ALCOHOLIC BEVERAGES AND ITS ECONOMIC CONTRIBUTION

3.1. Historical Background

The history of the human consumption of alcohol is closely related to the history of the world's societies, in terms of invention, manufacture, trade, and religion. Here are a few of the stories which come out of the study of alcoholic beverages of the past. While nobody knows when beverage alcohol was first used, it was presumably the result of a fortuitous accident that occurred at least ten thousands years ago. Over 10,000 years ago, the primitive people probably discovered alcohol much as they did fire, as a gift of nature plus curiosity. It has been documented that early cave dwellers drank the juices of mashed berries that had been exposed to airborne yeast. When people found that the juice produced pleasant feelings and reduced discomfort, they began to intentionally produce an alcoholic drink. In almost every part of the world different civilizations had developed some type of alcoholic beverages. The Arabs developed a method to produce a distilled beverage and the Romans produced distilled beverages, although no written references have been found prior to 100 A.D. But a reference to distillation appears in the writings of the Greek philosopher Aristotle. Further liquor production was reported in Britain before the Roman conquest. However, production of distilled spirits in Western Europe was limited until the eighth century, after contact with the Arabs.

The most important development regarding alcohol throughout the Middle Ages was probably that of distillation. Interestingly, considerable disagreement exists concerning who discovered distillation and when the discovery was made? Although some suggest that it was the Chinese who discovered distillation, others believe it was the Italians and some name the Greeks, while most assert that it was the Arabians. It might be noted parenthetically that alcohol (at kohl or alkuhl) is Arabic in name. That spirit could be distilled from fermented matter was undoubtedly independently discovered (possibly by accident) in many parts of the world. Amaldus of Villanova (d. 1315), a professor of medicine, is credited with coining the term “aqua vitae”. We call it [distilled liquor] aqua vitae, and this name is remarkably suitable, since it really a water of immortality. It prolongs life, clears away ill-humors, revives the heart, and
maintains youth. These were modest claims compared to those made much later by the fifteenth-century German physician, Hieronymus Brunswig. At that time it was called aqua vitae, "water of life," but was later known as brandy. The latter term was derived from the Dutch brandewijn, meaning burnt (or distilled) wine. Most sources state that "an unknown Dutch trader invented brandy in the 16th century, by boiling wine to remove the water as a way to save cargo space." A few sources credit the Chinese. Brandy is distilled from grapes or other fruit such as apples or apricots. There seems to be fairly general agreement that knowledge of fermentation is so elementary and so widely diffused throughout human society that it must have been discovered to a very early date and probably in many different places. Even so, definite evidence is hard to come by. It is generally believed that the art of distillation was known to the Greeks of Alexandria before the opening of the Christian era, and later used by the Arabs for obtaining essential oils; but that the distillation of alcohol only developed in Western Europe from the twelfth century A.D.

Historians theorize that humankind's fondness for beer and other alcoholic beverages was a factor in our evolution away from a society of nomadic hunters and gathers into an agrarian society. The first product humans made from grain & water before learning to make bread was beer. Apparently, beer was the first alcoholic beverage known to civilization, however, who drank the first beer is unknown. Beer is one of the world's oldest and most widely consumed alcoholic beverages and the third most popular drink overall after water and tea. Beer, the world's oldest beverages possibly dating back to the 6th millennium BC is produced by brewing and fermentation of starches, mainly derived from cereals most commonly malted barley although wheat, maize (corn) and rice are also used. In fact, beer arrived with the first colonists, who considered it essential to their well being. Beer was the major beverage among the Babylonians, and as early as 2,700 B.C. The Babylonians worshiped a wine goddess as early as 2700 B.C. The ancient Greeks had a god of wine, Dionysus, the Romans had Bacchus and the Egyptians worshiped Osiris, one of their gods who represented wine. The Egyptians also believed that Osiris, this important god of wine, was worshiped throughout the entire country also invented beer, a beverage that was considered a necessity of life; it was brewed in the home "on an everyday basis".
One of the most common drinks throughout history was wine. There are a number of myths and stories about the first wine. According to the Greeks it was invented by Dionysus and spreaded eastward to Persia and India. In the Persian legend, wine was discovered by a concubine of the legendary king Jamshied, who suffered from splitting headache and accidentally drank from jar with spoiled fruit and fell in to a deep sleep and awoke cured and felt refreshed. Afterwards the king ordered his grape stocks to be used to make wine, which spreaded around the world. Wine making is believed to have begun in the Neolithic period (from about 9500 to 6000 B.C.) when communities settled in year round settlements and began intentionally crushing and fermenting grapes and tending a grape crop year round. This believed to have first occurred in Transcaucasus, eastern Turkey or northwestern Iran. Around the same time the Chinese were making wines with rice and local plant food. The earliest evidence of wine making has been found in China, traces of a mixed fermented drink made with rice, honey, and fermented fruit, either grapes dated to 7,000 B.C., near the village of Jiahu in Henan Province northern China. In Greece, one of the first alcoholic beverages to gain widespread popularity was mead, a fermented drink made from honey and water. However, by 1,700 B.C., wine making was found in common places, and during the next thousand years wine drinking assumed the same function around the world and it was incorporated into religious rituals. It became an important item in hospitality as well. It was used for medicinal purposes and it became an integral part of daily meals.

A beverage that clearly made its debut during the seventeenth century was sparkling champagne. The credit for that development goes primarily to Dom Perignon, the wine-master in French abbey. French monks were the first to bottle a sparkling form of wine called Champagne, named after the Champagne region of France. The origins of whiskey or whisky are lost in history too but by the 16th century it was being distilled in Scotland and was a popular drink. The original grain spirit, whiskey, appears to have first been distilled in Ireland. While its specific origins are unknown, there is evidence that by the sixteenth century it was widely consumed in some parts of Scotland. During the seventeenth century that Franciscus Sylvius (or Franz de la Boe), a professor of medicine at the University of Leyden, distilled spirits from grain. The resulting beverage was known as “jenever”, the Dutch word for “juniper.” The French changed the name to “genievre”, which the English
changed to "geneva" and then modified to "gin". Originally used for medicinal purposes, the use of gin as a social drink did not grow rapidly at first. However, in 1690, England passed "An Act for encouraging of the distillation of Brandy and Spirits from Corn" and within four years the annual production of distilled spirits, most of which was gin, reached nearly one million gallons. The Russians preferred their grain spirit without the juniper flavor and chose to name it "vodka" or "little water".

"Rum" is another alcoholic beverage distilled from fermented sugarcane. Christopher Columbus was a pioneer in the discovery of Rum. Christopher Columbus brought Sherry on his voyage to the New World. In 1493, he introduced sugarcane to the Caribbean islands and planted it on the island of Hispaniola, where Haiti and the Dominican Republic are located today. Sugarcane thrived in the tropical climate and its production soon spread around the islands. Sugar mill operators soon discovered that a spirit (rum or ron in Spanish) could be made from molasses, a byproduct of the sugar production. By the late 17th century a thriving export trade developed. Almost every major Caribbean island group produced its own distinct style of rum. Although it was presumably invented, by the first European settlers in the West Indies, no one knows when it was first produced or by whom? A rum distillery was operating at Boston in 1657 but within a generation the manufacture of rum became colonial New England's largest and most prosperous industry.

