Combating Liquorlining: State Controlled Alcohol Distribution Increases Public Welfare for Low Income African Americans

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I. INTRODUCTION

Over the last 80 years, the Commonwealth of Pennsylvania has been a battleground for an ever increasing debate over the utility of the state controlled alcoholic beverage industry.¹ Currently, Pennsylvania and about seventeen other states have enacted legislation that grants their Liquor Control Boards the power to control the sale, advertising and manufacturing of alcoholic beverages within the state.² Most other states have chosen to regulate alcohol through a system of licensing the rights to sell liquor to privately owned retailers.³ The debate occurring within Pennsylvania is particularly interesting considering the state’s long history of alcohol regulation and the experience it has with a varying approaches. Policy-makers in opposition to Pennsylvania’s current system are advocating for a complete overhaul and shift to the privatization of alcohol sales and manufacturing. Ironically, for decades before the federal prohibition on alcohol, Pennsylvania did, in fact, operate a privatized system of alcoholic beverage licensing.⁴ Following in English tradition, post-colonial Pennsylvania allowed grocers to purchase licenses and sell alcoholic beverages in their respective markets. Yet, in 1920 the federal government enacted the Eighteenth Amendment, which stated:

(1) After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited. (2) The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation. (3) This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the
several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.⁵

In accordance with the United States Constitution, Pennsylvania as well as every other state enacted laws that prohibited the sale, manufacturing, and consumption of alcoholic beverages by its citizens. In 1933 however, the Eighteenth Amendment was repealed, at which time the then-Pennsylvania Governor, Gifford Pinchot, set out to create a system that would continue to restrict excessive alcohol consumption and curtail bootlegging within the state.⁶ Governor Pinchot’s motivation for a state monopoly system of alcohol sales and manufacturing was based, in large part, on the “drunkenness, crime, profanity, prostitution, gambling and political corruption” that he witnessed in and around liquor establishments before the enactment of prohibition.⁷ The Governor, a stark opponent to the licensing system, believed that a state monopoly of alcohol was beneficial to the state and its citizens particularly from the social, moral, practical, and financial points of view.⁸ The practical and financial benefits to this approach are based primarily on the sales revenue that Pennsylvania receives when it sells and distributes liquor.

In the decades that followed the repeal of prohibition, Pennsylvania retained state control over the alcoholic beverage industry without much public opposition. And yet, in his 1978 election for Governor, Richard Thornburgh proclaimed the state’s liquor monopoly to be “corrupt, mismanaged and archaic.”⁹ The eventual Governor’s sentiments thoroughly ignited proponents of the privatized alcohol system. These spirited individuals continued to echo Governor Thornburgh’s point of view throughout the 1980s, which led to many heated debates between legislators.¹⁰ These debates revolved around several proposed legislative amendments to Pennsylvania’s liquor control statute that would effectively deregulate the sale of alcoholic beverages.
beverages by way of privatization. Most attacks on Pennsylvania’s state control approach centered on customer complaints of poor alcohol selection at retail, inconvenient liquor store locations, and higher prices relative to stores located in licensing states. These arguments failed to consider the likelihood that privatization would have a disproportionately negative effect on low income and minority communities. Nevertheless, despite the persistent debates over the preferable system of alcohol regulation, Pennsylvania’s state monopoly system exists in relatively the same form as it did when Governor Pinchot established it in 1933.

One consideration that has not been raised during the persistent debates over alcohol regulation in Pennsylvania is the potential effect that a paradigm switch would have on low income minority communities – in particular, the African American community which makes up the largest percentage of low income inhabitants in Pennsylvania. Low income African American communities are particularly susceptible to legislative changes to liquor laws because they often lack the social and political power to lobby for policies that favor their particular considerations. Moreover, research on issues that disproportionately affect African Americans throughout the United States, such as unusually high levels of middle-age alcoholism, elevated levels of liver cirrhosis, and alcohol-related crime, are in the early stages of being studied.

