

Case #9a. Supermarket "Samberi" Loses Its License to Sell Alcohol in Khabarovsk, Russia

Synopsis: Case #9a invites you to apply the power analysis framework of Module 8 in analyzing Samberi faces in trying to reclaim its license to sell alcohol in its grocery stores and then, using the framework of Module 9, to construct best case, worst case, and most probable case scenarios as to how this case will end up.



Samberi is a large supermarket chain in the Russian Federation, with 186 stores, including a store in Khabarovsk, capital of the Russian Krai (Region) in the Russian Far East.

Mass alcoholism among residents of Russia, including the Khabarovsk Krai (Region), is a serious problem. According to the head of the Khabarovsk regional **Ministry of Internal Affairs**, every year in the region the number of crimes committed under the influence of alcohol grows. Alcoholism among children has become especially frightening.

In 2013, the Samberi supermarket in Khabarovsk City, the largest supermarket in the Khabarovsk region, received a ban on the sale of alcohol in Khabarovsk. The explanation for the revocation of Samberi's license to sell alcoholic beverages was numerous violations of anti-alcohol sales regulations.

Samberi was not alone in violating alcohol sales regulations. In Khabarovsk shopping malls generally, the age restrictions on the sale of alcohol is not observed; liquor sales to adolescents occurs frequently. This was confirmed by a raid which took place by **"United Russia"(NGO)** and activists from **"Young Guard"(an NGO of young political activists)** together with representatives of law enforcement agencies associated with the **Ministry of Interior.**

In order for Samberi to be able to again sell alcohol, it will have to make a new license, which would be much more complicated to get than it was initially.

Meanwhile, society continues to discuss the idea of a ban on the sale of alcohol after 19.00 pm in the Khabarovsk Territory. **Khabarovsk Krai (Regional) Governor Vyacheslav Shport** approved the request by the **Minister of Interior of Khabarovsk Territory** for restrictions on the sale of alcohol from 19.00 pm to 11.00 am the next day. Activists and many residents of Khabarovsk have already started actively advocating for the maintenance of the idea for this time limit the sale of alcohol in the province.

The online agency **AmurMedia** poll was designed to ascertain the attitude of people to the idea of time limit alcohol sales in the Khabarovsk region from 19.00 to 11.00. In total, 1260 people participated. Most of them (706 people) agreed that this restriction will reduce the number of crimes committed while intoxicated. Public initiative concerning restriction of retail alcohol sales has a support of **"Ignatius," Metropolitan (head) of the Russian Orthodox Church for Khabarovsk and the Amur Region.** The statement signed by him was sent to the **Khabarovsk Regional Governor Vyacheslav Shport** and **Chairman of the Khabarovsk Region Duma (Legislature) Viktor Chudov.**

However, according to the results of a meeting of **Interagency Council (an inter-agency working group at the level of territorial government)*,** a majority of meeting members argued that time restrictions on retail sale of alcoholic beverages from 19:00 until 11:00 was unreasonable.

One of the initiators of the introduction of anti-alcohol law in the Khabarovsk Region and supporter of a healthy lifestyle, **Kantyshev Nikita,**

commented on the results of the meeting in his blog as follows: "Almost all the members of the **Interagency Council** were against the restrictive measures; their main motivation: "if people do not drink, how we will fill the budget?"

Khabarovsk Krai	Taxes	% of budget
Alcohol	Average – 29,5% to 2014 year	Excises – 11 % of sales + 10-11% due to hard liquors

According to **Kantyshev Nikita**, "From these 18 people on the Interagency Council, 13 people are officials and leaders of the economic bloc with ties to the alcohol business. I still managed to break into this meeting and was even at the end given two minutes to speak. But everything had been agreed in advance and they voted overwhelmingly against the restrictive measures. They need quick money, here and now... However, we will not give up, friends! They won the battle but we will win the war!"

1. (2) What is Samberi’s responsibility in terms of proper controls--rules and enforcement—on alcohol sales within the supermarket?

2. (4) Draw a power diagram for the case and summarize it in 150 words or less. (you are not required to draw a power diagram if you submitted a credible diagram for case #8. [the professor will tell you if your case 8 diagram is acceptable].)

NOTE: If there were major problems with your diagram for Case #8, or if you chose to not do Case #8, you must also provide the power diagram. If this NOTE applies to you, the value of this question 2 goes from 4 to 7 points and question 3 from 9 points to 6 points and you need only supply the best and most probable scenarios.

3. (9) Construct best case, worst case, and most probable case scenarios as to how this case will end up.

***NOTE:** The Executive and Legislative branches of Khabarovsk Region form the working group – **Interagency Council**—with 18 members.

This case was prepared by Ekaterina Strokova, a student at the Khabarovsk State Academy of Economics and Law, under the direction and with the assistance of Professor Earl Molander.