Alcohol use has been an issue of great ambivalence throughout the rich and long history of the Indian subcontinent. The behaviors and attitudes about alcohol use in India are very complex, contradictory and convoluted because of different influences in its history. The evolution of alcohol use patterns in India can be divided into four broad historical periods beginning with the Vedic era (ca. 1500-700 BC); the time of emergence of Buddhism and Jainism (700 BC to 1100 BC); as post Vedic developments in the Hindu traditions; the Period of Islamic Influence (1100-1800 AD); including the Mughal era from the 1520s to 1800 A.D; and the fourth period (1800AD to the present) include the deep influence of British colonial rule and post independence period. As early as 2000 B.C., the Indus valley civilization seems to have practiced not only alcoholic fermentation, but also distillation.
The use of alcohol as drink is an age-old story in India and it appears that the technique for fermentation and distillation was available even in the Vedic times. In India, an alcoholic beverage made of rice meal called “sura” was in use in between 3000 B.C. and 2000 B.C and the uses of alcoholic beverages have been mentioned in ancient Indian literature. South Indian literature also contains descriptions of fermented palm sap drinks. Most Mughal rulers and nobles use openly drinking and consumption of opium. Jahangir (1605-1627) AD, his grandfather Humayun (1530-56) AD, and great-grandfather Babur (1526-30) AD were known consumers of alcohol and opium. So was Ibrahim Lodi who was defeated by Babur to capture India. Alcohol was a valuable commodity and prominent item of trade. In India, the beer and liquor market continues to grow at an impressive rate even against an economic recession, while the social stigma remains in place which manifests itself in anti-growth state policies. However, the production and distribution of spirits is spreading continuously and spirit drinking is still largely prevailing for medicinal purposes. In view of the above literature it may be said about the distilled alcohol that "the sixteenth century created it; the seventeenth century consolidated it; and the eighteenth century popularized it".

3.2. Types of Alcoholic Beverages

There are different types of alcohol; the focus here will be on the alcohol that people consume ethanol or ethyl alcohol. In short ethanol is the waste product of yeast. Yeast is a living organism, one-celled (unicellular) fungus. Various strains of yeast are present everywhere, including salt, water and soil as well as on flowers and plant leaves. Diverse types of alcoholic beverages, including commercial, licit non-commercial, illicit home-brewed and sometimes adulterated alcoholic beverages that vary by state and area, are consumed. Significantly most international sources limit the alcoholic beverages to beer, distilled spirits (or liquor) and wine. All forms of alcoholic beverages--beer, wine, and liquor are based on fermentation, the natural process of decomposition of organic materials containing carbohydrates. Liquor production involves the extra step of distillation, which reduces the original water content and greatly increases the alcoholic strength. A growing body of research, however, documents significant variation in the ethanol content of commonly consumed alcoholic beverages in developed countries. Whereas beer averages 2 to 8 per cent alcohol content and wine averages from 8 to 14 per cent, distilled spirits
range from 35 to 50 per cent alcohol. Two types of raw materials are used to make a distilled spirit: sugar and carbohydrates. While sugary materials include grapes, sugarcane, agave, sweet sorghum, molasses, and sugar, materials with high levels of carbohydrates are corn, rye, rice, barley, wheat, and potatoes.

3.2.1. Beer accredited as the oldest and third most consumed drink of the world. It is brewed up from cereal grains like malted barley, rice, wheat and corn. Nearly every culture developed their own version of beer using different grains. Africans use millet, maize and cassava, the Chinese use wheat, the Japanese use rice and the Egyptians use barley. However, hops the main ingredient in modern beer beverages was not used in brewing until 1000 AD. As any good thing, beer too has many varieties, depending on the local traditions which are drank across the world ardently. The types of beer are ale, bitter, stout, lager, wheat and lambic.

3.2.2. The distilled spirits are whisky (Whiskey), brandy, rum, gin, vodka, tequila, cognac and liqueur. The origin of whisky is intertwined with the history of the distillation process. Whisky is made from fermenting grain mash, different varieties of whiskies depend upon the type of grain used in its making. The grains commonly used in making whiskey are barley, malted barley, rye, malted rye, wheat and corn. In India grains used are, rice, wheat, corn and other materials such as spirit from molasses and sweet sorghum for making whisky. The types of whiskies are such as Scotch, Irish whiskey, Canadian Whiskey, Rye, Bourbon, Malt Whiskey, Grain whiskey, Vatted Malt whiskey, Pure Pot Still Whiskey, Blended whiskey, Tennessee whiskey, German whiskey, Japanese whiskey, Indian whiskey, Finnish whiskey and Chinese whiskey.

3.2.3. Brandy is another contender for the top slot in the distilled spirit category. Originally known as burnt wine, brandy is the product of distilled wine made from fermented fruit. Needless to say, it didn’t take much time for this fruity spirit to spread its roots to other parts of the world. Brandy is divided into three groupings based on the fruits used in its making. Grape brandy is made from grape juice. Pomace brandy is another kind of brandy, which is extracted from pressed skin, stem and pulp of grapes. The third kind of brandy is derived by distilling fruit wines other than grape wines. The various types of Grape Brandy are American Grape Brandy, Cognac, Armagnac, Brandy de Jerez, Pisco, and South African Grape Brandy. The
various types Fruit Brandy are Applejack, Buchu Brandy, Calvados, Damassine, Coconut Brandy, Eau-de-vie, German Schnaps, Kirschwasser, Kukumakranka Brandy, Palinka, Poire Williams (Williamine), Rakia, Slivovice, Slivovitz, Slivka, Sljivovica and Tuica. The various types of Pomace Brandy are Italian Grappa, French Marc, Portuguese Aguardente Bagaceira, Serbian Komovica, Bulgarian Chacha, Hungarian Torokolypalinka, Cretan Tsikoudia, Spanish Orujo and Macedonian Komova.

3.2.4. **Rum** is produced by distilling sugarcane by-products like molasses and sugar cane juice. From India, China to West Indies, the origins of rum can be traced back to many countries. The types of Rum are Light Rum, Gold Rum, Spiced Rum, Dark Rum, Flavored Rum, Over proof Rum, Premium Rum and White Rum.

3.2.5. Now coming to one of the most revered spirits- *gin*, it is obtained from juniper berries. Gin is broadly categorized in to two: distilled gin and compound gin. The various types of Gin are London Dry Gin, Plymouth Gin, Komgenever, Slovenska Borovicka and Kraski Brinjevec.

3.2.6. **Vodka** is a clear transparent drink like water. The word vodka is derived from the Russian word “voda” meaning water. Vodka has a Scandinavian past, with Western Russia, Poland, Ukraine and Belarus, all taking claim for its recipe. Its popularity surged in the European countries because of the fact that, it has a very high alcoholic content, which does not tend to freeze even in chilly winters. Vodka is made from sorghum, rye, corn, molasses, potatoes, wheat etc. The various types of vodka are wheat vodka, potato vodka, rye vodka, grains vodka, grape vodka and flavored vodka.