Legislators and other advocates for a privatized liquor system have failed to address the effects that such a system would have on the low income African American community. This article analyzes the predominant regimes of alcohol regulation that exists in the United States and explores the impact of these laws in respect to low income African American communities. Specifically, the analysis will center on whether state controlled monopolies or privatized licensing systems provide greater public welfare for low income African Americans.
Part II of this article provides a general overview of the historical relationship that the African American community has had with the liquor industry and the associated policies that emerged during the intercontinental slave-trade, throughout slavery, and post-slavery in the United States. It reveals the misconceived stereotypes that have developed out of racial prejudice and fear of slave reprisal about African Americans and their levels of alcohol consumption. Part III expressly defines the term “liquorlining” and explains the causes and effects of this business practice. Not surprisingly, low income African American communities are discovered to be prime targets for liquorlining, which is likely due—at least in part—to the nature of the neighborhoods that they inhabit. Part IV compares Pennsylvania’s liquor control laws to those within New York’s licensing system and weighs the pros and cons of each approach. This part specifically focuses on the powers granted to each state’s liquor control board.

Part V investigates whether liquor store owners are strategically targeting African American communities and what affect this business practice has the quality-of-life within these neighborhoods. Liquor stores are found to play a significant role in destabilizing low income minority communities. Part VI exposes the inseparable link between alcohol availability and criminal activity. It is found that as access to alcoholic beverages shifts within a community, the level of criminal activity is directly affected. Part VII proposes remedial measures and proffers the best approach that can provide low income African Americans with the greatest possible public welfare. Finally, part VII concludes that the health, safety, and quality-of-life concerns of African Americans are best met under the state monopoly system.

II. HISTORICAL PERSPECTIVE OF AFRICAN AMERICANS AND ALCOHOL
American citizens have had a long and controversial history with alcohol. From prohibition to the repeal of the Eighteenth Amendment, Americans have traditionally struggled to reconcile their conflicting views on alcohol policies. Yet, the African American community’s perspective and experience with alcohol has been particularly unique. Alcohol has played a role in many aspects of the Black experience, it has served as a religious symbol during ceremonies, as a tool of disempowerment during slavery, and as a powerful source of destabilization for the African Americans post-slavery.

Before Africans were subjected to the western slave trade, their use of alcohol was most frequently during religious libations, a time in which Africans worship God and their ancestors. Despite the celebratory nature of libations, excessive consumption of alcohol was uncommon in Africa. During slavery however, alcohol would become significantly tied to the plight of African slaves. The slaves’ connection to alcohol was not forged through consumption, but rather bargained for during the slave trade. New England, the nation’s leading importer of slaves, was also the largest exporter of rum and molasses during slavery. New England’s rum-for-slaves trade became so lucrative that, to no ones surprise, America’s leading export during slavery was liquor. Savvy slave-traders at the time would routinely entice African slave-dealers to drink alcohol until they became intoxicated and shortly thereafter engage in the business of slave bargaining. Moreover, African lives were often measured in terms of gallons of alcohol; for instance, “Twenty gallons of rum could purchase a muscular young man.” As a result, alcohol was effectively used for the benefit of American slaver-traders and became a symbol of the traitorous plight of Africans—forced into captivity, shipped to a new land, and destined for a life of involuntary servitude.
During slavery, both free and enslaved Africans in America were prohibited from consuming alcohol, based on the notion that “Blacks would be less accepting of the conditions of servitude . . . and prone to violence when inebriated.” Some slave owners held the contrary view that allowing slaves to become intoxicated, especially when not working, would keep them from having an opportunity to think about escaping. However, the former view prevailed when it came to enacting laws—White Americans feared that alcohol could potentially incite an African rebellion. Legislators, many of whom were slave owners at the time, clearly understood the power and effect that alcohol regulation could have on the lives of slaves and, therefore, passed alcohol beverage laws that fully favored and maintained the power of slave owners, while further weakening, the already weak, conditions of slaves.

Despite the fact that African Americans’ access to alcohol during slavery and post-slavery was heavily restricted by legislators, stereotypes depicting African Americans as uncontrollable, violent, and promiscuous drinkers developed. These stereotypes were likely formed as a propaganda-style basis for continuing to pass laws that heavily restrict African American access to alcohol. Most researchers that have studied the topic of African American levels of alcohol consumption have reported that these negative stereotypes are seem unfounded. Modern research has shown that African American’ views and use of alcohol have been and remain much more conservative than those of White Americans. Furthermore, researchers have found that consumption of alcohol by African Americans typically increases only as a result of high stress in the form of societal hostility and discrimination. Most notably, researchers have illustrated how the great migration of Blacks moving from the South to the North, just after slavery ended, led to excessive levels of alcohol consumption. These spiking levels of alcohol consumption were linked to the discrimination and lack of employment opportunities that Black
people encountered when they arrived to the North.\textsuperscript{30} Today, African Americans seem to hold relatively negative views of alcohol consumption.\textsuperscript{31} This is most likely a result of the negative historical associations that alcohol has had with the African American community and the continuing negative stereotypes specifically targeting African Americans.

