

NIGHTLIFE INDEX 2023

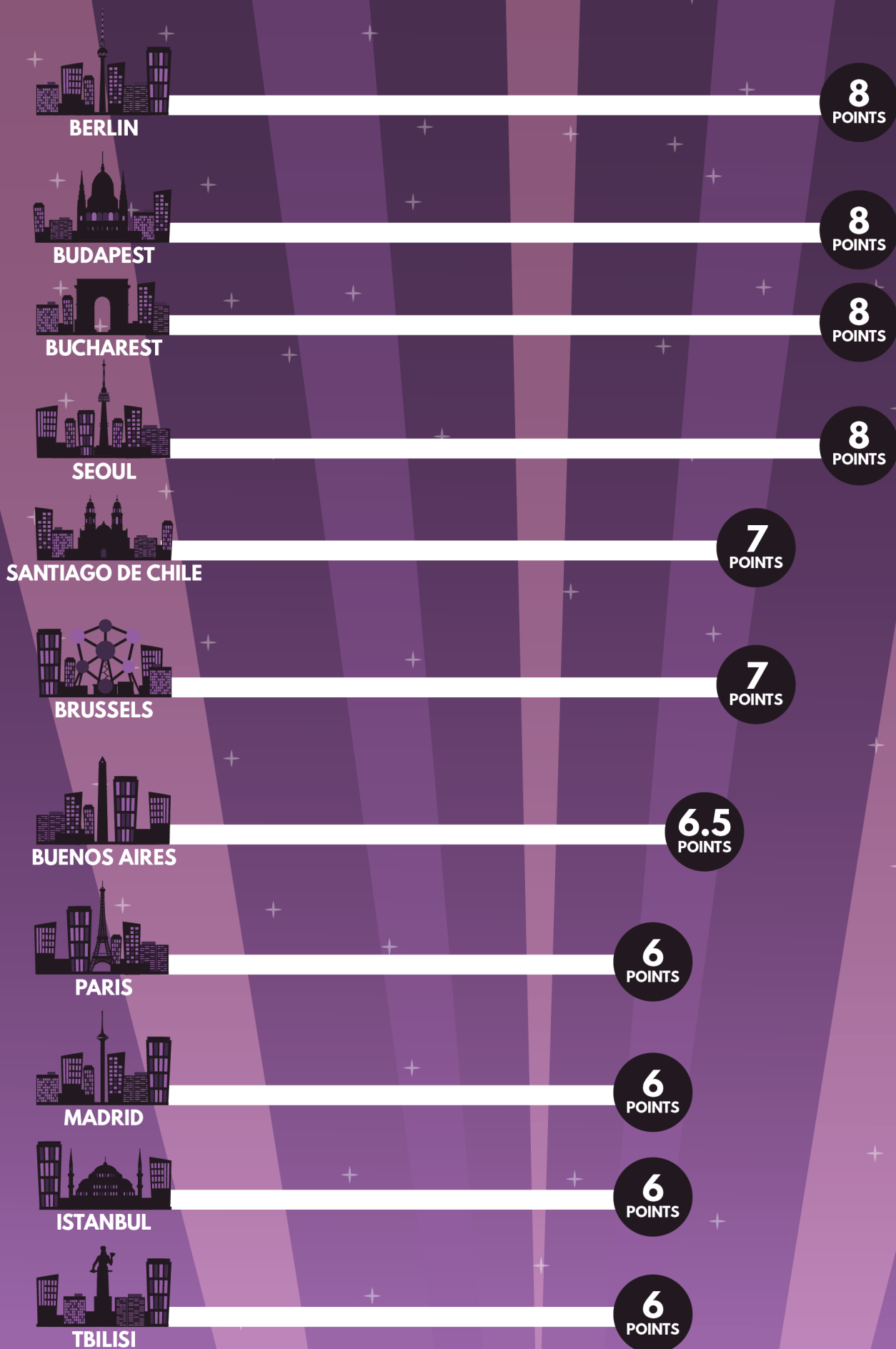


CONSUMER
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Abstract

2023 may mark the entertainment industry's moment of recovery from the Covid-19 pandemic. At the Consumer Choice Center, we want consumers to know the best cities for a night out, measured by the availability of services, flexible schedules, affordable drinks or meals, and safe trips back home. We also want local authorities to know which policies improve consumers' lives and which do not. Our report looks at thirty cities worldwide using six variables: mandatory opening and closing times, last-call legislation, the average retail price of a beer or a Big Mac, night transport, and ride-hailing. We discover an underlying pattern by comparing the least and most nightlife-friendly towns. Thriving cities have no or very lax opening and closing hours, no or permissive last calls, cheap drinks or food, and allow for night transportation and ride-hailing. Consumers and policymakers alike can apply this lesson to their future decisions. By doing so, they can reap the benefits of an industry's \$31.46 billion recovery, enrich the arts, remove onerous taxes, and provide security to all.

Most welcoming cities



Least welcoming cities



REYKJAVIK

1.5
POINTS



ZURICH

2
POINTS



DOHA

2
POINTS



DUBAI

2.5
POINTS



OSLO

3
POINTS



DUBLIN

3
POINTS



HELSINKI

3
POINTS



MEXICO CITY

3
POINTS



TOKYO

3
POINTS



NEW YORK

3
POINTS

Introduction

Summer is here, and it's party time. The peak of the Covid-19 [pandemic saw more than 200 festivals canceled](#) and \$3.4 billion dollars lost. However, the worst of the outbreak is gone, and authorities have now largely lifted travel restrictions and shutdowns in the [European Union](#), [United States](#), and [other countries](#) worldwide. As such, nightclubs, restaurants, bars, and pubs are booming once more, with the collective sector set to grow by [\\$31.46 billion](#) in the next five years. If all goes well, 2023 could be the comeback moment for partygoers everywhere.

We at the Consumer Choice Center want to ensure that consumers have the best possible experience if they decide to go on a night out. Readers must know where they can find affordable yet top-quality services, enjoy a flexible schedule accommodating the diverse needs of different people, and travel safely to and from a venue. At the same time, companies, local authorities, and states should understand how to cultivate a good nightlife environment for customers.