3.2.7. **Liqueur** is a sweet flavored alcohol seasoned with herbs, fruits, nuts, spices, flowers, creams, etc. Some people believe liqueur and cordial is one and the same thing but that’s not the case. Cordials are especially concocted with fruit juices and used for medicinal purpose. For liqueur, on the other hand, spirits like rum, whisky and brandy are used as a base. The types of liqueur are Chocolate Liqueur, Coffee Liqueur, Crème Liqueur, Fruit Liqueur, Berry Liqueur, Flower Liqueur and Herbal Liqueur.
3.2.8. **Imported liquor**, means mainly imported Scotch whisky, malt whisky, tequila (Is a distilled spirit, made from the blue agave variety of the maguey plant), cognac (Is the best known type brandy in the world coming from the cognac region which is located in the west central Atlantic coast of France), Irish whisky, bourbon, rye whisky, corn whisky, Canadian whisky, brandy, rum, gin, vodka and liqueur which are mainly bottled in origin (BIO) and imported liquor bottled in India (BII).

3.2.9. **Indian made foreign liquor** or India made foreign liquor often abbreviated IMFL, is a term used to denote western-style hard liquors such as whisky, brandy, rum, gin and vodka etc with a 42.8 per cent maximum alcohol content permitted, which are indigenously manufactured in India by blending imported scotch or malt spirit or Indian malt spirit in to molasses base extra neutral alcohol (distilled spirit) or grain base extra neutral alcohol (distilled spirit). Whisky is the most popular drink in this category. While the term Indian Made Foreign Liquor may sound oxymoronic or humorous, it is the official term used by government, business, and print media in India.

3.2.10. **Wine** is mainly derived from fermenting black and white or green grapes. There are different types of wine namely Natural still wines, Sparkling wines, Fortified wines and Aromatic wines. There is also non grape based wine made from apple and elderberries.

3.2.11. **Imported wine** (Is an alcoholic beverages made from the fermentation of grape juice), champagne (Is a sparkling wine that comes from the Champagne region of France), vermouth (Is a fortified wine aperitif, flavored with herbs, spices, barks and flowers is produced in France and Italy) and non grape based wine (Made from fruits like apple and elderberries) and bottled in their origin (BIO). Wines will have alcoholic content of 8 per cent - 16 per cent ABV (Alcohol by Volume) and fortified wines will have 20 per cent alcoholic content.

3.2.12. **India made wine** (Is an alcoholic beverages made from the fermentation of grape juice) fermented and bottled in India.

3.2.13. **Imported Liqueurs, schnapps, anise and bitters** are terms that cover a wide variety of types of spirits. What they all share in common is that they are flavored spirits. Liqueurs (also known as cordials) are sweet, flavor-infused spirits that are
categorized according to the flavoring agent (fruits, nuts, herbal and spiced blends, 
creams and such). The word liqueur comes from the Latin liquifacere (“to dissolve) 
and refers to the dissolving of flavoring in the spirit.

3.2.14. **Imported Beer** (Barley, water, hops and yeast brewers combine these four 
simple ingredients to make beer) are bottled in their origin (BIO) and brewed and 
bottled in India (BII).

3.2.15. **India made Beer** (Barley, water, hops and yeast brewers combine these four 
simple ingredients to make beer) are brewed and bottled in India. The alcohol content 
in beer ranging between 4 per cent to 12 per cent whose production and consumption 
is rapidly increasing in India.

3.2.16. **Country liquor** or India made Indian Liquor is a distilled alcoholic beverage 
made from locally available cheap raw material such as rectified spirit, rice, cheap 
grains, mahua flower and cashew with alcohol content of around 40 per cent. 
Common varieties of country liquor are arrack, deshi sharab; spiced country liquor, 
sura, tari (toddy from palm, coconut tree) & handia (an adivasi and tribal drink in 
Orissa) are popular among the poorer sections of the population. Feni (Cashew Feni) 
which is an alcohol distilled from the fermented juice of the ‘apple’ of the caju tree 
and is made with a particular pot-still through a series of distillations. But, distilling 
the cashew apple into liquor called Feni is clearly a Goan contribution to the wealth of 
liquors. Spiced Spirit means flavored country spirit in which the flavoring agents are 
either added during the course of distillation or reduction. These flavoring agents or 
essences are generally selected from among the aniseed, cardamom, coriander, ginger, 
orange, mundi (Spharanthus indica) neem, peppermint, mango, jasmine, khas-khas, 
pineapple, rose, banana, pomegranate etc.

3.2.17. **Home Made Alcoholic Beverages**: Home fermentation and distillation of 
alcoholic beverages for self consumption are also common in several tribal areas in 
the country, especially in the East and North East region of the country. Home 
production for self consumption is also common in some parts of India and 45 per 
cent of inhabitants reported producing their own liquors at home for personal 
consumption.
3.2.18. **State Made Foreign Liquor:** Many state government allow to produce whisky and rum with alcohol content of 50º proof and 60º proof.

3.2.19. **Illicit Liquor,** this is also known as non-commercial alcohol goes by many names; moonshine, bootlegged, local, illicit, or unrecorded alcohol. It includes alcohol beverages that are not produced within a commercial setting and are therefore not reflected in official statistics, such as sales figures. These beverages are largely outside government control and as a result are not taxed. Finally, non-commercial alcohol is often not subject to the same standards of quality and purity as its commercially produced counterparts.

The illicit market (spurious, seconds and thirds) consumption is far more than legal sales. The illicit India Made Foreign Liquor is produced clandestinely by the existing producers or by small underground networks of producers and also smuggled from one state into another or from outside the country. In India illicit country liquor is mostly produced clandestinely in small production units with raw materials similar to that used for country liquor, with no legal quality control checks on them, alcohol concentration of illicit liquor varies (up to 56 per cent). Adulteration is quite frequent, industrial methylated spirit being a common adulterant which occasionally causes incidents like mass poisoning with consumers losing their lives or suffering irreversible damage to the eyes. Cheaper than the licensed country liquor illicit liquor is popular among the poorer sections of the population. In many parts of India, illicit production of liquor and its marketing is like a cottage industry with each village having one or two units operating illegally.

3.3. **Consumption of Alcoholic Beverages**

The consumption of alcoholic beverages in India predates British colonization. Alcohol consumption was not considered central to normal social life or daily meals in pre-colonial India. “Caste, education and standard of living independently influence alcohol use in India. Prohibition policies appear to have little effect on alcohol use by men, but may reduce the proportion of women who consume alcohol. It has been consistently recorded that distilled spirits (whisky, rum, brandy, gin and vodka) are the preferred alcoholic beverages in India. Distilled Spirits popularly known as Indian Made Foreign Liquor (IMFL) are the most common
beverage among both men and women in both urban and rural areas. Although beer is next common beverage in both men and women regardless of urban or rural milieu and wines produced in the country is miniscule and only preferred by the urban elite. Indian made Indian liquor popularly known as country liquor is the next most commonly used beverage, but concentrated entirely in the lower socio-economic segment of the population. Country liquor appears to be less common among women, though illicit (moonshine) liquor is common in rural areas and among urban working class women. In fact it is more popular among women than men. In urban working class areas and in rural areas, where illicit liquor outlets abound and are merged with the surroundings, it is easier for women in these circumstances to acquire their drink without attracting unwelcome attention. Licit spirits (Indian made foreign liquor, government licensed country liquor) along with illicitly distilled spirits constitute more than 95 per cent of the beverages drunk by both men and women. Whisky accounts for 60 per cent of the IMFL and consumed by the people. Beer accounts for less than 5 per cent of consumption and strong beer is the popular choice.