To most outside observers, there seems to be a strong link between neighborhoods populated by African Americans and the concentration of liquor stores located within these neighborhoods. It seems that low income African American communities are extremely saturated by liquor stores. Which may suggest one of two reasons for this phenomenon, either: (1) there is an excessively high demand for alcoholic beverages in low income African American communities; or (2) liquor store owners are targeting low income African American communities as prime locations to operate their stores. As previously suggested, it is unlikely that African American communities have anything other than a moderate-to-low demand for alcoholic beverages, as indicated in most modern research. Therefore, the targeting of low income African American communities by private liquor retailers seems to be the most plausible reason.

III. WHAT IS LIQUORLINING?

In a broad sense, the term “liquorlining” can best be understood as the opposite of “redlining”, which is a practice commonly used in the banking industry.\textsuperscript{32} Liquorlining connotes the practice of targeting low income minority communities as prime locations to open liquor stores by private business owners.\textsuperscript{33} The apparent benefits of liquorlining by liquor store owners are two-fold. First, liquor stores are more profitable when they are located within small areas that
are densely populated—lower income African American neighborhoods tend to have this makeup. Second, liquor stores are also much more profitable when they are situated within disorganized communities that do not have strong activists and quality-of-life groups—lower income African American communities tend not to have these sorts of groups.

The practice of liquorlining has led to an “excessive concentration of liquor stores in lower-income and minority neighborhoods[,] which] poses a real impediment to community development in these areas.” Liquorlining directly and indirectly has had many negative effects on low income minority communities. In particular, communities densely populated with liquor stores typically suffer from high levels of murder, assault, drug dealing, and prostitution. In one study, the Oakland Police Department found that “criminal behavior . . . occurs with disproportionate frequency in and near liquor stores.” High crime, low public health, and poor quality-of-life conditions severely deteriorates minority communities by fostering a poor business environment. Retailers not involved in the alcohol industry are driven away by these poor conditions or they are faced with mounting operation costs to account for the increased need for security and sanitation.

Moreover, liquor stores operating within liquorlined areas are thrust into intense competition with each other and forced to cut cost by reducing employees—often security personnel. This fact alone increases the likelihood of violence, theft, and other illegal activities. In liquorlined areas, liquor stores often become either the target for theft or a participant in many illegal activities. Faced with this reality and for personal safety reasons, it at times may be in the liquor store owner’s (and/or employee’s) best interest to participate in illegal activity rather than becoming a target for criminals seeking to victimize others.
Another important fact is that liquor stores do not promote retail activity like most other stores do, yet they are most profitable in high traffic areas. Areas where large sums of people commute or where there is a dense population of residents are the most profitable locations for liquor stores. Accordingly, liquor store owners often seek retail locations near other stores that generate traffic, but, conversely, very few businesses seek retail locations near liquor stores.\textsuperscript{39} This is the case because liquor stores only attract adults of legal drinking age, not younger demographics of consumers, and they tend not to attract families of consumers. For these reasons, other retailers—not involved in the sale of alcohol—tend to prefer operating in communities that do not have a high concentration of liquor stores. The end result is that once liquor stores populate an area, other commercial establishments avoid entering that community, which leads to a local depression in the retail economy.\textsuperscript{40} This depression negatively affects the local community by reducing the opportunities for local employment and reducing the purchase options of consumer goods.

Legislators have tremendous power in preventing private business owners from engaging in practices such as liquorlining. Specifically, every state has a liquor control board that has the power to control and/or license the sale, distribution, and manufacturing of alcoholic beverages within the state. In Pennsylvania, the liquor control board—a public agency—owns and operates all retail locations throughout the state; therefore, it has no incentive to engage in liquorlining because it has no intrastate competitors. As a result, the Commonwealth of Pennsylvania has fewer liquor stores than the city of Chicago despite having a population four times as large.\textsuperscript{41} As an alternative, states can otherwise impose zoning regulations that effectively prevent the accumulation of liquor stores in low income minority communities. This can be done easily by establishing a distance requirement that prohibits liquor stores from operating in too close
proximity from one another and restricting the licensing of liquor stores that do not comply with this rule.

