

Fighting a Tobacco-Tax Rollback: A Political Analysis of the 1994 Cigarette Contraband Crisis in Canada

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ABSTRACT

We identify factors that led a regional government (Quebec, Canada) to opt for a reduction of its tobacco tax to combat tobacco smuggling. Then we explore the fallout of Quebec's tobacco-tax rollback on its tobacco control policy. We conducted qualitative research using a case-study design and multiple sources of data. We applied the Advocacy Coalition Framework in respect of data collection and analysis. Advocates of the tobacco-tax rollback framed the contraband problem in a way that won the support of an array of actors. However, anti-tobacco activists succeeded in convincing the government to invest more in tobacco control. The new resources were instrumental in enhancing the activists' ability to promote legislative measures. Our approach sheds light on the tobacco industry's strategy to have governments reducing their tobacco tax. Quebec offers an example of how tobacco control activists can transform defeat into the cornerstone of a comprehensive tobacco control policy.

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INTRODUCTION

On February 8, 1994, the governments of Canada and of the Province of Québec announced a drastic reduction in tobacco taxes, a measure that halved the retail price of cigarettes (1,2). NGOs and governmental public health organizations fought this controversial decision, aimed at eliminating the illegal tobacco trade (1) and ending the political crisis affecting the two levels of government.

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Tobacco smuggling has been documented in several countries (3–6). Broad consumption of smuggled products directly threatens the application of a strategy to reduce smoking through an increase by means of taxes in the cost of tobacco (7–10). Tobacco research until now has hardly focused on the factors underlying government policy in respect of this problem. Most of the articles consulted examine the question of contraband from the standpoint of its impact on consumption (4,8,11,12) and measures to counteract the tobacco industry's strategies for supplying black markets (5,7,13,14). The question of the conditions that underpin decisions on the fight against smuggling has never been examined. It seems especially relevant to focus on the factors that lead governments to incorporate into their anti-smuggling initiatives the tobacco industry's definition of the problem and solution to it. Indeed, the tobacco industry maintains that it is market forces (3,13,14) (transborder price differentials) that engender smuggling and that the solution to the problems depends on a reduction in the tobacco tax. There is good reason to examine smuggling as a political problem that is part of a decision-making process in which various actors participate, in particular anti-tobacco activists and public health professionals.

This article analyses, by means of a policy change model, experience in Canada of smuggling. Since it is in Québec that the industry and its allies have concentrated their efforts to have taxes lowered, we will emphasize events in this province, the second most populous of Canada's 10 provinces and three territories. Our objective is to first pinpoint the key factors that explain the reduction in taxes. Since the smuggling crisis has had significant repercussions on the political and legislative treatment of smoking in Québec, we will then turn to fallout in this respect.

A POLICY CHANGE MODEL: THE ADVOCACY COALITION FRAMEWORK

Paul Sabatier and Hank Jenkins-Smith propose the Advocacy Coalition Framework (ACF) to explain the emergence of and changes in public policy (15,16). They maintain that policies are the product of the belief system of the actors concerned by a given policy subsystem, here the tobacco subsystem. Such actors include not only legislators, civil servants and the representatives of interest

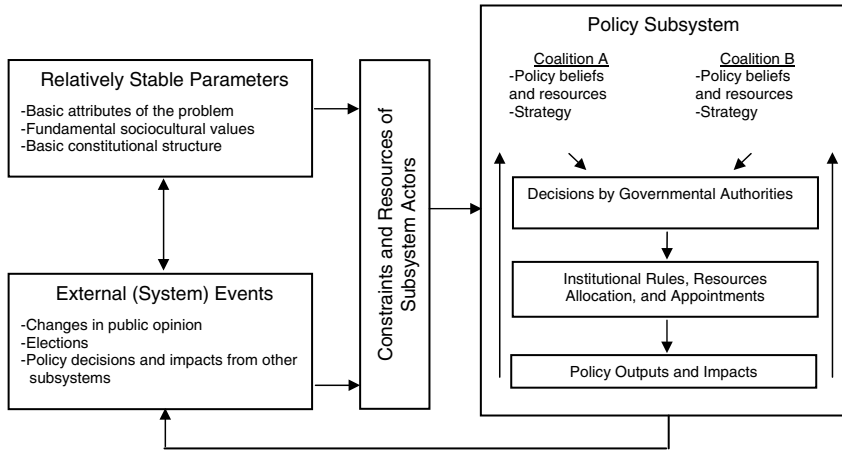


Figure 1

A simplified version of the advocacy coalition framework

groups, but also other actors concerned by the problem in question, such as journalists and academics. All of these actors make up the policy elite of the subsystem.