The per capita consumption of 2 litres/adult/year (calculated from 2003 sales and population figures), after adjustment for undocumented consumption (45-50 per cent of total consumption), is likely to be around 4 litres, but is still low compared to that in ‘wet’ nations. There is general agreement that alcohol use is low in India. The prevalence of alcohol use among women has consistently been estimated at less than 5 per cent. The most common beverage used is spirits (IMFL) in both women (64.3 per cent) and men (70.7 per cent). Nearly fifty per cent of the women users and 53.1 per cent of men users drink beer. Wine is drunk by 27.9 per cent of the drinking women and only 5.6 per cent of the drinking men. Arrack or country liquor is drunk by 20 per cent of the drinking women and 28.1 per cent of the drinking men. Seven per cent of the drinking women and 7.7 per cent of the drinking men use illicit alcoholic beverages. It has been consistently recorded by previous observers that spirits are the preferred alcoholic beverage in India. Spirits (Indian Made Foreign Liquors) are the most common beverage among both men and women in both urban and rural areas. Although beer is the next common beverage in both men and women, regardless of urban or rural milieu, previous studies have consistently shown a low volume consumption of beer in India. Arrack (country liquor) appears to be still less
common among women, though, illicit (moonshine) liquor is common in rural areas and among urban working class women.

In India people drink Indian Made Foreign Liquor (IMFL) which refers to whisky, rum, vodka, gin and brandy with ethanol content of 42.8 per cent by volume (75 ° proofs). Beer is consumed as mild beer (ethanol content of 5 per cent alcohol by volume) and strong beer (ethanol content 7.5-8 per cent alcohol by volume). The market is dominated by the 'strong beer' brands which account for 70 per cent of beer sales. In India, driven by youth demographics premium lager is growing at 13 per cent a year. Beer markets are highly localized and beer comes in a wide variety of brands and often the local brew is the popular choice. Fastest growing among all the markets is India, racing along at 14 per cent. India has one of the lowest per capita consumption rates in the world but it has a vast potential to grow. India’s beer market is likely to be the bellwether for the global beer industry in years ahead. Both types of wine with ethanol content of 12 per cent by volume (21° proof) and imported with ethanol content varies from 8 to 15 per cent volume are consumed in India. The market for wines produced in the country is miniscule but is growing at the rate of 20 to 30 per cent annually. Alcopops, flavored alcoholic beverages (FABs) appeared in the market in 2003 with ethanol content of 4–7 per cent volume of alcohol, and are often pre-mixed beverages that contain vodka or rum, headed by the international brand Bacardi Breezer. Country liquor (termed desi sharab in North India and arrack in South India) at 33.3 per cent ethanol by volume (65° proof) marketed as a standardized separate cheap low end product for the consumption of poorer sections of the population (blue collar workers in urban areas and laborers in rural areas).

IMFL is consumed by the middle and high income groups, primarily in urban areas. However, in the last decade cheap IMFL has been displacing country liquors, with a few states going so far as to ban the sales of country liquor resulting in a switch to IMFL by country liquor customers. The basic material in the manufacture of non-premium IMFL and of arrack is rectified spirit manufactured from molasses or grain often known as state made foreign liquor (e.g. Assam Made Foreign Liquor) (50° proof and 60° proof). Above 40 per cent of total alcohol consumption in the country is unreported. In both rural and urban settings in India, among folks or the elite, no significant normative patterns of drinking have yet emerged that could be held valid at national level. There is never the less a visible change in pattern of
drinking, as it has changed from ritualistic and occasional to a part of routine social interaction and entertainment. India is a much-recognized Indian Made Foreign Liquor (IMFL) market. The country is also known for its potential for whisky consumption. India is seen as an important market to grow for IMFL brands. The recent changes in alcohol consumption patterns in India are emergence of wine and beer drinking.

3.4. Current Scenario

Alcoholic beverages have been a part of social life for millennia, yet societies have always found it difficult to understand or restrain their use. In the transformation period, as the reproduction of bodily work, the consumption of relations embedded into the contextual practice of social drink, which can be classified into four act types: maintaining human relationship, expressing faithfulness, outpouring sincerity and achieving exchange. Consumption is one of the key ways people interact and connect with each other. Consumption activities that are used to construct social identity or maintain social relations can be collectively labeled social consumption. Most people over estimate the levels of alcohol consumption in our society. Alcohol is not an important part of life for most people and associate drinking predominantly and routinely with positive sensations and experiences. These include taste, mood, ritual, relaxation, and socializing. There are many causes that lead people to become alcoholics, including a genetic predisposition, poverty, depression, peer pressure, and environmental influences, such as the way one was raised or nurtured.

A large proportion of drinkers of both genders drink daily or almost daily, of course, the frequency is significantly higher among men. In the international literature, changes in women’s education, employment, social status and economic independence have been implicated in the convergence of male and female drinking patterns. While this may not explain changes in drinking pattern of non-working females, it does reflect a general change in societal attitudes to women’s drinking. The media on women’s drinking has highlighted that “Economic independence, changing roles in society, entry of women into male dominated areas, economic and social emancipation, greater acceptability of social drinking and easy availability of alcohol have strongly contributed to rising incidence of alcohol consumption among women”. Research on drinking patterns among women generally show that women
drink less than men, across the developing and the developed world. In fact, in all countries men consume more alcohol and reported more alcohol related problems than women. Reports from India on women’s drinking are sparse. Whatever data exists suggests that there are extreme gender differences in the prevalence of alcohol use.

In many developing nations where there is higher percentage of younger populations than their western counterparts, young males are typically the most enthusiastic consumers of alcohol. The sheer size of the populations in countries like China and India make them extremely attractive, particularly, as the tobacco industry has shown, because they are very susceptible to western products, images and lifestyles. Alcohol occupies a prominent place among branded consumer goods and alcohol products are particularly attractive to young people who see them as a way of signaling their adult identity and their entry into adult society. Alcohol is the drug of choice among youth. Young people drink too much and at too early age, thereby creating problems for themselves, for people around them, and for society as a whole. More recently, the younger generations are concerned with simplifying their lives, with obtaining a college education, with their relations with their families and the opposite sex, and with the financial security. Some of their new values (especially in the Western societies) are: self-fulfillment ethic, better quality of life, blurring of sex roles, individualized definition of success and self-reliance. In this context, the alcohol products are delivering mood effects such as “carefree and gaining”, “increased enjoyment”, “self-confidence”, “sexual/relationship success”, and “social success”. The new product development by the alcohol industry is having an impact on young people’s drinking. Varieties of drinks manufactured by alcohol industry directly meet the needs of various segments of the youth market, and are very popular with them – sometimes more so than with adult drinkers. In addition, there are evidences that consumption of these products is associated with increased drunkenness and dangerous behavior.