IV. PUBLICLY OWNED AND OPERATED v. PRIVATIZED ALCOHOLIC BEVERAGE SALES

In the United States, the alcohol industry is regulated by individual state statutes, known as liquor control laws. Because individual states regulate the alcohol industry, there are a variety of approaches that each state may take in establishing the relevant legislation. Most of these approaches fall into one of two categories: (i) publicly controlled or (ii) privatized ownership. The Commonwealth of Pennsylvania—a “control state”\(^{42}\)—engages in public ownership and operation, whereas the State of New York—a “license state”\(^{43}\)—has privatized the sale and distribution of alcohol.\(^{44}\) To gain a greater understanding of the impact that a state’s legislative policy can have on liquorlining within the low income African American community, we shall analyze both Pennsylvania’s and New York’s liquor control laws.

Pennsylvania’s Liquor Control Board gains its power and authority under 47 Pa. Stat. Ann. § 2-207,\(^{45}\) which states:

Under this act, the board shall have the power and its duty shall be: (a) To buy, import or have in its possession for sale and sell liquor, alcohol, corkscrews, wine and liquor accessories . . . and wine glasses in the manner set forth in this act. . . . The board shall buy liquor and alcohol at the lowest price and in the greatest variety reasonably obtainable. (b) To control the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in accordance with the provisions of this act, and to fix the wholesale and retail prices at which liquors and alcohol shall be sold at Pennsylvania Liquor Stores. . . . (c) To determine the municipalities within which Pennsylvania Liquor Stores shall be established and the locations of the stores within such municipalities. (d) To grant and issue all licenses and to grant, issue, suspend and revoke all permits authorized to be issued under this act.\(^{46}\)
Under Pennsylvania’s liquor control laws, the state purchases, sells, and controls every aspect of the distribution of alcohol – effectively monopolizing the sales of alcohol within the state.\textsuperscript{47} Notably, the liquor control board determines where liquor stores will be established within each community. As such, the liquor board has the expressed power to ensure that liquorlining does not occur within low income minority communities. Also, because the Pennsylvania Liquor Control Board is the only source for liquor, it has no intrastate competitors and no real incentive to engage in liquorlining. As such, Pennsylvania’s policy seem to be the a very formidable approach in respect of low income African Americans communities. African Americans living under this regime have a more diverse group of retailers that service their communities and, accordingly, they have greater opportunities for local employment.

In New York, the State Alcoholic Beverage Control Board gains its power and authority under N.Y. Alco. Bev. Cont. Law § 17,\textsuperscript{48} which states:

The authority shall have the following functions, powers and duties: 1. To issue or refuse to issue any license or permit provided for in this chapter. 2. To limit in its discretion the number of licenses of each class to be issued within the state . . . 3. To revoke, cancel or suspend for cause any license or permit issued under this chapter . . . 13. To study and report to the governor and the legislature biennially on or before February first of each year concerning: (a) recommendations to reduce the number and type of licenses . . . (b) recommendations to simplify license renewal procedures; . . . (d) the extent to which quality of life issues, such as noise level, vehicular traffic and parking are considered in licensing decisions . . . (e) recommendations to improve enforcement methodologies in order to protect the health and safety of residents of communities experiencing persistent problems in the operation of retail establishments.\textsuperscript{49}

Under New York’s liquor control laws, the liquor board’s main functions are to issue licenses to qualified private alcohol dealers, perform grievance duties such as cancelling or suspending licenses, and to conduct research pertaining to the licensing process and quality of life issues. This approach relegates the liquor board’s authority solely to the distribution of liquor licenses. As such, the board has very little power to control where liquor stores are physically
located; therefore, liquorlining under this regime is very likely to occur. New York’s liquor board could potentially establish rules and procedures that would restrict the number of liquor licenses it issues to private owners seeking to operate liquor stores in high concentration areas, however no such rules or procedures have been proposed.

Opponents to the state monopoly approach argue that it is an “archaic, inefficient and costly” system to maintain.\textsuperscript{50} They support the privatization of alcohol sales, asserting that it will lead to greater economic opportunities, more efficiency, and will not have a significant effect on alcohol-related death statistics.\textsuperscript{51} Yet, even opponents agree that privatizing the sales and distribution of alcohol will lead to an increase in alcohol consumption, and therefore will have an effect on social issues such as alcoholism, underage drinking, and drunk driving.\textsuperscript{52} At the heart of the privatization argument is convenience. As on reporter wrote, “Drinkers know how difficult it is to purchase booze in Philadelphia, especially for those without cars. . . [m]any neighborhoods . . . have no wine and spirits store at all.”\textsuperscript{53} Opponents suggest that convenience for consumers should be a central concern for Pennsylvania residents; however they fail to acknowledge that most Pennsylvania residents do not live in liquorlined communities—liquorlined communities are generally populated by low income African Americans. Proponents of the state monopoly approach counter the privatization argument by calling attention to the fact the publicly controlled alcohol sales is an enormous source of revenue for control states.\textsuperscript{54} In addition, proponents point to research that suggests that state controlled liquor sales and distribution has a positive effect the quality of life within the state.\textsuperscript{55}