Policies emerge from numerous confrontations and negotiations between different coalitions of actors in the subsystem (see Figure 1). Each coalition forms around a belief system that conveys a worldview and its own hierarchy of values.

In the policy subsystem, a coalition predominates by imposing its vision of problems and solutions and a vision compatible with its belief system. This coalition enjoys important strategic advantages from the standpoint of resources and opportunities. According to the model, the struggle waged by one or more challenger coalitions can achieve only limited policy change, that is, modifications in the secondary aspects of the policy. Only events outside the subsystem are likely to upset the coalitions' advantages and resources. These events allow one challenger coalition to impose the policy core of its belief system by changing for instance the rules, resources and individuals in charge of institutions and by having adopted legislation and imposing its own way of perceiving the problems and solutions.

Among the events external to the subsystem likely to affect the dominant policy core, Sabatier and Jenkins-Smith mention changes in economic conditions, public opinion, the coalition dominating the

system, for example, in the wake of elections, and through policy outputs from other subsystems. Such being the case, Sabatier and Jenkins-Smith believe that external events are a necessary but insufficient condition to change the policy core attributes of a governmental program or policy. It is insufficient because the challenger coalition must usually mobilize resources to take advantage of the opportunities stemming from such events.

Lastly, Sabatier and Jenkins-Smith note that the decisions underlying policies are determined in part by a series of parameters, for example, basic attributes of the problem area, fundamental socio-cultural values, and so on that are highly stable over time and over which the coalitions exercise virtually no control. Such parameters are, in fact, contextual variables that establish the realm of possibilities surrounding the discourse of the coalitions.

METHODOLOGY

This analysis is part of a broader research project aimed at pinpointing the factors underlying the adoption of the 1998 Québec *Tobacco Act*. Sabatier and Jenkins-Smith assume that the analysis of a change in public policy necessitates an examination of changes in the political subsystem over a period of at least a decade. We have thus delineated over time the subject of our study, the tobacco policy subsystem, in order to examine changes in it between 1986, when the first provincial statute governing the use of tobacco was adopted, and 1998, when the *Tobacco Act* was adopted.

Our analyses rely on three data sources. The first source is articles ($n = 569$) from four Québec French-language daily newspapers published between 1986 and 1998. We selected the articles by means of an electronic indexing service and in light of predetermined inclusion and exclusion criteria. The articles selected had to deal with government intervention with respect to smoking in Québec or in Canada. To further reduce the body of articles, we limited the selection to those published during four specific 6-month periods linked to four key events from the standpoint of Québec government intervention concerning smoking in Québec, that is, the adoption in 1986 of the first legislation governing smoking in Québec; the adoption in 1994 of anti-smuggling measures; the public consultation in 1996 on legislation governing smoking and the adoption

in 1998 of the *Tobacco Act*. Other articles were added to round out the information collected and clarify specific points raised during the analysis.

Our second data source comprises semi-structured interviews of interveners ($n = 28$) involved in promoting the adoption of the *Tobacco Act* of 1998 or more broadly in the tobacco problem at the provincial level. We asked these representatives of non-governmental health organizations, tobacco professionals and managers of governmental public health organizations, public servants and politicians about changes in the tobacco subsystem between 1986 and 1998, the events that led to the adoption of the *Tobacco Act*, including the smuggling crisis, and their efforts to foster the adoption of legislation designed to reduce smoking.

Government documents and transcriptions of parliamentary debates ($n > 200$) related to the problem of smoking were our third source of data.