Another important global trend is the rapid shift of populations from rural to urban in less-developed countries. This population trend implies is the future alcoholic beverages market attractiveness in the segments of young among middle-class urban people. With the booming economy along with more disposable income and increasing consumption capability, the population who previously did not drink
(in particular women and young people) are beginning to do so and there seems a clear trend that people prefer to drink better rather than to drink more. There are some new lifestyle and new family values implied by single individuals, adults of the same sex living together, unmarried couples living together, single parent families, and married couples with children from the past marriage. The alcoholic beverage industry has recognized this trend and focused on the marketing strategy for the fragmented segments. In reality, these economies do offer significant commercial opportunities and descriptive data is available to show that techniques such as advertising, sponsorship and the new media are being actively used by alcohol companies to exploit them.

The ‘drinking’ in India has remained a bad word, clubbed with the other vices. Heavy alcohol use is now shameful. The prevalence of alcohol use is low in India as per some studies done across the country. The consumption is 0.75 litre per person per year. Though consumption is still low, patterns of alcohol consumption vary widely across the country. According to a survey done in 2012 by The Hindustan Times, an estimated 5 per cent of Indians can be classified as alcoholics which projects that at least fifty million people in India are addicted to alcohol. With an acceleration of liquor consumption trend over recent years, the Indian market is now flooded with an array of imported and domestic liquor brands, helping the Indian consumers’ relatively recent affinity for wine, fine spirits and value-added beers. The liquor market has been registering healthy growth year-by-year in the country. The introduction of new products such as flavoured and mild alcoholic products is aimed at recruit nondrinkers and are targeted primarily at women. A study on the emerging beverage alcohol market in India, undertaken by the Rabobank group, clearly spells out that “the consumer base for alcohol in India will gradually expand. More than 50 per cent of India’s population is less than 25 years age compared to other developed countries, where the majority of population is ageing baby boomers. The consumerist age bracket (ages of between 15 to 64 years) as a proportion of the Indian population is growing rapidly. It will represent more than 65 per cent of the total population. These factors taken together with the socio-economic changes that are occurring, makes India one of the most attractive markets for alcoholic beverages”.

In India, proscriptions against women drinking exist from ancient times, being only one among a multitude of gender discriminatory practices which have
continued almost unchanged till this day and women’s drinking are sparse. There are extreme gender differences in the prevalence of alcohol use. Officially, Indians are still among the world's lowest consumers of alcohol and government statistics (2011) show only 21 per cent of adult men and around 2 per cent of women drink. General population studies conducted in different parts of the country suggest prevalence rates of use of alcoholic beverages ranging between 23 per cent and 74 per cent among males. Women constitute 90 per cent of abstainers, though among tribal groups and tea plantation workers, there are a substantial number of alcohol users in women, with prevalence rate ranging between 28 per cent and 48 per cent. In the study quoted previously, 80 per cent of male consumers and 65 per cent of female consumers drink at hazardous levels. Women are less likely than men to drink heavily or with adverse consequences. Binge drinking was most common among those in the 18 to 34 years age group but the frequency is higher among those over the age of 65 years. Men are twice as likely as women to binge drink, according to the study. Kerala, Punjab, Andhra Pradesh, Goa and the North Eastern states have a much higher proportion of male alcohol consumers than the rest of the country and the above statistics show an extreme gender difference in patterns of consumption of alcohol in India.

Over the last three or four years, alcohol abuse amongst women has increased. While the lower income women take country liquor and the likes, it’s the upwardly mobile yuppie women are influenced by a western culture take IMFL. Sometimes, these liquor companies sponsor major events where complimentary drinks are served or three to four women meet together go to a pub and drink. Coming equipped with a strong academic, professional or family background is no longer enough. Alcohol has become the unisex leveler, an equaliser that promises instant entry amongst favored circles. This is true of girls and women who have come from smaller towns to make a name and fortune in bigger cities. Women drinking, even sitting at bars by themselves is no longer taboo. Companies are also promoting new concoctions, especially vodka-based mixed drinks aimed largely at women or first-time users. Women tend to drink more in the states of Arunachal Pradesh, Assam and Sikkim in north east, Madhya Pradesh, Chhattisgarh in central, Orissa in east, Andhra Pradesh in south India, and Goa in the west compared to other states.
Multinational alcohol beverage companies have identified India, as their growing consumer base, vast unexploited market and one of the most attractive markets for investment. The “powerful international and domestic alcohol lobby” is purposely targeting India and young Indians due to its sizable population, growing middle class families and growing economy. The local industry has introduced flavored alcohol drinks to attract previously non-drinking women and young men. The high taxes and complex regulations make alcohol business difficult, but getting into the market is much easier in India. India’s reputation as a country with a culture of abstinence especially in matters regarding alcohol is underserved, say experts. The country, which has seen a rapid proliferation of city bars and nightclubs in recent years, is fast shedding its inhibitions about alcohol as a lifestyle choice. This situation has led to fears of an undocumented rise in alcohol abuse not only among poorer classes but also in sections of society that were previously considered dry. There has been a significant lowering of age at initiation of drinking. It is visibly focused on the nontraditional segment of urban women and young people, with a noticeable upward shift in rates of drinking among urban middle and upper socioeconomic sections. The country liquor and whisky segment that earlier accounted for over 95 per cent of documented consumption, has seen stagnation, while the growth is seen in the non-traditional sectors of beer, white spirits and wine. A new segment of consumers is forming and a novel, convivial pattern is supplanting older drinking norms.

Study by Alcohol and Drug Information Centre (ADIC) shows an alarming increase in alcohol consumption among adolescents and youth during the last 20 years in India. The concern is that there has been a rapid change in pattern and trend of alcohol use in India. The percentage of the drinking population aged less than 21 years has increased from 2 per cent to more than 14 per cent in the past 15 years, according to studies in the southern state of Kerala by Alcohol and Drugs Information Centre India, a non-governmental organization (NGO). Alarming, the study found that the “average age of initiation” had dropped from 19 years to 13 years in the past two decades. The average age of initiation to alcohol in Kerala which was 19 years in 1986 has come down to 14 years in 2006. In some states of India, the legal age to purchase, and consume alcohol is 25 years. Drinking alcohol in public is forbidden. Generally, bars and pubs in India display signs which state that entry is allowed only for persons of age 25 and above, but the rule is seldom followed as evidenced by the
number of college/birthday parties held by teenagers in pubs and bars. The general drinking age in the country is 20 and above.

