

Advantages and Disadvantages of a “Sinking Lid” Tobacco Endgame Strategy

Nick Wilson, George Thomson, Tony Blakely, Richard Edwards*
Department of Public Health, University of Otago, Wellington, New Zealand
*Presenter, email: richard.edwards@otago.ac.nz

Introduction

One possible supply-side strategy for the tobacco endgame is a government-mandated “sinking lid” on tobacco supply (eg, tradeable but regularly decreasing quotas on sales or imports) [1,2]. This approach has been promoted in the US context (by Senator Michael Enzi [3]) and was recommended for further consideration by a Select Committee of the New Zealand Parliament [4]. Here we aim to further consider the potential advantages and disadvantages of this particular endgame strategy, and compare these to another plausible strategy – large regular increases in tobacco taxation.

Methods

We conducted an additional review of relevant literature and synthesized discussions among the authors and from a July 2012 workshop on tobacco endgame strategies at the University of Michigan (Ann Arbor, USA) [see a forthcoming supplement of *Tobacco Control* for details].

Findings

Potential advantages:

- 1) Clear signal and timetable.** It could provide a clear timetable and an unambiguous signal of an end-date (eg, for no further commercial supply of tobacco). This may galvanize action and act as a stimulus to smokers to quit.
- 2) Supportive evidence.** Supply reduction is very likely to increase tobacco product price levels, and there is very strong evidence that increasing price is a highly effective tobacco control intervention [5].
- 3) Feasibility (via analogy).** Feasibility is supported by growing international experience with quota and auction systems in other policy domains. These include those for controlling greenhouse gases (Figure 1), other air pollutants (sulfur and nitrogen oxides), and for fisheries [6-8]. Some of these involve declining total quota amounts over time (Figure 2) – which is where the tobacco endgame analogy would be strongest.



Figure 1: Cap-and-trade schemes have been found to limit greenhouse gas emissions and other pollutants (sulfur and nitrogen oxide) produced by coal-fired power stations such as this one (Wikimedia Commons, Image by Arnold Paul cropped by Gralo)

Potential disadvantages:

- 1) Political will required.** A new “sinking lid” system will require passing a new enabling law to give the system a legal basis. Passing such a law could present a substantial hurdle and will require political and public support. Tobacco tax increases are more established as interventions in most jurisdictions.
- 2) Legal challenges.** The tobacco industry are likely to mount legal challenges (eg, under trade agreements [9]). Legal challenges are much less likely with established interventions like tax increases.
- 3) Illegal supplies, industry manipulation and corruption.** In common with most other endgame strategies, including regular tax increases, as price increased there could be additional problems from illegal supplies of tobacco (eg, smuggling) [10]. Corruption could also degrade the system for auctioning and trading of quota. The tobacco industry could also try and discredit the system by engineering shortages in supply.

Conclusions

The sinking lid strategy is a plausible option that is worth considering as a possible tobacco endgame strategy. It may be most applicable in well-organized jurisdictions which can potentially achieve the political will to pass the enabling law. In many settings it might be inferior to using “regular tobacco tax increases” as an endgame strategy given that tax increases might be easier to implement and less vulnerable to legal challenges.

The sinking lid idea would benefit from further research such as studies in virtual worlds, and real-world testing on small island jurisdictions or closed systems such as military bases.