Admittedly, it is extremely difficult and impractical to conduct a comparative study of crime and employment statistics that compares low income African American communities located within control-states to those located within license-states. The difficulty comes from the
immense variables that a study of this nature would have to account for, such as: (i) the effectiveness and strategic approach of law enforcement, (ii) historical societal tension between groups that may incite elevated levels of criminal activity within particular communities, and (iii) the economic environment of each particular jurisdiction. For these reasons and others, we are unable to rely on statistical evidence to confirm or refute an argument that one approach is more beneficial to low income African American communities than another.

V. ARE LIQUOR STORES REALLY TARGETING AFRICAN AMERICAN COMMUNITIES?

The physical availability of alcohol has been shown to play a large role in alcohol sales, the level of alcohol consumption, and a variety of alcohol-related problems – including violence, drunk driving, liver cirrhosis, and alcoholism. African Americans are found to be at a significantly higher risk of alcohol-related problems than other racial groups, which some researchers believe is due to the greater availability and visibility of alcohol outlets in low income African American communities. Researchers at the Johns Hopkins School of Public Health, studying the disproportionate concentration of liquor stores located in Baltimore, MD, found that “income status and racial composition of a neighborhood were each independently predictive of the per capita number of liquor stores within a given area.” Their research has conclusively shown that low-income African American communities have much greater accessibility to alcohol through liquor stores than white or racially integrated neighborhoods. “A higher percentage of black residents is associated with a greater per capita number of liquor stores.” On the other hand, predominantly white communities attract more socially desirable alcohol retailers such as restaurants or bars.
Furthermore, researchers found that liquor establishments have played a significant role in destabilizing the African American community. Liquor stores located in predominately African American neighborhoods have been found to engage in practices that encouraged excessive drinking and violence. These practices include carrying larger quantities (e.g. 40 oz. bottles) of alcohol as well as keeping them chilled, “ready for immediate consumption on a street corner, in a nearby park, or in a motor vehicle.” Public drunkenness, which is commonly found in liquor-lined neighborhoods, has also played a role in distorting the perceptions of appropriate levels of alcohol consumption in young African Americans.

Available research has consistently found that low income African American communities have a higher density of liquor store concentration than other communities, but little research has been done to identify why this is the case. To speculate, one reason may be that private liquor store owners seek locations that are highly populated areas, as stated above. There may be a relationship between the housing arrangements of African Americans and the likelihood of residing in a liquor-lined area. For instance, in many cities such as New York, Baltimore, and Philadelphia many low income African Americans live in densely populated apartment buildings. The combination of a dense population residing within a, typically, small radius of land may be particularly attractive to liquor store owners. Conversely, restaurant and tavern owners may seek locations that attract wealthier individuals, which would be more conducive to suburban areas. Regardless of the motivations behind the business decisions of liquor store owners, the fact remains that within states that have privatized the sale of alcohol, liquorlining occurs with great frequency. As researchers have discovered, the consequences of liquorlining are devastating to communities.
VI. **The Connection Between Alcohol Availability and Crime**

If you were to drive through a high crime African American neighborhood and track the frequency in which you ride past a liquor store, you would begin to get a sense of the connection between crime and alcohol availability. Researchers at the Pacific Institute for Research and Evaluation have conducted many studies that have focused on the relationship between alcohol availability and crime. They found that neighborhoods which contain high concentrations of liquor stores, bars, and other establishments that sell alcohol had greater occurrences of assaults and other violent crimes. A study conducted in California found that as the concentration of liquor stores increased in any given neighborhood, the levels of violence also increased. In other words, the study found that regardless of the composition of the neighborhood – rich, middle-class, poor; White, Black or Hispanic – neighborhoods across the board had proportionally elevated violence as the concentration of liquor stores increased. This research illustrates the negative effect—in terms of crime—that high concentrations of liquor stores have on neighborhoods and communities. Although researcher have not been able to conclusively show why having a dense number of liquor stores in a relatively small area causes crime, they have provided three possible explanations for this phenomenon.