3.5. Taxation

Governments use their political authority to raise revenue. Government at all level collect fund to finance the goals of government, to protect individual freedoms and to promote the well-being of society as a whole. This revenue, generally obtained through taxes, which shift resources from private individuals and businesses to the government. These funds are used to carry out the functions of government such as, military defense, enforcement of public order, construction of infrastructure, education, health care, pensions for the elderly, and public services, e.g., transport and resource management. There are various types of taxes, e.g., income, corporation, social security/retirement, property, inheritance, value-added, sales, and excise, to name some of the major categories. Alcohol is a discretionary item, not a necessity and the definition of an alcoholic beverage sets the guidelines for the application of national laws, mainly for taxation purposes. Historically, alcohol has been subject to excise taxes for two reasons, firstly to reduce alcohol consumption and alcohol related problems and secondly to raise revenue for public purposes. However, governments also use taxes on beverage alcohol for several other purposes namely to attempt to reduce abuse and harm by making alcohol less accessible; to create trade barriers; to encourage the purchase of domestic over imported products. Taxation is used as a means to limit the demand for alcohol by raising its cost, making it less accessible to consumers. The main purpose of taxation is to generate general government revenue. In many countries, alcohol is an important source for raising government revenue and has long been an established target for taxation. Excise taxes are levied by national, state or local governments, and often in combination with each other. The actual costs of excise taxes are generally passed along to consumers in the form of higher prices, putting downward pressure on consumer demand. The effectiveness of taxation and pricing policies as public health and social tools for reducing consumption, abuse and problems has been much debated and can be considered from several perspectives.

In most societies, beverage alcohol - beer, cider, flavored alcoholic beverage, wine, distilled spirits, country spirit and intermediate products is subject to taxation, mostly as an excise tax. There is a wide variation between tax rates between
countries, between states within a country and between alcohol beverage types. Excise taxes are indirect taxes on the sale or use of specific products or transactions. The tax is often passed on to people and organizations that purchase particular products or services. A tax based on the presence of alcohol in a product is an excise tax. Exceptions to this general rule exist in cases where a government taxes either the value of the product or both the quantity and the value. Excise taxes are typically imposed at the point of production, importation or when released from "bond" (i.e., a customs or excise controlled warehouse for the retention of dutiable goods), though in some instances, at the point of sale. Excise taxes can be waived or refunded on goods being exported, so as to encourage exports, though they often are re-imposed upon importation to another country at the prevailing rate of the importing country.

In many parts of the world, the taxation is largely based on the volume of alcohol beverages rather than on their strength. This encourages and promotes the use of stronger beverages as it is cheaper per unit of ethanol to buy spirits than beer or wine. There are often different excise tax rates for different types of beverage alcohol products, beer, wine (still and sparkling) and spirits, as well as intermediate products. This point is relevant in many parts of the world as excise tax rates vary considerably among products based on the concentration of alcohol measured by volume (Abv) or on the ingredients or process used in producing the beverage. Where different beverage alcohol products are taxed at different rates per volume of pure ethanol, excise taxes are often considerably higher on distilled spirits. Alcohol production, sales and its taxation are state subjects not mandated by a single federal structure. Each state has different laws for governing the production, sales, duty structure and distribution. Import and export duties result in the high cost of inter-state movements, which has resulted in each state having attributes of a separate market. This naturally has proved to be an incentive for large scale smuggling of alcoholic beverages across state borders. 'Seconds' smuggled from one state into another with higher taxation are popularly called 'thirds'. The large majority of beverage alcohol is produced by a plethora of small domestic manufacturers catering to local traditions and tastes. These products are not traded internationally, but their levels of production are generally recorded by the governments (largely for purpose of collecting excise taxes). They are often termed "commodity" drinks legal, commercially-produced local alcohol sold at very low prices. They reflect the local drinking culture and in certain regions accounts
for an overwhelming share of recorded consumption. For example “commodity” spirits brands estimated to account for 99 per cent of total recorded consumption in China, 94 per cent in Russia, 92 per cent in Thailand, 89 per cent in Brazil and 75 per cent in India. Tax revenues from excise and other taxes on the production and sale of beverage alcohol can be an important source of government revenue in many countries.

The liquor industry has traditionally been a money-spinner for the government of India. Most of the states obtain 15-20 per cent of their revenue from excise on alcohol. This is the second largest source of a states’ exchequer. Excise Department is the second largest revenue earning department of the government and charges multiple taxes on liquor, which is an important source of revenue for them. Liquor is a state subject and, hence, there are inter-state disparities in tax structure. And, most of the states charge multiple taxes on liquor, which is an important source of revenue for them. The government of Assam collects various excise and other taxes and fees for issuing of new and renewal of licenses for production, storage, distribution and sale of alcoholic beverages, import and export of alcoholic beverages, gallonage fee, registration and renewal of labels of alcoholic beverage brands, value added tax (VAT), tax collected at source (TCS), mono cartoon registration and renewal fee, profile registration fee, transportation fee and excise duty etc. Currently, in India state-level excise duties range between Rs.25 and Rs.500 per proof litre on Indian-made foreign liquor, or IMFL. The excise duty on wine ranges from Rs.70 a litre to a high of 200 per cent of the base price of the wine. Maharashtra imposes the highest duty of 200 per cent of the declared cost of a bottle.

To calculate the excise duty on each case of Indian Made Foreign Liquor containing 750ml of (12 bottles), 375ml (24 bottles) and 180ml (48 bottles) on “London Proof”, a case of 750ml x 12 bottles =9000ml/1000ml = 9 Bulk litres, 75° proof strength = 9 Bulk litres x 75/100 = 6.75 London proof litres and 75° proof strength x 4/7 = 42.8 per cent v/v (Volume/Volume). To calculate the alcoholic strength 6.75 London proof litres x 4/7 =3.857 “Alcohol Strength”. In case of Beer each case containing 650ml (12 bottles glass), 330ml (24 bottles glass), 500ml (24 Cans) and 330ml (24 Cans), a case of 650ml x 12 = 7800 ml /1000ml = 7.8 “Bulk Litres” in the case of glass bottles and same calculation is used in case of cans while levying duties on beer.
3.6. The Economic Significance of the Alcohol Beverages Industry

Beverage alcohol has a well-established place in the global economy. Consumption of alcoholic beverages by consumers is the foundation for the economic benefits of employment, income and wealth creation which are associated with the alcoholic beverages industry. The alcoholic beverage industry is defined to include the manufacture, wholesale distribution and retail distribution of alcoholic beverages. The economic significance examines output, consumption, employment and skills; the impact on the balance of payments and foreign exchange, taxation contribution and other issues. It also includes manufacturing (high skills, high levels of productivity and high earnings per person employed) of alcoholic beverages, distribution, trade, linkage, taxation, consumption, tourism and regional development. The main indicators of economic role are output and employment. Associated with these are sub indicators such as type of employment, skills levels and earnings levels, linkage patterns of the output, regional spread of economic activity and foreign exchange contribution of the output that is exported (adjusted for import content of production). Other economic benefits include the exchequer contribution from the direct and indirect taxes associated with the production and consumption of beverages. Ultimately the economic benefits of output and employment from manufacturing depend on the domestic and overseas consumption of domestically produced alcoholic beverages. Therefore, it is desirable to identify consumption levels and trends. The economic benefits associated with retailing and distribution continues to exist even if consumption is satisfied by imported beverages. The positive contribution of beverage alcohol to society takes a number of forms, some quantifiable, others less. Some of these benefits are economic in nature, while others have a direct impact on society and health. The economic and social benefits around alcohol include those derived from direct and indirect employment in its manufacture and distribution. The retail, advertising, tourism and hospitality industries are a significant source of employment and revenue. The local production has an important economic impact in both developed and developing countries, particularly in rural areas.