To this end, we created a new index examining how thirty cities worldwide manage their nightlife scenes. It compares each destination using similar fixtures of urban entertainment regulation - mandated opening hours for nightclubs, restaurants, and bars in each locale, the "last calls" for nightclubs and bars, the average prices for an imperial pint of beer and a standard Big Mac, and the availability of night-time public transport or sharing economy services. We note the presence and content of these rules before analyzing their impact on consumer welfare and contrasting them with equivalent regulations elsewhere.

By doing so, we find that the least attractive destinations include Reykjavik, Zurich, Tokyo, Doha, and Dubai. Otherwise, fantastic places to live, these cities have a common tendency to enact

strict regulations intended to control nightlife. They thus feature a combination of rigid opening or closing hours, tough last calls, and steep prices on alcoholic beverages or comfort food due to punitive sin taxes. They also tend to neglect the importance of ride-hailing or night buses for people's safety. While grounded in putative reasons to protect people from the worst party behavior, this text shows how the measures make consumers' lives more tedious, degrade service quality, deny customers their preferred lifestyle choices, and leave partygoers less safe, including when they return from their time in town.

Conversely, the best nightlife towns remain open to excitement and experimentation. Urban centers like Berlin, Budapest, Paris, and Tbilisi have no legally or significantly lax mandated opening and closing times (though restrictions may vary from district to district), affordable beverages and meals, and multiple transportation methods that remain accessible 24 hours and seven days a week. The result is that people enjoy greater well-being via the benefits of [dancing and relaxation](#). Beyond psychological advantages, a thriving entertainment industry indirectly boosts tourism, the arts, retail, and other adjacent markets. Consumers who live in cities with active nightlife thus enjoy higher quality options to loosen up. Finally, our work illustrates how ride-hailing is the preferable substitute for night services, getting everyone (especially vulnerable people) home safely.