Using NVivo™ software, we conducted a thematic analysis of material based on themes defined through concepts and relationships between the variables deduced from Sabatier's and Jenkins-Smith's model.

THE TOBACCO PROBLEM IN QUÉBEC PRIOR TO THE SMUGGLING CRISIS

The Québec Government and the Taxation of Tobacco

Until the end of the 1970s, the Québec government intervened little with respect to tobacco other than in conjunction with its economic development and agricultural policies. Ministers of finance ignored tobacco and let the product's cost in constant dollars fall throughout the decade. However, the situation changed in the early 1980s when, following the federal government's lead, the Québec government decreed a series of increases in tobacco taxes (17). Until the second half of the 1980s, the tax increases did not focus on public health by emphasizing the deterrent effect on tobacco consumption of price. Instead, the finance ministers found a way to bolster the revenues of a government grappling with a major crisis in public finances.

When the cost (in constant dollars) of tobacco caught up in 1984 with its 1970 level, the tobacco industry and union leaders

representing workers in this sector began to challenge decisions to increase the taxes. Their challenge centred primarily on economic arguments linked to the industry's profitability and the unfairness of the increases for smokers, on whom a disproportionate tax burden was placed. However, these arguments hardly swayed governments and print media commentators. Several journalists were of the opinion that the tobacco industry was in decline, as was its contribution to the economy. Moreover, they claimed that the taxes only offset the health-care costs stemming from smoking since the Canadian health-care system guarantees through public funding universal access to health care. There was little support, at least until 1992, for the industry's challenge to the increases in tobacco taxes.

The Public Health System and Smoking

While the Canadian government introduced in 1964, a health education programme aimed at reducing smoking (17), it was not until the early 1980s that the Québec government adopted a policy in this respect (18). However, the provincial policy had little impact since the initiatives of the key interveners in efforts to reduce smoking in Québec, whether from non-governmental health organizations or the public health system, centred primarily on health education programmes. In the public health system, school nurses usually administered these programmes, which consisted, above all, in brief awareness sessions on the dangers of smoking aimed at young people. Indeed, despite the observed impact of tobacco on public health, the general perception among professionals in governmental public health organizations was that the problem, described as a habit, fell outside the ambit of public health.

In 1986, the Minister of the Environment tabled the *Act respecting the protection of non-smokers in certain public places*. It was the first statute of its kind in Canada and its underlying premises focused more on the annoyance caused by exposure to smoke and the right of non-smokers to enjoy a healthy environment than on the impact on health of smoking. The measures adopted were hardly restrictive, included a number of exemptions and authorized the outfitting of smoking rooms. However, the adoption of the Act encouraged certain local governmental public health organizations to expand their health education initiatives to include measures aimed at

promoting the legislation's implementation. Several professionals who developed expertise on intervention aimed at the environmental determinants of smoking were later involved in the cigarette smuggling debate.

Such being the case, until the smuggling crisis, the problem of smoking was a marginal concern among public health organizations reporting to the ministère de la Santé et des Services sociaux du Québec (MSSS or health and social services department). Prior to the early 1990s, the MSSS did not have professionals exclusively devoted to the problem nor did it have a genuine action plan to deal with it. The adoption in 1992 of a health policy statement that examined the question of smoking was a step forward, but its impact on initiatives was limited since it confined itself to formulating a very timid strategy to heighten awareness of the effect on health of smoking (19). The policy statement made no mention of the need to adopt legislation to influence the environmental determinants of smoking.

THE SMUGGLING CRISIS: ACCOUNT AND ANALYSIS OF A FAILURE

Key Events that Led to the Crisis

In the early 1990s, trafficking in smuggled cigarettes became increasingly widespread in Québec. Smuggling was concentrated above all in the province and, to a lesser extent, in the neighbouring province of Ontario. At the height of the crisis in 1993–1994, some observers estimated that over 60% of the cigarettes consumed in Québec were obtained on the black market (1) and that 80% of contraband cigarettes were produced by Canadian manufacturers (2). Most of the cigarettes were exported to the United States and re-imported into Canada through aboriginal territories straddling the US, Québec and Ontario borders. The Royal Canadian Mounted Police (RCMP) estimated that nearly 70% of the smuggled cigarettes passed in transit through the Akwesasne Mohawk Reservation (20). Cigarette exports to the United States increased by a multiple of more than 15 between 1989 and 1993, from 1.6 billion to 18.6 billion units (17).