Alcohol also contributes strongly to government revenue in the form of taxation and excise duty and represents an important component of the balance of trade in many countries. For example in the former Soviet Union, excise taxes on beverage alcohol accounted for between 12-14 per cent of all state revenue. In the EU,
beverage alcohol generates about 24 billion Euros per year in excise duties alone for national administrations. The revenues for European governments arising from the production and sale of beer, i.e., taxes paid by breweries, beer consumers and employees together, total around 38 billion Euros a year, including 19 billion Euros in VAT and 10.5 billion Euros in excise duties. This represents more than the total annual government expenditure of countries such as Finland or Poland (estimated at around 34 billion Euros). In the U.S., the beer industry alone pays over $30 billion in business, personal and consumption taxes, including $9.2 billion in excise taxes.

The alcoholic beverages industry is considered to be a substantial national economic asset. The alcoholic beverages manufacturing industry has a high service employment multiplier. Employment associated with the alcoholic beverages industry arises from direct employment in the manufacture, distribution and retail segments. Direct and indirect employment combines to give almost 3 million jobs, or 2 per cent of total EU civilian employment. Today, in the European Union (EU), the spirits sector directly employs about 50,000 people and indirectly 250,000 people. On the brewing side, the 2,800 European breweries provide jobs for around 164,000 employees and indirectly 2.6 million jobs (comparable to the total workforce of countries such as Slovakia, Finland or Denmark). For each job offered in the brewing sector, it is estimated that one job is generated in retail, two in the supplying sectors and almost twelve in the hospitality sector. Among the ICAP (International Center for Alcohol policies) sponsoring companies in 2005, over 1,77,000 direct employees were identified in the alcoholic beverages industry through an analysis of global corporate annual reports.

By far the most important source of indirect employment is in distribution activities. The retail, wholesale and HORECA (hotels, restaurants and cafes) sectors of the economy are the most important in terms of total employment provided. About 22 million people work in the major distribution trades in the EU, and one-tenth of them are related to the beverage alcohol industry. Seventy-five percent of these jobs are in the HORECA sector, where the sale of alcohol beverages is fundamental to many establishments, 7 per cent of jobs are in wholesale sector and 18 per cent in retail sector. Some of the jobs, especially in the HORECA sector, are part-time (e.g. in Germany one third of HORECA jobs are not full time). Furthermore, jobs in EU industries serving the beverage alcohol sector are not insignificant, for example:
advertising: 3,000 people work on beverage alcohol accounts, packaging: 38,000 people are employed in manufacturing bottles, cans and fiberboard boxes for the alcohol drinks sector, capital equipment: 15,000 people in 1,000 firms produce capital equipment for the beverage alcohol industry and agriculture: for example, 3.9 billion Euros spent by brewers in the agriculture sector generates around 147,000 agriculture related jobs. In the U.S., the beer industry alone employs approximately 1.78 million Americans, paying them $54 billion in wages and benefits. The U.S. brewing industry today includes more than 2,400 brewers and beer importers, 1,908 beer wholesalers, and 551,000 retail establishments. The beer industry’s economic ripple effect benefits packaging manufacturers, shipping companies, agriculture, and other businesses whose livelihood depends on a healthy beer industry. There are other industries affected by the performance of beverage alcohol companies: transport/haulage companies, government employees involved in the regulation and oversight of the beverage alcohol industry, consulting firms, firms that construct and decorate the various places where alcohol is served, agricultural fertilizer suppliers, etc. Many of these are small, independent, or family-owned businesses.

The alcoholic beverages industry generates or supports additional economic activity through its wide variety of important “backward” and “forward” linkages to other sectors. The backward linkages include supply chain of agricultural and raw materials, capital equipment, transportation, and energy, while the forward linkages relate to access to markets, transportation, distribution via retailers, wholesalers and hotels, restaurants and cafes (HORECA). It uses the output of agriculture such as rice, malted barley, wheat, corn, rye, sweet sorghum, sugarcane, molasses and various types of fruits and vegetables in the production of beverages. The retail segment also uses the output of other sectors such as building, catering, maintenance and furniture.

The other aspect of economic significance of alcoholic beverages industry is its substantial contribution to tourism. The culture and history aspects of India are important tourist attractions. The drink or wine industry is the single largest commercial sponsor of festivals. It contributes to tourism and regional development. It also provides a resource for community infrastructure, especially in rural areas. Sports events directly bring visitors and generate domestic tourism. Indirectly international events can raise the profile of India and encourage tourism. As is the practice internationally the Indian drinks industry supports sports. Sports sponsorship
includes cricket, horse racing, golf, soccer, rugby and hurling. It also plays a significant role in social infrastructure. The drinks industry sources most of its raw materials inputs within India and has very high purchases from other sectors in India. Overall it plays a major role in consumption, production, employment and trade.

India being the third largest producer of spirit in the world and second in Asia is having more than 350 distilleries and 100 breweries and then there are many bottling plants that are either company owned or hired on contract/job work basis. There are more than 35000 off shop (licensed retail) sales outlets in the country, in addition to the on shops (bars, pubs, hotels and restaurants) sales outlets serving liquor generates and provides huge employment opportunities. Employment data is also difficult to collect and collate for the country, as these are not centrally compiled in India. The industry continues to generate substantial employment and economic activity such as direct employment of full-time job equivalents. The alcoholic beverages manufacturing segment has a high level of domestically sourced raw materials which support employment in primary sector. Alcohol is a very highly taxed product in India and generates around Rs. 1,20,710 crore revenue per annum in 2012. The revenue from alcohol sales constitutes nearly half of the state’s annual tax revenues. Duties on alcohol constitutes nearly a fourth of the budget of some states, making it a seemingly attractive option to promote. The industry also provides jobs and large amounts to non-taxed income (black money). Alcoholic beverages normally serve both the interest of public health and welfare, and simultaneously gain extra revenue for the government. States derive as much as 25 per cent of their annual budgetary revenue from sales of alcohol. Duties on alcohol constitute as much as 23 per cent of some Indian states’ revenues.

3.7. State Monopolies and Licensing System

State monopolies of production and distribution of goods have a very long history, and have been adopted for many purposes. Whatever the political or economic complexion of the modern state, monopolization of some goods is part of the essence of its existence. Governments customarily grant monopolies, in the form of patents, copyrights and trademarks, to encourage innovation or creative endeavor, to create a stable market, and/or for consumer protection. There have been varieties of motivations historically for a government’s exercise or grant of a monopoly on the
sale of a commodity or service. One motivation has been to maximize revenue for the
government from the sale of the commodity. If the supply is monopolized, so that
there is no competition in the marketplace, the potential revenue is limited only by the
limits of demand. Of course, some commodities are easier to monopolize than others.
From a revenue viewpoint, the ideal commodity is one on which there a relatively
inelastic demand and which cannot be easily produced locally.