As a call for policy change, our work invites political actors to reap the same advantages top cities enjoy by loosening restrictions on closing hours, alcohol licensing, and noise limits, scrapping 'last call' ordinances, scaling down sin taxes, and opening up to the sharing economy.

Research methods and limits

We will compare the most and least nightlife hospitable cities (out of thirty) using statistics from various sources, including primary evidence such as legislation and online price aggregators, secondary writings from academic journals, and tertiary information from newspapers and guides. Selected locations adhere to the [most-different systems design in comparative politics](#). Although GDP per capita, income distribution, education, and social norms vary wildly in different corners of the world, this methodology allows us to judge them using the same dependent variable (how desirable a destination is, measured in revenue, consumer choice, and consumer well-being). It also permits us to propose some independent variables and offer a causal explanation for the relationship – that more open regulatory regimes lead to more desirable outcomes than closed ones.

We have opted to employ a points-based system to put the relevant similarities and differences into numbers and rankings. We weighted the scores by the complexity of each category. Mandatory closing and opening hours, night transportation, and ride-hailing imply multiple policies covering various businesses and individuals. In recognition of their broad nature, these sections thus yield a higher maximum of 2 points. Other variables, such as last call and average beer and burgers retail prices, cover one policy at a time. Individual entries will consequently earn only one point at most for each of them. Of course, the system applies to negative results too. Suppose the town is extremely strict and expensive compared to all the others; then it receives a score of zero in that area. The highest score a city can receive is nine points.

Unsurprisingly, not all cases fit a “yes or no” answer for the tally to be all or nothing. In edge scenarios, our marking tended to be charitable and assume some laxity in the policy unless shown

otherwise by empirical evidence. Allowing night transportation only on weekends, mandating opening and closing hours at 5 am, and permitting some establishments to run 24/7 will earn a destination half of the maximum score. Even closer calls were awarded full points, like Berlin's noise abatement rules for terraced restaurants. As always, there are several complications we need to keep in mind. One is that countries do not adhere to identical definitions. Japan's Fueiho Law is a general prohibition on revelry that dates back to the Second World War. Unlike European or US laws, it does not focus on mandatory opening or closing hours per se. Instead, it seeks to uphold a broader standard of public behavior (including a dance ban, which was [only lifted in 2016](#)). On the other hand, the idea of a 'last call' is easy to grasp and widespread in Anglo-American legislation, yet does not have a strict equivalent in other countries, which tend to prefer general health and safety norms. We could be looking at very different things without knowing it.

We stick to the same definitions as much as possible to set aside concerns. In the "results and discussion" section below, we will explain each factor and note deviations from everyday use in the data.

Another area for improvement is that reliable knowledge is sometimes hard to come by in the first place. Districts are often responsible for policing and legislating nightlife in their respective areas of town. Still, their general decisions may not be available online or in person for us to access. And websites may need to be appropriately updated to reflect current policy.

The more fundamental problem is that our comparisons are based on formal rules. However, the official position does not necessarily reflect reality. Some regulations are stringent on paper but are never enforced in practice. Contrarily, laws that are permissive on paper are frequently never invoked. A city that theoretically makes room for exceptions from mandatory opening and closing times (to

allow some places to operate 24/7) may never grant that exception to any business. And a town with Sunday trading laws might not punish anyone keeping their establishment open throughout the weekend. Places that may sound fun on our list can be a letdown in practice and vice-versa.

We are acutely aware of such pitfalls, so we chose to rely on various sources outside of what local authorities might say. Independent journals, newspaper pieces, and online guides are up-to-date and allow one to understand local circumstances better than looking at official sources alone. Moreover, we conducted in-house research to determine levies and policies for our descriptive analysis.

When this research proved insufficient, we used robust indices like the [Economist's 2023 Big Mac Index](#) and [Finder's Pint Price Map](#) instead. The extensive databases address some of the other possible shortfalls of the report. Using purchasing power parity measures to examine charges across countries will likely bias the results favoring poorer countries, where burgers and beer are already cheaper thanks to lower labor costs. The Big Mac Index and our data adjust for income levels via GDP per capita to better reflect a currency's value for locals and people visiting the city. Finder's Pint Price Map further allowed us to compare internal results with a more extensive database of beer prices worldwide. Nevertheless, we recognize that Finder's Map does not offer a fully representative picture of the matter compared to our proprietary research, given that it bases its findings on hotel prices that are usually higher than the fees most people will see.