During the 2-year crisis, journalists became increasingly interested in the smuggling problem. In early 1992, a plea for a drastic reduction in tobacco taxes emerged. In a new development, the plea

did not come solely from the tobacco industry and the union representatives of industry employees but also from stakeholders in the retail sales sector and journalists. However, it was in early 1993 that the plea openly took the form of a strategy to reduce specific taxes on tobacco when the Quebec Food Retailers Association called a press conference. Their central demand was for a 70% reduction in tobacco taxes to put an end to smuggling (21).

The campaign aimed at reducing the tobacco taxes centred largely on the disclosure of the findings of analyses of the consequences of cigarette smuggling, on retailers' and governments' revenues and on meetings with federal MPs and provincial MNAs. However, the decisive blow in the February 1994 decision to reduce the taxes was delivered by the *Mouvement pour l'abolition des taxes réservées aux cigarettes (MATRAC)*, an organized civil disobedience movement among small retailers who held a series of cigarette sales at contraband prices.

Our strategy... is to put enough pressure on the Québec government to compel it to abolish the provincial tax [on cigarettes] and to levy only the Québec sales tax, which would reduce the price of a carton of 200 cigarettes from \$47 to \$33. We believe that smuggling will then shift from Québec to Ontario, which will oblige the Ontario government to put pressure on the federal government and to plan a general tax reduction. Ultimately, the price including taxes must not exceed the current contraband price of roughly \$20 a carton (Sylvain Beaulne, MATRAC spokesperson) (22).

This strategy led to a massive reduction in the Québec and federal taxes but also in the taxes levied by five other provinces, including Ontario. It should be noted that a strong majority of Québec government and Opposition MNAs supported the tax reduction measure. Indeed, only opposition from other provincial governments and federal MPs outside Québec delayed the announcement of the tax reduction.

Factors Related to the Reduction in Tobacco Taxes

The contraband crisis produced intense debate in what we deem to be the Québec tobacco policy elite. As Table 1 shows, most of the

Table 1: Perceptions of the problem and solutions formulated during the smuggling crisis

	<i>Coalition in favour of a tax reduction</i>	<i>Anti-tobacco coalition</i>
Problem	The price differential is too great between American and Canadian cigarettes. The low price of contraband cigarettes is pushing small retailers into bankruptcy. Cigarette smuggling is causing enormous tax losses for governments. Contraband trivializes the public's perception of tax evasion.	The tobacco industry is supplying smugglers.
Solutions	Reduce the specific provincial and federal taxes on tobacco to bring down the price of cigarettes to a level similar to that of contraband cigarettes.	Levy on the manufacturers of an export tax. Tighten up police controls.
Other rhetorical questions	<p>Because of smuggling, tobacco taxes are no longer helping to control smoking.</p> <p>Even if the reduction in taxes resulted in losses for the government, such losses would be offset by the elimination of crime-related social costs.</p> <p>An export tax will lead to an inflow of foreign cigarettes and the industry's departure. By exporting cigarettes, the industry is only satisfying demand.</p> <p>The broadening of police controls will marginally affect a structural problem related to</p>	<p>The reduction of taxes will increase smoking, especially among young people.</p> <p>Measures aimed at the price of cigarettes are the most effective in controlling smoking and preventing young people from taking up the habit.</p> <p>A reduction in taxes will deprive the government of substantial revenues.</p> <p>A reduction in taxes would be unfair since it would be equivalent</p>

Table 1 (continued)

<i>Coalition in favour of a tax reduction</i>	<i>Anti-tobacco coalition</i>
market laws. Moreover, intervention on aboriginal reservations risks provoking a crisis.	to transferring to the population overall the economic burden of health care related to smoking.

members of this elite belong to two key coalitions, each with its own viewpoint of the smuggling problem and solutions to it. However, it was the perspective promoted by the coalition in favour of a tax reduction that most strikingly affected the response to the crisis by officials from both levels of government. This response encompassed the implementation of a series of measures, including a substantial tax reduction, elaborated jointly by the federal and provincial governments (see Table 2).