Many countries round the globe adopted the license system of alcohol
regulation. A licensing system entails that anyone who wants to sale or produce
alcoholic beverages has to apply for a license, granted by the municipality, local
government or the state, usually paying a fee. This is thus referring to a specific
system of licenses to sell alcoholic beverages, and not to general licenses to conduct a
business, for instance. The alcohol sales license can be conditioned, for example, on
the seller having no criminal record, on the suitability of the premises for sale or on an
absence of nuisance for the neighborhood. The license can be suspended or removed
in case any of the conditions or the alcohol sales regulations are breached. In its
simplest terms, the license system allows private enterprises to buy and sell alcohol at
state discretion. In actual effect, the license operates as a device of restraint and not
merely a grant of privilege or freedom. In a constitutional sense, the license confers
no property right and the exercise of its privilege is continuously contingent upon the
holder’s compliance with required conditions and the general discretion of the
licensing authority. As for licensing systems, all countries except Brazil require a
license to produce alcoholic beverages. This requirement is limited to the production
of distilled spirits in Trinidad and Tobago. Brazil is also the only country in the region
without a licensing system to sale any type of alcoholic beverages, while in Jamaica;
such a system is required for selling wine and distilled spirits but not beer. All the
other countries including India had a licensing system for selling alcoholic beverages.
In India some retails are controlled by government in some states like Delhi and
Tamil Nadu along with private license and all other states adopted licensing system in
distribution and retail level.


Throughout history, different population have established different patterns
of belief and behavior with respect to alcoholic beverages. They also derive different
kinds of satisfactions and dissatisfactions from drinking. "Drinking culture", includes
the most common consumption patterns, behaviors surrounding drinking, and
attitudes towards alcohol and its use in a society. Cross-cultural analysis of alcohol
use focuses more on attitudes, values and other normative aspects of alcohol use than
on the sheer quantity of alcohol consumed. This tends to hold true when we compare
various groups and categories of people within a given population, by age, sex,
occupation, socio-economic class, and religious affiliation.

One aspect of a drinking pattern is whether a population drinks a lot or a
little. Another is the type of beverages consumed by the population. The average
alcohol consumption is the highest in Europe, followed by the Americas and by
Africa. It tends to increase with economic development. However, consumption
remains low in some regions where the majority of the population is Muslim. Alcohol
collection also is unevenly distributed among the drinking population in any
country, that is, in all societies; most of the alcohol is consumed by a relatively small
proportion of drinkers. In the United States, the top 20 per cent of drinkers consume
almost 90 per cent of all alcohol and in China; the top 12.5 per cent of the drinkers
(corresponding to 7.5 per cent of the population) have been estimated to account for
60 per cent of total alcohol consumption. In general, the proportion of drinkers who
account for most of the alcohol consumption probably is smaller in countries with low
per capita alcohol consumption, that is, in these countries alcohol consumption is
more concentrated. Globally, less than one half of the adult population (about two
billion people) uses alcohol. The part of the world with the highest overall
consumption level is Eastern Europe and central Asia, with other areas of Europe also
having high overall consumption. There is a wide variation around the global average
of 6.2 litre of pure alcohol consumed per adult per year.

Drinking patterns in some countries developed naturally over a long period
of time and consequently alcoholic beverage consumption may be deeply ingrained
into the society’s culture. This is especially true in the wine-producing nations such as
Italy, Spain, France and Portugal where wine consumption is integrated into the daily
lifestyles. Similarly, in Germany, beer consumption is so interwoven in to the daily
fabric, that the beverage is thought to contribute significantly to the nutritional intake
of the male population of Germany. Mediterranean countries are predominantly wine-
drinking, while countries in the north and west primarily drink beer. Most consumers drink alcoholic beverages moderately, often as an accompaniment to their meals. Wine is usually consumed at meals while beer and spirits are mainly consumed apart from meals. These patterns remain largely intact despite considerable recent shifts in the consumption of different types of alcoholic beverages. Younger concentrated users are more likely to drink beer than wine or spirits.

Drinking pattern is often measured in terms of the frequency of drinking. The general frequency categories measure the actual number of days when alcohol consumption occurs but provide more general categories, such as - every day or almost every day, 3 to 4 days per week, number of drinking occasions within a month or never. Studies conducted in various countries have demonstrated that both the frequency of drinking alcoholic beverages and the amount of alcohol consumed per person or per occasion vary greatly among different countries and cultures, among different population groups within a given country, and for each population over time. The drinking pattern is also explained by taking into consideration the amount of alcohol consumed, no drinks or less than one drink, less than 3 drinks, 4 to seven drinks and more than seven drinks per person per occasion. This drinking pattern is often classified and categorized as abstainers, light drinkers, moderate drinkers and heavier or episodic drinkers. A sizable proportion of the population abstains from alcohol use. A frequently reported and generally accepted statistic indicates that approximately 35 per cent of the population is classified as lifetime abstainers. Abstention rates are higher among females (66 per cent) than among males (45 per cent).

The contradictions and ambiguities-with widespread alcohol use in some sectors of society, including the high status caste of warriors/rulers (Kshatriyas), versus prohibitions and condemnation of alcohol use, especially for the Brahmin (scholar-priest) caste, have produced alcohol use patterns that include frequent high-risk, heavy and hazardous drinking. India is a diverse nation with cultural variations among ethnic, religious and linguistic groups, and there are major differences between the urban and rural areas. One cannot accurately characterize the drinking patterns of all Indian ethnic and cultural groups based on the findings from just one of these groups. Indian attitudes towards drinking include both permissive and abstinent
features, especially when different population groups are considered. In Indian scenario although the recorded per capita alcohol consumption has fallen since 1980, it has risen steadily in most developed and developing countries. The per capita consumption of alcohol for population older than 15 is 0.75 litre per annum. The pattern of drinking in India has changed from occasional and ritualistic use to social use. Today, the common purpose of consuming alcohol is to get drunk. These developments have raised concerns about the health and the social consequences of excessive drinking. The prevalence of current use of alcohol ranged from a low of 7 per cent in the western state of Gujarat (officially under prohibition) to 75 per cent in the North-eastern state of Arunachal Pradesh. There is also an extreme gender difference. Prevalence among women has consistently been estimated at less than 5 per cent but is much higher in the North-eastern states. The most consistent finding in all the studies was that men are the primary consumers of alcoholic beverages. Significantly higher use has been recorded among tribal, rural and lower socio-economic urban sections.

India shows an alarming increase in alcohol consumption among adolescents and there has been a rapid change in patterns and trends of alcohol use. Important among them is people started to drink at ever-younger age and the percentage of the drinking population aged under 21 years has increased from 2 per cent to more than 14 per cent in the past 15 years. Alarming, the study found that the “average age of initiation” had dropped from 19 years to 13 years in the past two decades. The average age of initiation to alcohol was 19 years in 1986 has come down to 14 years in 2006. In some states of India, the legal age to purchase, and consume alcohol is 25 years. Drinking alcohol in public is forbidden. Generally, bars and pubs in India display signs which state that entry is allowed only for persons of age 25 and above, but the rule is seldom followed as evidenced by the number of college/birthday parties held by teenagers in pubs and bars.