Finally, we continually strive to improve our work and remain committed to refining our data with newer and more fine-grained categories in the future. Zoning laws are guidelines that shape what part of town nightlife activities can take place and where they cannot. They consequently make or break many entertainment businesses, with the introduction of zoning in [Budapest's Erzsébet](#)

[Boulevard](#) potentially spelling the end of the city's Party District. Zoning laws are consequently a natural addition to future nightlife indices. Other variables have a decisive impact on the entertainment market yet did not make it into the report. Taking Budapest as an example again, the city has instituted price controls in the form of a base rate and a ceiling on taxis and ride-hailing fares ([110 forints per minute as of March 2023](#)), crippling the ability of prices to signal the scarcity of available cars and thus creating a mismatch between supply and demand leading in turn to shortages. Future analyses will paint a more detailed picture of local circumstances by factoring in interventionist measures (rather than the mere presence/absence and content of legislation).

Finally, we intend to add more cities from developed and developing countries. Warsaw, Prague, Lisbon, Copenhagen, Singapore, Bangkok, and many other locales will be added to the list in future entries.

Results and discussion

a) Mandatory opening or closing hours for clubs, bars, and restaurants

For our analysis, mandatory opening or closing hours refer in the broadest possible sense to any legislation establishing an obligatory schedule for entertainment venues. These rules can be as minimal as a single closing hour for the entire week or as stringent as restricting the days a club, bar, or restaurant can operate to weekends alone.

What is immediately noticeable is that the cities where people can enjoy the best night out have no or very permissive mandatory operating hours. Take one of the top contenders on our list, Berlin. Berlin is famous worldwide for its club scene, with nightclubs like Berghain Tresor and Sisyphos being household names to

enthusiasts. Restaurants, bars, and nightclubs are not just a place to have fun but a significant industry in their own right, valued at [\\$1.6 billion \(€1.5 billion\) by pre-pandemic levels](#).

Part of this success stems from Berlin's lack of mandatory closing or opening times. Because there are no restrictions on clubs and bars, over [400 venues and 2,700 parties per year](#) can cater to every person's preferences. That, in turn, has other positive externalities that include more than the 1.6 billion dollar figure would suggest. Venues in Berlin have not been afraid to experiment and innovate with art to fit their clientele. Berghain alone is the capital of techno-music, with [top artists](#) making their debut there. But Berlin's contemporary visual artists like Wolfgang Tillmans and Katharina Grosse were also able to kickstart their careers by [networking](#) in the city's famous bars and restaurants. Artists and music lovers flock to the town, with Berlin receiving [3 million tourists yearly](#). It is understandable why Berlin's official website [proudly embraces](#) the city's reputation for fun.

The same is true of the other cities high on our list. Paris's lax rules allow for its [\\$6.2 billion \(€5.7 billion\) industry](#) to thrive, and of course, lounges, cafes, and clubs have influenced [French early and contemporary modernist architecture](#). While [local restrictions might be increasing](#), Budapest's bars and restaurants still bring [a total of \\$2.4 billion in revenue](#) and constitute a role model for the post-command economy revitalization of Eastern Europe. And thanks to Tbilisi's openness, places like Bassiani are some of the best house-music clubs in the world and part and parcel of Georgian civil society (recently [at the forefront](#) of political protests against the proposed 'foreign agents' law).

At the opposite end of the spectrum are cities that employ harsh schedules for the entertainment sector. Some destinations like Reykjavik, Dubai, and Doha force establishments to close very early; others, like Zurich, use noise restrictions to achieve the same

results.