Several factors can explain the success of the coalition in favour of a tax reduction in having adopted by public officials its definition of the contraband problem and the solution to it. We have grouped these factors into two categories, that is, one inherent in the coalitions' resources and the other in the political and social context in which the coalitions acted (see Figure 2).

Factors Related to the Coalitions' Resources

The success of the coalition in favour of a tax reduction stemmed from the greater diversity of and influence exercised by the actors of the coalition. While it intervened to a limited extent in the debate, the tobacco industry appears to be the key player in this coalition. Since, in 1994, three of the four Canadian factories were located in Québec, it did exercise some influence over the government's economic decisions. It was able to mobilize union representatives and its employees, who claimed that gestures must not be made that would incite the tobacco industry to leave the country. The industry also helped organize small retailers, whose comments quoted in the media gained public sympathy. The coalition obtained support from

Table 2: Summary of anti-smuggling and other measures announced on February 8, 1994

<i>Government of Canada (2)</i>	<i>Québec government (1)</i>
<i>Anti-smuggling measures</i>	
\$ 10 reduction in the tax on a carton of 200 cigarettes; Increase in the number of police officers assigned to the fight against smuggling; 40% increase in the tax rate on tobacco manufacturers' income; Imposition on manufacturers of an \$8 per carton export tax; Marking of cigarettes intended for export.	\$ 11 reduction in the tax on a carton of cigarettes; Increase in the number of police officers assigned to the fight against smuggling; 50% increase in the tax on tobacco manufacturers' profits.
<i>Anti-tobacco measures</i>	
\$ 200 million in funding over 3 years for an anti-tobacco campaign in the media; Prohibition on the sale of tobacco to anyone under the age of 18 years; Prohibition on the sale of packs containing fewer than 20 cigarettes; Adoption of new health warnings on cigarette packs.	\$20 million invested over 4 years in anti-tobacco advertising and educational campaigns; Have adopted legislation prohibiting the sale of tobacco to minors; Prohibit tobacco vending machines in places accessible to minors; Strengthen the Act respecting the protection of non-smokers in certain public places.

MNAs, print media commentators and the representatives of employers' organizations. It appears that the latter categories of actors perceived the tobacco tax question as an opportunity to promote a streamlined vision of the Québec taxation system and a liberal approach to the management of the Québec economy.

We should never forget that the real revolt does not come from the tobacco manufacturers and retailers, but from the millions