The first explanation may be that liquor stores are inherently a source of social disorder that encourages behaviors such as public consumption and littering, which in turn sends a message to other individuals in the community that normal orderly behavior is not expected. The second may be that areas with a dense concentration of liquor stores may attract people who are either more likely to be violent or more likely to be victims of assaults. Lastly, a high number of liquor stores in a small area may result in a greater number of inebriated individuals,
which makes them more likely to be violent or more vulnerable to acts of assault. Nonetheless, research tends to show that when alcohol is more readily available there is a higher consumption rate by people and incidents of alcohol-related crimes increase. Additional research suggests that “[c]ontrolling where and how alcohol is sold can be an important tool in fighting crime.”

High levels of alcohol availability have also been shown to play a significant role in domestic violence – specifically, child abuse and spousal abuse. Alcohol availability plays a key role in child abuse and neglect by parents. Research has shown that whether or not parents consume alcoholic beverages, the higher density of liquor stores typically leads to disorganization in the community, which invites strangers and crime into the neighborhood. Once crime increases along with the volume of unfamiliar faces in the community, parents typically grow less trustworthy of neighbors and the social support needed to raise children is lost. Similarly, physical and emotional abuse between spouses is often tied to heavy consumption of alcoholic beverages. In addition, studies have shown that spouses that live in low income and disorganized communities are more likely to engage in spousal abuse than spouses that live in wealthier, more stable communities. Living in a disorganized neighborhood may also elevate stress and cause neighbors to become less concerned with the violent behavior of others. Liquor stores seem to contribute significantly to the disorganization of neighborhoods by increasing the levels of broken glass littering, loitering, and public intoxications. These conditions combined may cause spouses to be “less concerned about social consequences of engaging in violence against their partners.”

VII. IMPLICATIONS & SOLUTIONS FOR LIQUOR LINING
As previously discussed, liquorlining certainly has a devastating effect on the economy, safety, and quality-of-life of low income African American neighborhoods. The implication of available research is that private liquor store owners are considerably drawn to low income minority communities because of the high concentration of resident consumers. Furthermore, it seems that without state intervention liquor store owners will naturally choose low income African American neighborhoods to operate their businesses, based on the densely populated nature of these communities. Liquorlining is most apparent once significant concentrations of liquor store owners’ occupy low income African American communities. Thus, state legislatures must diligently draft policies that effectively prevent liquorlining from occurring. There are a few ways in which the state legislature may control the saturation of liquor stores in low income minority communities.

State legislatures with authority over land-use and liquor licenses can prevent liquorlining by regulating location of licensees by licenses to sell alcoholic beverages. The liquor control board can set a minimum distance requirement for licensees, which would considerably reduce the likelihood of high liquor store concentration in any given area. Moreover, they could limit new licenses for neighborhoods that currently have liquor stores too close together. These practices would maintain private ownership of liquor stores, which would allow owners to satisfy the “convenience” requests of consumers. The downside of these practices for low income African American communities is that the minimum distance requirement may not be wide enough to guaranty that these communities do not continue to have a higher proportion of liquor stores than others. Also, the competitive business forces that tend to contribute to liquorlining would still exist under this approach. Another weakness is that a practice of limiting new licenses does not proactively reduce the existing concentration of liquor stores in liquorlined areas.
Therefore, it seems that the state would have to begin revoking some existing licenses in order to significantly decrease the concentration of liquor stores in existing liquor-lined areas.

One approach might be for the liquor control board to stop issuing licenses when certain liquor stores located in particular neighborhoods go out-of-business. This would allow other retailers to occupy and sell their goods in newly available retail space, assuming that there are retailers seeking to enter this community. The potential downside is that a practice like this could result in an increase in vacant retail locations, which would have a greater negative effect on the local economy than if those locations were reoccupied by other liquor stores. Another approach could be for the state to permanently close stores that have repeated liquor law violations, such as by selling alcohol to underage minors or to visibly intoxicated persons. Yet, this practice is also a retroactive and likely ineffective solution. There is no guaranty or method to predict that liquor stores in liquor-lined areas will either repeatedly violate liquor laws; especially when we consider that the locations of these stores are often the most profitable ones. As such, this approach would likely do little to nothing to reducing the concentration of liquor stores in liquor-lined communities.