These urban centers do so for many reasons, many of which represent what economists would call negative externalities (as opposed to the positive externalities we discussed earlier). Parties may be satisfying consumers and businesses, yet they may be affected by people not part of the exchange. For one, they are noisy, which can upset anyone living in the area who isn't keen on going out. Other critics accuse the industry of [fuelling gentrification](#), driving the prices of housing and amenities in a district up, and chasing low-income residents out of communities.

However, stringent regulations will not help solve externalities and sometimes worsen any situation. The lack of housing supply is [the main culprit](#) for rising house prices, not nightlife activity. General mandatory venue opening and closing hours are further responsible for generating secondary adverse effects [since they encourage fewer nights out and disincentivize late workers from joining the party](#). Stringent restrictions like the ones in Zurich may help keep neighborhoods calm for those living in the area but deprive the locale of any entertainment value (with most outgoing individuals preferring to seek fun elsewhere). Unsurprisingly, Zurich's recovery from the pandemic has been slower than other cities, with the industry shrinking from approximately [\\$1,79 billion in 2019 to \\$1,35 billion today \(projected to drop to \\$1,31 billion by 2025\)](#). This development is easily explained by the fact that onerous opening laws create added costs for businesses, which means fewer locales can afford to remain open. Moreover, fewer new places can afford to open in the first place to replace the now-defunct spots.

b) Last calls for nightclubs and restaurants

Last call refers to announcing the final round of drinks in a bar before closing time; we use “last call legislation” to refer to laws that

mandate the announcement across establishments. Supporters of the measure believe it addresses the wild nature of entertainment. They are convinced that an expansive nightlife leads to crime and antisocial behavior. For instance, [one study on the Norwegian scene](#) found a positive correlation between opening hours and assaults (each hour a place stays open increased assaults by 16%, though the total was a low 4.8 cases out of 100,000).

Nonetheless, our analysis shows the relationship between crime and nightlife to be far more complicated than initial impressions suggest. Our rankings' most nightlife-friendly cities had no last-call rules. The only exceptions are Buenos Aires and Madrid, the first of which has highly lax regulations. Contrary to critics, towns with no last calls are among the most peaceful too. According to [Economist's Safe Cities Index 2021](#), Brussels, Bucharest, and Budapest all rank among the safest cities in the world. Conversely, cities like Doha and Mexico score much lower on security, despite implementing official last calls. It is, therefore, possible to marry fun with safer neighborhoods via more effective methods than mandating a previous call – [police presence](#) (a factor with a higher impact on crime rates than the mere presence of a bar or club) or [lowering the density of alcohol stores](#) (an easier feat to accomplish for permissive regimes which allow for events in any quarter of town) come to mind.

c) The average price of a pint of beer and a Big Mac burger

Another way of winding down a party is not by closing the club early but by making it far more expensive to eat and drink. Taxing alcoholic beverages is a solution many cities opt for because it promises to kill two birds with one stone. It simultaneously discourages more people from excessive drinking while providing a source of revenue to help fund public services which address the consequences of excessive drinking. Similarly, instituting a levy on comfort food supposedly reduces obesity while paying for treatment

of associated illnesses (diabetes, high blood pressure, increased risk of heart attacks and strokes, among others) in public hospitals and covering disability insurance.

However, what we found once again illustrates the numerous pitfalls of alcohol duties. To examine the issue, we used an imperial pint of beer (568 ml or 16 ounces) and the price of a Big Mac (or Big Mac equivalents). We ranked the results by median values of 4.985 for beer and 5.29 for burgers, meaning that all values below the mark received one point, and those above were awarded zero points.

The results again show taxes on alcohol cause [more harm than good](#) because they are [economically regressive](#). In other words, they hurt the poorest the most because the least well-off spend more of their income on buying alcohol and are consequently taxed more. That is worrying when alcohol-related duties distort the prices of drinks by as much as double their initial tag for [Qatari drinks](#) (to eye-watering numbers of \$13.83 for one pint of beer). It is all the more worrying if beer and wine are available legally only to foreigners and tourists in select outlets like Doha. It means the most vulnerable members of society are financing the low-ranking cities over and above the negative externalities' value or ([in the case of Qatar](#)) resorting to black markets to buy a modest pint of beer or a mere bottle of wine.

