900 crore for 2005-06. The department's website boasts that the success of the government is reflected in its ever-increasing revenue collection through liquor sales, which reached 153 million bottles in 2002-03 from 64 million bottles in 1994-95.

Governments typically take recourse to propaganda of awareness and remedial measures over effects while keeping the source cause of those effects flowing in without stoppers. The Delhi Government website<sup>18</sup>, for example, elaborates the effects of alcohol, rehabilitation measures and preventive ideology but does not mention any curbs on production and sale of alcohol in Delhi.

**Other Members of the Society.** Every person, other than the drinker himself forms this very large group of stake holders. Immediate members of the family of the drinker, friends, relatives and neighbours form the specific groups. The drinker, by-and-large, exhibits deviant behaviour after having consumed alcohol to varying degrees. This may range from mere slurred speech or impaired motor senses to outright irrational behaviour under total intoxication. The burden of bearing the circumstances created by such deviant behaviour rests on those who care for the drinker – the stake holders enumerated above. The 'cost' borne by these stake holders combines facets of emotional stress, physical hardship, unsafe environment and in most conservative cases, a

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<sup>17</sup> Report, "To prohibit or not to prohibit...", The Financial Express, 03 March 2007, (On Line) Available : <http://www.financialexpress.com/printer/news/193172/>, Accessed 10 October 2009.

<sup>18</sup> Delhi Govt Official Website (On Line) Available : [http://www.delhi.gov.in/wps/wcm/connect/doit\\_socialwelfare/SocialWelfare/Home/Citizen+Charter/Prohibition+Services/](http://www.delhi.gov.in/wps/wcm/connect/doit_socialwelfare/SocialWelfare/Home/Citizen+Charter/Prohibition+Services/), Accessed 12 October 2009.

tendency to 'live with' the problem (creator) – just because they care. Yet other group which bears the brunt of the deviant behaviour are those who happen to be victims of such behaviour – vehicle accident victims and domestic violence victims. The cost incurred by these people, without their intention or fault is a great negative stake that they hold in the very existence of alcohol.

Klingemann, Harald (2001) ***Alcohol and Its Social Consequences – The Forgotten Dimension***,<sup>19</sup> estimates the 'cost to society' in some of the European countries, as follows :-

"The social costs of alcohol consumption amount to between 1% and 3% of gross domestic product. Thus, for the European Union in 1998, the social costs of alcohol consumption can be estimated at between US \$65 million and US \$195 million (at constant 1990 prices and exchange rates). About 20% of the total costs are direct costs, representing the amount actually spent on medical, social and judicial services. About 10% of the total costs are spent on material damage. About 70% of the total costs represent lost earnings of individuals who die prematurely or are unable to perform their productive tasks in the way they would have if they had not been consuming alcohol."

No such estimate is found to have been made in the case of India so far. A case, therefore, may exist to relate the burden of alcohol effects suffered by the society to its monetary 'cost' in our context too. The magnitude of the cost can well be imagined, since it appears to be comparable to the present Defence Budget outlay of 2.4% of the GDP<sup>20</sup>.

Wu, Pin-Hsien (2009) ***Reviewing the Implementation of Domestic Violence Act***.<sup>21</sup> The study highlights that while violence

<sup>19</sup> Klingemann, Harald, *Alcohol and Its Social Consequences – The Forgotten Dimension*, 2001, WHO Regional Office for Europe Publication.

<sup>20</sup> Government of India Economic Survey (Defence Expenditure) (On Line) Available : <http://indiabudget.nic.in/ub2009-10/bag/bag3.htm>, Accessed 19 October 2009.

<sup>21</sup> Wu, Pin-Hsien, "Reviewing the Implementation of Domestic Violence Act", 03 November 2009, Report based on interviews of women who had suffered from domestic violence.

against women and girls is a problem across the globe, women in developing nations such as India face particular challenges. A large study of India found that 43.5 percent of women reported that they were psychologically abused by their partners, and 40.3 percent reported that they were physically abused. The author deduces that some reasons behind violence perpetration are concrete, such as alcohol or drug. Alcohol is widely discussed in the domestic violence issue. Results of several studies have shown that alcohol consumption played a significant precipitating role in incidents of violence, both actual act and threatened. (ICRW, 2000; Koenig et al., 2006). More than half of the participants are claimed to have mentioned that their husbands had alcoholic problems, in some cases drugs, while some participants blamed their fate only on alcohol.

Other members of the society are thus, major stake-holders in the study on liquor prohibition. Primary data from as large a number of persons from this group as feasible has been attempted to assist realistic analysis of their stake.

## **The Purpose of the Research**

This research would seek to analyse and compare the stakes held in the propagation or prohibition of alcohol consumption by various players who are involved in its production, distribution and consumption; and those who are the recipients of its effects. The research also seeks to examine the policy makers, viz. the Government, as a stake holder, since it has to gain as well as lose from the pecuniary benefits and social costs, respectively.

Since the approach towards framing of policy on free availability of liquor or prohibition is widely varying between states in India, the research will derive the underlying reasons for such diversity by examining the stakes of various stake-holders and

whether the stakes of the affected players are duly addressed while framing these policies. The aim of such analysis will be to view the prevailing approach towards alcohol policy in a holistic manner and comment on its adequacy towards optimizing social well-being.

## **Hypothesis**

It is hypothesized that, "Liquor prohibition is not being adopted in India due to bias towards the stakes of producers, consumers and regulators (Government) of liquor, greatly ignoring the social costs imposed by its ill effects".