The approach that has proven to be the most beneficial to the public welfare of low income African Americans, as well as the most effective at preventing liquorlining is the public ownership approach (otherwise known as the “control state”). The sheer fact that the State monopolizes the alcohol industry completely removes the slightest likelihood that it would ever engage in liquorlining. This is so because State legislatures, in general, usually have two major concerns: (i) the welfare of its citizens, and (ii) the financial health of the State. Practicing liquorlining undermines both of these concerns because, as discussed earlier, it leads to more crime, a lower quality-of life, and reduced public health for citizens. In addition, liquorlining has
a chilling effect on local economic activity and it also requires alcohol retailers (which in this case is the state) to maintain high operating costs to offset the spikes in crime and pollution. Accordingly, a State would not benefit from engaging in liquorlining; in fact, a State would benefit most by operating a relatively low number of liquor stores. A basic understanding of supply and demand would clearly explain why a State, as the sole provider of alcoholic beverages, would maximize its profit by keeping supply moderate-to-low and ensuring that demand remains high. Additionally, the operating cost of maintaining fewer liquor stores is also a powerful incentive against liquorlining. Given the State’s disincentive to liquorline communities, the control state approach seems particularly effective at increasing and/or preserving the public welfare of low income African American people. Under this regime, poor minority communities will not be targeted as prime locations for liquor establishment and, therefore, they will not be under constant threat of destabilization. Public control of the alcoholic beverage industry significantly reduces the negative forces that plague these marginalized communities.

VIII. CONCLUSION

When viewed from the perspective of protecting the public welfare of low income African American communities, there are many reasons for states to adopt Pennsylvania’s state control approach to alcohol regulations. In fact, Pennsylvania has been successful at preventing liquorlining from occurring within its borders, which undoubtedly has meant a lower likelihood of destabilized African American communities and greater economic opportunities for other retailers. State control of the alcoholic beverage industry significantly reduces the
disproportionate effects of alcoholism, crime, and pollution that are inherent to liquorlined communities. Moreover, because the local economy benefits from retail diversity, citizens of control-states benefit from greater job opportunities within their communities. Another important factor is the high levels of crime associated with liquorlined neighborhoods. Under Pennsylvania’s system, the general public benefits from the vast distribution of liquor stores because this wide distribution virtually prevents the hotspots of crime that form within liquorlined areas. The Pennsylvania control-state system should be replicated in more states seeking to reduce crime and increase the living standards within low income minority communities; however, this outcome seems unlikely due to the current trend of deregulation and privatization. The state monopoly system is particularly effective in this context and it achieves a multitude of social and financial objectives. As the debate continues within Pennsylvania’s borders, hopefully state officials consider the potential detriment that African Americans living in poor neighborhoods will face if the state chooses to privatize the alcoholic beverage industry.

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2 See Id. at 524 (“Eighteen states can be placed under the rubric of control: Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming”).

3 See Id. at 527-28 (“A majority of states choose to regulate the sale of distilled spirits and wine through licenses to private retailers. These states are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, West Virginia, Wisconsin, and Wyoming and the District of Columbia.”).

4 See Id. at 514-15 (explaining that, after the Revolutionary War, Pennsylvania retained the English system of private alcohol permits that could be purchased from the state by private owners).
U.S. CONST. amend. XVIII (repealed 1933).

See Munshi, supra note 1, at 515.

Id.

See Id. at 516.

See Id. at 518 (“Labeling it “corrupt, mismanaged and archaic,” the Governor argued that the Commonwealth had finally reached a stage where the state-run retail system was unacceptable.”).

See Id. at 519.

See Id. at 520 (“[ The Greenleaf-Kelley Amendment] sought to deregulate the wholesale and retail sale of liquor and wine through a private license system.”) (alteration in original).

See Id.

See Id. at 521.

See Anastasia R. Snyder et al., Household Composition and Poverty among Female-Headed Households with Children: Differences by Race and Residence, 71 Rural Soc. 597, 601 (2006) (“The shift in recent decades away from a traditional two-parent family has occurred to a greater degree among racial/ethnic minority groups, especially non-Hispanic blacks . . . and there is evidence that minority children have paid a higher price in terms of worse economic outcomes for changing family and household structure.”) (citation omitted).


See Id. at 319.

See Id. (“Responsible alcohol use was the in precolonial Africa”); see also Id. at 312 (“For the most part in Africa, during ceremonies Africans did not drink enough to produce intoxication; instead, the emphasis was on participation in the ritual than on getting drunk.”).

See Id. at 324-25.