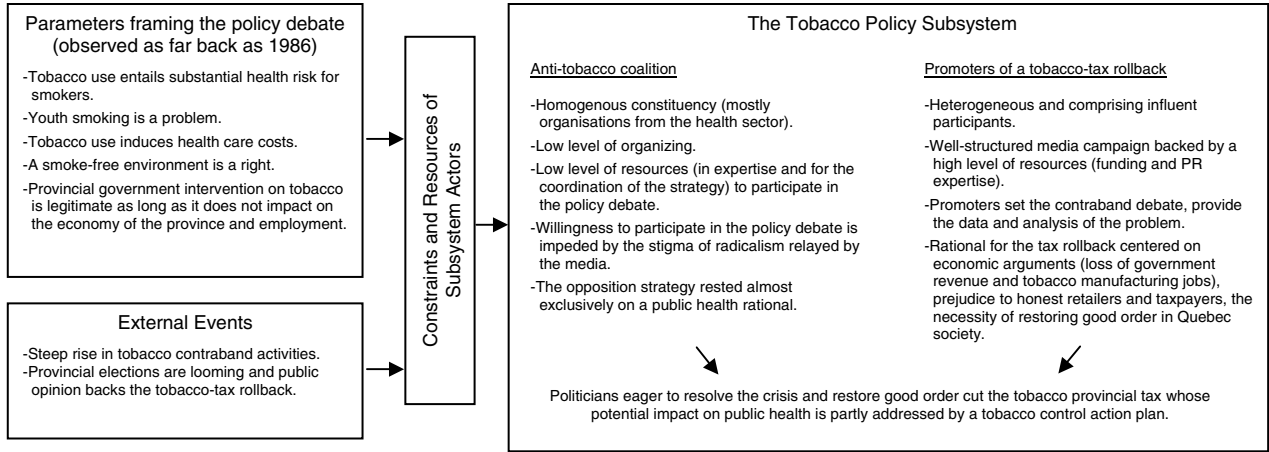


Figure 2
Factors explaining the tobacco-tax rollback of 1994

of citizens voicing their resentment as never before. And that the starting point of this crisis has not been a scheme of a given lobby but the excessive leverage of taxes from the governments. [...] If the tobacco lobby is powerful we should not forget that during the last five years it is the anti-tobacco lobby that has dominated the debate and dictated the governments' policies. If there has been any such thing as a mistake it has been in this coupling of the fight against tobacco through price increases to the greediness of deficit-laden States and forgetting that the State ought to take into account laws dictated by facts. One was inclined to deny the great laws of economics that show that if a State induced imbalance [in the markets], individuals will revolt and the markets will find ways to evade the State (Alain Dubuc, newspaper editor) (23).

MATRAC's initiatives and public statements by various industry allies were part of an effective media strategy that took shape from the outset of the crisis. The strategy received substantial funding, probably provided by the industry through the Quebec Food Retailers Association, which was in close contact with MATRAC (22). The strategy also included the dissemination of the findings of surveys on different facets of the problem. Opponents did not have the means to challenge the analyses.

When the Quebec Food Retailers Association placed its big ads in the daily newspapers, it was clear to me that someone was funding the ads because these are not big associations with big budgets. I said to myself that such a campaign is expensive. What happened is that they achieved such a presence that the problem became the excessive level of the taxes (Comments made by a tobacco professional in a non-governmental health organization).

Actors opposed to a reduction in the taxes formed another group that we have called the anti-tobacco coalition because its members were clearly dedicated to a reduction in smoking. This anti-tobacco coalition was made up almost exclusively of organizations in the health sector whose viewpoint was supported by a minority of media representatives and politicians. Moreover, not only did their initiatives receive less media coverage than those of their adversaries

but their opinions were often ridiculed and subject to criticism that emphasized their extremist stance in the matter. Such accusations were detrimental to opponents of the reduction in taxes especially since they discouraged certain organizations from continuing to participate in the debate. Non-governmental health organizations that relied on public donations to achieve their charitable objectives were particularly stung by these attacks.

As for us, when we did finally speak to the media, to say “Hey! There will be consequences to a tax rollback!” We were thrown tomatoes. [They would tell us] “Who are you? You don’t live on this planet [...] you’re a bunch of Ayatollahs that wants us all stop smoking.” So it was in this manner that we were greeted, either with no attention or if we grab people’s attention to be told that it was none of our business and that we were extremists (A professional from a governmental public health organisation).

Factors Related to the Political and Social Context

An examination of the findings of the surveys conducted before and after the tax reduction indicates that the initiatives of the coalition in favour of a tax reduction proved effective in winning over public opinion (24,25). It must also be noted that smoking was still fairly widespread in Québec society. Some 29% of Quebecers in the 15-or-over age group were regular smokers and Québec had the third highest prevalence of smoking of the 10 Canadian provinces (26).

Public support probably significantly affected the federal and provincial governments’ determination to quickly solve the contra-band problem, above all as provincial elections were to be held in 1994. Analysts of the federal and provincial political scene went so far as to ascribe to the impending elections the federal government’s decision to join Québec in lowering specific taxes on tobacco (27).

IMPACT OF THE CRISIS ON QUEBEC’S TOBACCO POLICY

Such being the case, an examination of the measures adopted by both levels of government (see Table 2) reveals that, aside from the question of taxes, the anti-tobacco coalition scored several points.