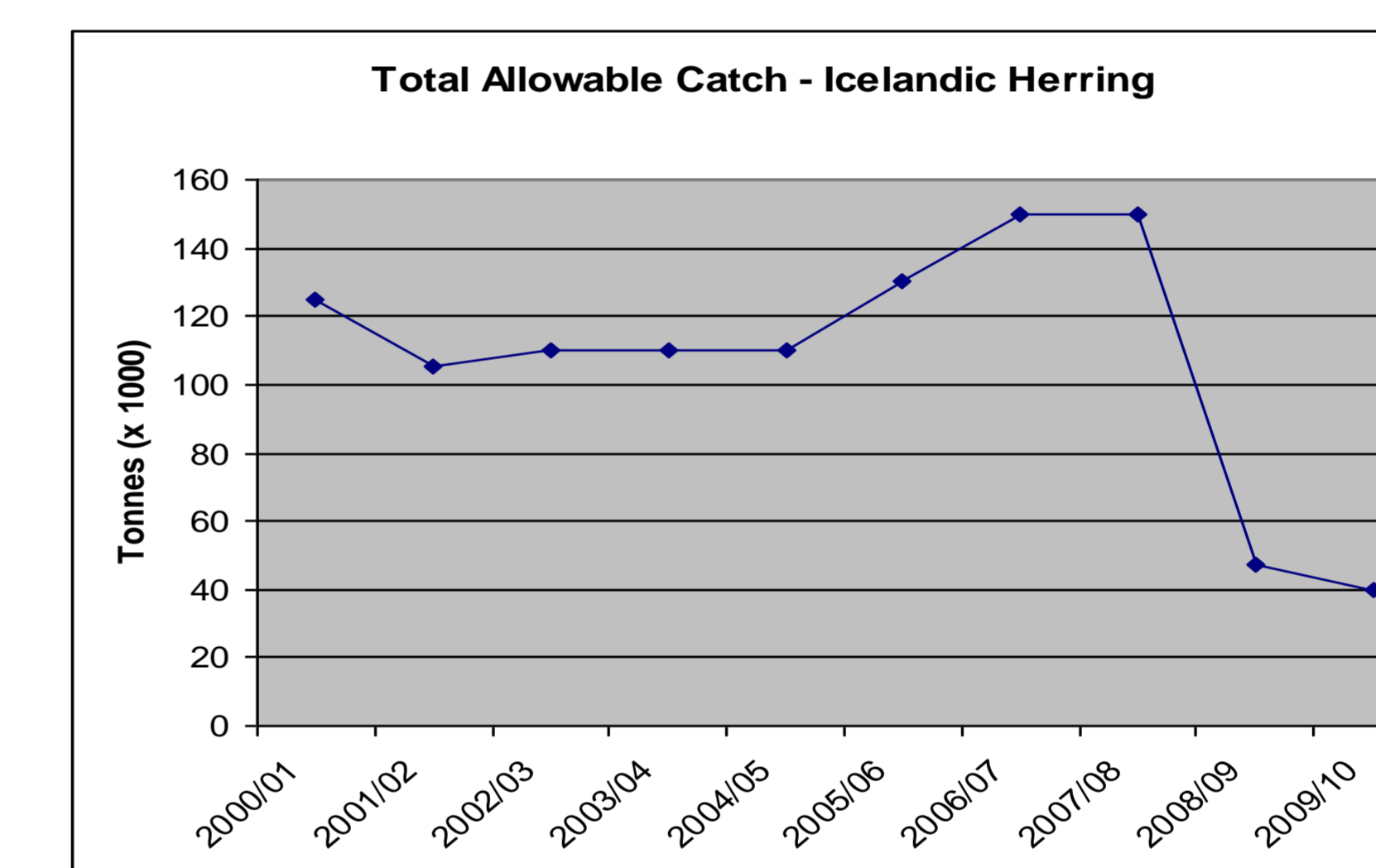


Figure 2: Reduction in fishing catch allowances in a managed fishery (Source: Icelandic Fisheries)

Funding

The University of Michigan workshop and travel to it (for NW) was funded by the Robert Wood Johnson Foundation and American Legacy Foundation. Two authors (NW, TB) are also supported by the BODE³ Program funded by the Health Research Council of New Zealand (Project number 10/248).

References

- Thomson G, et al. Ending appreciable tobacco use in a nation: using a sinking lid on supply. *Tob Control*. 2010;19:431-435.
- Wilson N, et al. Advantages and disadvantages of a “sinking lid” tobacco endgame strategy. *Tob Control*. (In press).
- Enzi M. Help End Addiction to Lethal Tobacco Habits Act. S. 1834. US Senate. 2007.
- Blakely T, et al. The Maori Affairs Select Committee Inquiry and the road to a smokefree Aotearoa. *N Z Med J*. 2010;123(1326):7-17.
- International Agency for Research on Cancer (IARC). Effectiveness of Tax and Price Policies for Tobacco Control. *IARC Handbooks of Cancer Prevention in Tobacco Control*, Volume 14. Lyon: IARC; 2011.
- van Renssen S. Saving EU climate policy. *Nature Clim Change*. 2012;2:392-393.
- Tietenberg T. Cap-and-trade: the evolution of an economic idea. *Agricultural Resource Econ Rev*. 2010;39:359-367.
- Costello C, et al. Can catch shares prevent fisheries collapse? *Science*. 2008;321:1678-1681.
- Crosbie E, Glantz SA. Tobacco industry argues domestic trademark laws and international treaties preclude cigarette health warning labels, despite consistent legal advice that the argument is invalid. *Tob Control* 2012 Nov 24. [Epub ahead of print]
- Thomson G, et al. What are the elements of the tobacco endgame? *Tob Control*. 2012;21:293-295.