## **Key Questions to Be Answered**

What are the preferred and loathed effects of liquor consumption, and by whom?

What are the stakes identified by each stake-holder in the production, consumption, regulation and abuse of liquor?

What are the effects of alcohol (liquor) consumption that impose costs on the society?

What are the reasons for differing policies towards limitation of liquor adopted by various states in India?

Does the availability of liquor (or its prohibition) as per present policies in Indian states lead to greater costs than benefits?

## **Limitations of the Research**

'Alcohol', per se, could be put to industrial use or could be consumed as a beverage depending on its composition. This study essentially limits itself to beverage alcohol and extends to the effects of an observed tendency to consume the otherwise industrial variety due to desperation in the absence of availability of

the beverage variety. The word 'liquor' is also purported to exclusively refer to such beverage alcohol only.

The phenomenon of alcohol effects is, truly, global. Data on ill effects from some of the Western countries is fairly alarming. However, in view of the vast differences in cultural outlook towards alcohol in India with that in these countries as well as the social contexts of India, the scope of this study will be limited to Indian circumstances and analysis of the stake holders in the Indian context only.

The time available and the infrastructure that can be mobilized during this time for first hand recording of data impose the second limitation on this study. Primary data has been obtained from a total sample size of 45 persons, subdivided into different categories.

## **Methodology**

The research has been mainly based on primary data obtained from reports of various national and industry-related sources (India's National Portal, ICMR, IAPA), reports of international organizations dealing with liquor industry, liquor effects and the economics of liquor (WHO, IWSR, ICAP) and a limited set of data obtained through questionnaires and interviews of representative number of various stake-holders; viz. drinkers, brewers, retailers, government officials and some who are victims of liquor abuse including their kin.

Thirty randomly picked persons of varying ranks from a military unit (for whom liquor is more readily available) and 20 civilian habitual consumers who visited liquor outlets in Delhi were asked their views on their actual consumption, willingness to spend on liquor if allowed to do so, measures employed by them to keep

within limits of consumption and partial regulation and their awareness about the social costs that they would be imposing due to possible deviant behaviour on intoxication.

Major breweries operate under one common umbrella organization – Confederation of Indian Alcohol Brewing Companies (CIABC) and meet once a year to discuss their common issues and plans for furthering their industry. The author attended the national level conference (BevIndia-2010) conducted by CIABC at Delhi on 23/24 January 2010 and interacted with the topmost position holders of four major breweries. Issues regarding Corporate Social Responsibility were discussed with them after a debate in the open forum. Details of the businesses of most major breweries in India were obtained from their published audited Annual Reports presented at their Share Holders' meetings. Retailers and intermediaries in the trade were also interviewed.

Secretary Excise Dept. Central Excise, and Director Ministry of Foods and Beverages who made presentations / speeches at the BevIndia-2010 Conference were also interacted with, since they form the mouth-pieces for the government in policy issues. Websites of all Indian states' Excise Departments were scanned for updated information on policy and excise revenue of the States. Parliamentary debates of the Constituent Assembly in framing the Constitution were consulted for the genesis of the Article 47 (then Article 38).

Household members of families of some liquor addicts were met to obtain their views as regards the desirability of liquor shops, day-to-day circumstances faced by them related to the spouse's / parents / wards' behaviour (if under alcohol)

and their expectations from alcoholic victims as well as government authorities who could make a difference.

Several bodies of interested groups in the issue of prohibition spring up as the collective voice of the unheard majority. Such organizations, to include NGOs, Rehabilitation Activists and certain political parties who have taken positions on the subject were contacted / their websites examined for their mandates which were their purported stakes.

This data / informative insight from the interaction with various stake holders has been used to make an estimate of the monetary value of their stakes.

Secondary data from studies carried out on related subjects has also been used to fill the voids in primary data, wherever available.

## **Chapterisation Scheme**

The dissertation paper is laid out in six chapters.

**Chapter 1** covers the statement of the problem, the rationale and purpose of the study, literature review and the questions to be answered in the study and gives an idea of the methodology of the study.

**Chapter 2** gives a review of the global history of alcohol from its emergence as a beverage, the cycles of support and opposition it received and the status in a few countries today. A distinct difference in the approach to the substance (liquor) between the European / American/ Australian countries and the Asian / Middle East countries which are predominantly Islamic populations is revealed in the examination. USA is discussed in detail, as its reflection is found in the Indian context.

**Chapter 3** gives a review of the status of alcohol in the Indian context from the pre-independence period to date, drawing the parallels with the world history and genesis of sentiments towards alcohol. The initial reference to prohibition in the framing of the Constitution and the arguments that went into its final inclusion is covered through a paraphrase of the Constituent Assembly debates. Subsequent upheavals in various states due to popular agitations and the opportunistic stance of the prevailing governments have also been highlighted in this chapter.

**Chapter 4** examines the involvement of various stake holders in prohibition or free availability of alcohol, and attempts to find the monetary estimates of their stakes. Intangible stakes are appreciated and discussed in detail, though they cannot be valued in monetary terms. A 'balance sheet' of the national positive and negative stakes has been drawn up and the empathy of the governments towards the society in mitigating social costs has been probed.

The hypothesis is put to test in this chapter.

**Chapter 5** takes a pragmatic view of the nuances of policy making in the Indian context of liquor prohibition, including the identification of the dilemma of the governments. An attempt has been made to recommend policy approaches, keeping in view the achievement of optimum economic welfare, with due regard to social costs.

**Chapter 6** summarises the discussion put forth in the complete dissertation and brings out certain recommendations for taking a position on the regulation of liquor.