Indeed, as the crisis drew to a close, print media commentators who defended the tax reduction began to include in their arguments facets of the definition of the contraband problem and solutions to it promoted by opponents to the measure, especially national non-governmental health organizations such as the Non-Smokers' Rights Association and the Canadian Cancer Society (28). These commentators also acknowledged that the tax reduction could have an unfortunate effect on tobacco consumption among young people and that tobacco industry's conduct during the crisis had, to say the least, been dubious.

The resolution of the crisis through a federal-provincial anti-smuggling action plan bears the trace of these arguments since it put forward a series of measures to prevent an increase in smoking among young people, in particular with respect to the sale of tobacco to minors and the funding of anti-tobacco programmes. As for the conduct of the tobacco industry, which profited largely from the tax reduction, the governments expressed their vexation through the introduction of various fiscal countermeasures. The most explicit message was undoubtedly that expressed by the Prime Minister of Canada during a speech to unveil the federal anti-smuggling action plan.

We do not want tobacco manufacturers to receive any benefit from the difficult decision we have made today. The fact is Canadian manufacturers have benefited directly from this illegal trade. They have known perfectly well that their tobacco exports to the United States have been re-entering Canada illegally. I believe they have not acted responsibly (2).

In the sections below, we focus on the impact of the crisis, with particular emphasis on the Québec tobacco policy subsystem (see Figure 3). There were four types of impact. The first two concern the useful resources of the anti-tobacco coalition to influence policy directions in respect of the tobacco policy subsystem. The other two centre on the orientation of the Québec government policy to reduce smoking.

Impact of the Crisis on the Anti-tobacco Coalition's Resources

The contraband crisis taught the Québec anti-tobacco coalition several worthwhile lessons from the standpoint of their attempts to

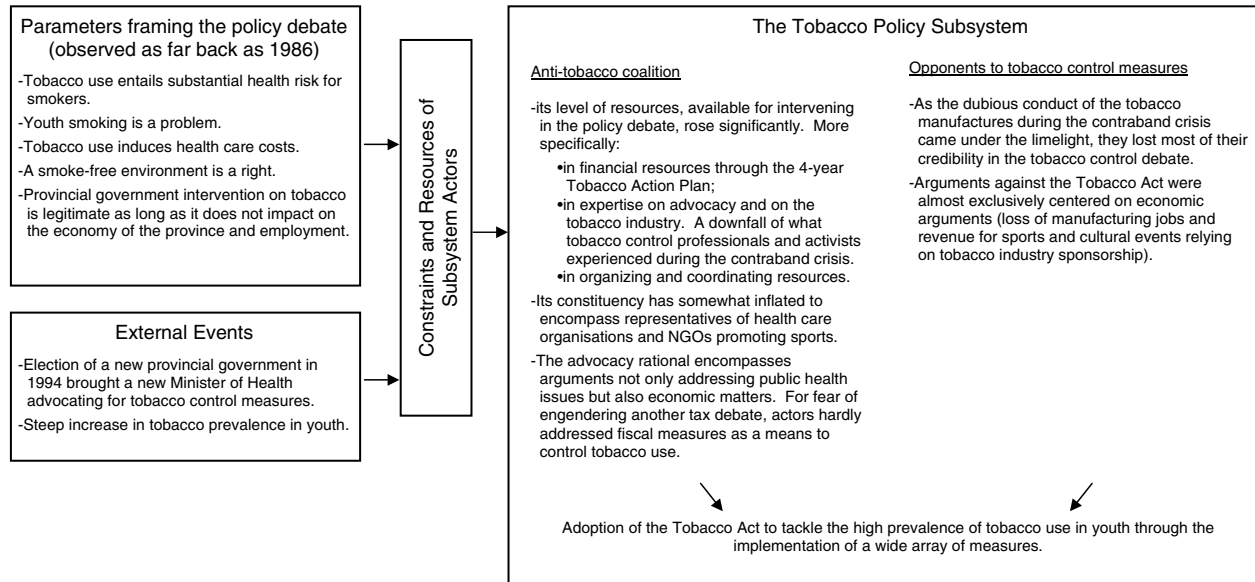


Figure 3
Impact of the contraband crisis and factors leading to the adoption of the *Tobacco Act* of 1998