By contrast, thriving cities like the top ten on our list are places where alcohol is cheap, to a low of \$1.84 per pint in Budapest. Low prices make them destinations where individuals can shop safely within legal markets and keep more of their disposable incomes to spend on other goods (hence improving consumer well-being). These towns prefer to handle excessive drinking through good social norms (frowning upon binges and underage consumption) and treatment for severe cases instead.

The sin tax on comfort food is another case study of perverse

incentives. More so than alcohol (after all, one cannot skip out on eating the way they can on drinks), the poorest quadrant of society cannot adapt to the markup and spends [an increasing share of meager disposable](#) income on food. Nevertheless, even when people react to the price change, they do not opt for the healthy diets policymakers had imagined. Instead, most individuals [shift their preferences](#) to cheaper shops and lower-quality meals with a similar food profile, making them eat unhealthier than ever.

Reykjavik provides practical confirmation of the theoretical insight. The [price of a single burger](#) in the city sits far above the median at \$6.82, owing to the [high VAT on food products of 11%](#), coupled with the geographical isolation of Iceland (a combination resulting in higher operating costs that few outlets can afford). Indeed, any reference to a Big Mac index for Reykjavik does not include an actual Big Mac. McDonald's iconic Golden Arches are not present in the city, [having left following the 2008 financial crisis](#). Far from a victory for healthy eating, though, natives of Reykjavik are left with the sole option of the local Metro chain and its extremely expensive [Heimsborgarinn](#).

d) Night transport and ride-hailing

Access to night transport helps people avoid waiting in risky areas. Unsurprisingly, 24-hour transport services are highly requested by consumers, especially those who feel most vulnerable in public settings. [In a London-based survey](#), 73% said it was riskier to travel at night; 48% of respondents were women who had stopped traveling after a particular hour altogether due to safety concerns. Even more prized than public transport is private transport in the form of ride-hailing services like Uber, Bolt, or Lyft, which consumers [consider the safest](#) of all options for going home.

This index defines “public night transportation” as any metro, tram, bus, and trolley active till 4 am at the least, including 24-hour

seven days week services. At the same time, we use “ride-hailing” to refer to sharing economy and peer-to-peer services, which also encompass the ride-sharing category, where multiple partygoers request the same car.

On a positive note, we find broad availability of both night-time transport in general and ride-hailing in particular in our dataset. Almost all the high-scorers in our tables feature night services and ride-hailing, leaving consumers with a bevy of options to choose from. The exceptions to the rule are Tbilisi and Santiago de Chile, cities that do not have general night transportation available yet compensate via ride-hailing, fulfilling the same role.

On the negative side, many lowest scorers include countries where one or both possibilities are missing. Doha, Dubai, and Mexico City do not have night transport but feature ride-hailing. Sadly, Reykjavik and Tokyo do not leave customers with either choice, making them the least attractive destinations regarding ride-hailing safety.

Conclusion

Our report works as a handy guide for consumers to find the place that fits them best. They can compare the courses of action in their city with other towns worldwide, looking for fun abroad if their locale does not suit their tastes. They can also see what holds entertainment back from full post-pandemic recovery: the monotony of running around town looking for an open place is not accidental but the result of mandatory closing times and obligatory last calls. Exaggerated prices on shelves are not the work of greedy businesses but a deliberate policy choice by the city council or national authorities. Having to walk home along [unlit bus stations](#) or deserted alleyways at the crack of dawn is not bad luck but a direct result of policies discouraging ride-hailing and night transport.

Policy-wise, our report proves that openness allows cities to reap all entertainment benefits and address drawbacks. Removing mandatory opening and closing hours plus last calls will enable businesses to match supply with consumer demand and produce the positive externalities of entertainment. As they do not reflect the actual price of excessive drinking or obesity, regressive sin taxes should be minimized or scrapped altogether. Moreover, most cities should adopt disciplined police enforcement and lower density, night-time transport, and ride-hailing as better ways of tackling the adverse effects of drinking and people's safety.



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