Respectively the states of Rhode Island and Massachusetts.

See Christmon, supra note 4, at 325.

See Id. at 325.

See Id.

Id.
25 *Id.* at 326.

26 *Id.* at 327.

27 See Raul Caetano et al., *Alcohol Consumption Among Racial/Ethnic Minorities*, 22 AM. HEALTH & RES. WORLD 233, 235 (1998) (explaining that “the abstention rate currently is higher among black men than among white men (36 percent versus 26 percent, respectively), further contradicting common assumptions about black’s drinking patterns.”).

28 As opposed to other factors; such as socializing, learned cultural behaviors, or religious practices.

29 See Christmon, *supra* note 4, at 328.

30 See *Id.* (explaining that African Americans mass migrated from the Jim Crow laws of the South to the North but were met with hostility and discrimination. As a result, taverns and the alcohol they served became more significant to African Americans; *see also* Caetano, *supra* note 15, at 235 (“the mass migration of blacks from the rural South to the northern areas of the United States that began in the early 1900s appears to have resulted in increased alcohol consumption.”)).

31 See Caetano, *supra* note 15, at 235 (“. . . recent research has contradicted many of the stereotypes of alcohol consumption patterns among blacks. Most likely, blacks’ drinking patterns and alcohol-related problems result from a complex interplay of individual attributes, environmental characteristics, and historical and cultural factors that shape the life history of blacks in the United States.”).

32 Bankers would draw a red line (or circle) on a map indicating areas in which banks would not conduct business. Most often, the redlined areas were areas inhabited by low income and/or minority communities.


34 *Id.*

35 See *Id.*


37 See *Id.* at 1.

38 See *Id.* (explaining that competing liquor store owners are forced to cut cost on things such as security guards and trash receptacle, or otherwise engaging in illegal activity).

39 See *Id.* at 2.

40 See *Id.*
See Tom Cowell, PA’s Disgraceful Liquor Laws: It's time for a change. But is it coming? (Jan. 12, 2010), http://www.philadelphiaweekly.com/news-and-opinion/cover-story/PA-disgraceful-liquor-laws.html (“There are 618 state-run stores in the Commonwealth of Pennsylvania. To put that number in perspective, there are more wine and spirits stores in the city of Chicago than there are in our entire state, despite Pennsylvania having four times as many people.”).

Robin Room, Alcohol Monopolies in the U.S.: Challenges and Opportunities, 8 J. PUB. HEALTH POL’Y 509 (1987) (“American states which monopolize the sales of alcohol – known in the technical language of the field as ‘control states,’ as opposed to ‘license states.’”).

See Id.

Privatization within the alcohol industry is the most common approach for the overwhelming majority of states throughout the country.

47 PA. STAT. ANN. § 2-207 (West 2004).

Id. (citation omitted).


N.Y. ALCO. BEV. CONT. LAW § 17 (McKinney 2010).

Id. (citation omitted).

See Munshi, supra note 1, at 508.

See generally Id.

Id. at 540-41.

See Cowell, supra note 27 (alteration in original).

See Munshi, supra note 1, at 511 (“The main force sustaining the monopoly systems, it is clear, has been their importance to the states as a source of revenue.”).


See Id.

Johns Hopkins Bloomberg School of Public Health, Off-Premises Liquor Stores Targeted to Poor Urban Blacks, (June 6, 2000), available at http://www.jhsph.edu/publichealthnews/press_releases/PR_2000/alcohol_off_premises.html (A study conducted by researchers at the Johns Hopkins School of Public Health, which focused on the
disproportionate concentration of off-premises liquor outlets located in predominantly black, low-income neighborhoods in Baltimore, MD.).

59 See Id. (“Neighborhoods that were both low-income and predominantly black had even more significant numbers of liquor stores -- up to eight times as many -- compared to other communities.”).

60 LaVeista, supra note 42, at 615.

61 See Id.

62 See Johns Hopkins, supra note 44.

63 See Id.

64 Id.

65 See Id.

66 Pacific Institute for Research and Evaluation is one of the nation's preeminent independent, nonprofit organizations merging scientific knowledge and proven practice to create solutions that improve the health, safety and well-being of individuals, communities, nations, and the world.


68 See Id. at 3.

69 See Id. at 4.

70 See Id.

71 See Id.

72 See Id. at 5.


74 See Id.

75 See Id.

76 See Id.

77 See Id.

78 See Id.

79 See Id.
80 See Id.

81 See Id.

82 Id.