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Submission to WCB Hearing on Smoking Bans

June 12, 2000

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Rather than force all bars/restaurants to be non-smoking, the WCB should allow a small number of bars/restaurants to be smoking and force all others to be non-smoking. Adopting such a policy, while maintaining a "level playing field," as described below, has several advantages over a policy of a total ban on smoking:

- a) it avoids excessive discrimination against smokers;
- b) it avoids placing undue hardship on establishments catering mainly to smokers;
- c) it reduces the likelihood of non-compliance;
- d) it avoids losing tourism business;
- e) it can be used as a means of gradually moving to a total ban on smoking; and
- f) it is a good political compromise.

To be acceptable such a policy must meet two requirements:

- i) it must not force non-smokers to work in a smoking environment; and
- ii) it must ensure a level playing field - there must be an absolutely fair way of determining which establishments can allow smoking.

The first of these requirements should be met naturally - non-smokers working in this industry will take jobs in non-smoking establishments, and the small number of smoking establishments will hire smokers.

A level playing field can be created through the use of tradable permits. On an annual basis, all bars/restaurants would be given (without charge) tradable permits equal in number to some fraction, say 20%, of their total seats. To allow smoking a bar must have a permit for every seat. Those bars/restaurants wishing to allow smoking would have to buy permits from other bars/restaurants to bring their total number of permits up to the number of seats in their premise. The result would be about 20% of premises with smoking. This mechanism, based on the way in which the acid rain problem is dealt with in the U.S., has several attractive features.

1. It allocates smoking rights equitably - any financial advantage an establishment will gain from allowing smoking will be removed by the cost of buying permits, and any financial loss an establishment will incur by not being able to allow smoking will be offset by its sale of permits.
2. All premises will be either smoking or totally non-smoking; non-smokers can avoid the second-hand smoke problem by choosing a non-smoking premise, and smokers can enjoy themselves without annoying nonsmokers. It is an effective compromise between a policy of allowing smoking sections (which alienates non-smokers) and a policy of banning smoking completely (which alienates smokers).
3. Businesses claiming that they will be destroyed if they are forced to become non-smoking will be able to put their money where their mouth is by buying permits. Enforcement of smoking regulations should be easier because bars/restaurants cannot claim that they have been unfairly forced to ban smoking, and smokers cannot claim that they have nowhere to go.
4. Flexibility can be created by designating tradeable permits to geographic regions and specific categories of business.
5. By decreasing over time the number of permits available, the WCB can in an orderly fashion either reduce the number of smoking bars/restaurants to a lower level as it learns more about people's preferences, or phase smoking out completely.
6. Political interference is minimized - market forces allocate the permits, there is no revenue from permit fees to quarrel over, and political favoritism is avoided.