affect policy. The most obvious lesson concerned a broad knowledge of the factors that influence tobacco policy and the means of influencing such factors, more specifically in terms of the industry's influence. At that time in Québec, health education and the promotion of policies respecting smoke-free environments were the main tobacco-related initiatives and opponents to the tax reduction were made aware as events unfolded of the industry's ability to steer government policy. This initiation stemmed from an analysis of events during the crisis and also exchanges with non-governmental health organizations advocating at the federal level, which were more familiar with the industry. These exchanges helped convince health officials and anti-tobacco activists of the need to organize their initiatives and, in particular, to attain broader support for their position. All in all, it appeared clear to a number of activists and tobacco professionals in the days following the crisis that any initiative to promote significant anti-tobacco measures must take into account the industry's ability to neutralize their adoption and implementation.

The allocation to governmental public health organizations of guaranteed funding for 4 years to reduce smoking was a direct consequence of the adoption of the federal and provincial anti-smuggling action plans (see Table 2). The amount granted partly reflected the pressure exercised on provincial and federal elected representatives by non-governmental health organizations. The budget significantly affected the resources invested in this problem. It is estimated that the budget increased a hundred-fold the annual funding available to combat smoking in Québec. Part of the funding was invested to employ in the MSSS and all regions of the province professionals dedicated to this problem, which, among other things, broadened support and initiatives to promote more restrictive anti-tobacco measures. The remaining funds were earmarked for groups able to promote the new legislative measures to reduce smoking announced in late 1994 by the new Minister of Health. These measures were integrated in 1998 into a new comprehensive anti-tobacco legislative framework. The organizations concerned also publicly denounced the tobacco industry's practices and allegations.

Impact of the Crisis on Québec Government Anti-Tobacco Policy

Québec faced a significant increase in smoking among young people in the wake of the contraband crisis (29). The increase, which opponents to the reduction in tobacco taxes attributed to the reduction of such taxes, offered a solid argument in favour of a diversified anti-tobacco strategy that relied on government powers. The tobacco industry denied the impact on smoking among young people of the tax reduction (30,31), although 12 years earlier it had not hesitated to attribute a drop in sales to tax measures (32). The Canadian Tobacco Manufacturers Council attempted to convince parliamentarians that the increase in smoking among young people went back to the early 1990s. It did so not only to prove the inefficacy of taxation as a means of controlling smoking but also the inefficacy of restrictions on the promotion of tobacco that the Canadian Parliament adopted in 1988 (31).

While there was a broad consensus in the political elite that smoking among young people had increased, only modest increases in the specific taxes on tobacco followed. Each time, commentators in the press and other members of the political elite closely, suspiciously scrutinized the increases and surmised that there was a risk of reviving smuggling. Even the anti-tobacco activists were scarcely inclined to promote this measure for fear of relaunching a debate that would once again throw them into the critics' crossfire. Québec's political elite perceived the measure as being hard to apply and turned to other means to reduce smoking among young people. This situation encouraged the adoption in 1998 of the *Tobacco Act*, legislation containing a comprehensive strategy covering both tobacco consumption (broader protection of non-smokers), access to tobacco (prohibition on sales to minors and restrictions on cigarette vending machines) and the promotion of tobacco (prohibition on advertising and tobacco industry sponsorship of cultural and sports events).

DISCUSSION

This article sought to pinpoint the key factors that explain the reduction in specific taxes on tobacco and ascertain their fallout in respect of Québec tobacco policy. We treated the question of smuggling as a political problem that is part of a policy change process. The perspective of this process conferred on our approach

by Sabatier's and Jenkins-Smith's Advocacy Coalition Framework (ACF) encouraged us to examine in the medium run the impact on the anti-tobacco coalition and on Québec tobacco policy of the smuggling crisis.

Our findings reveal that tobacco manufacturers in Québec organized their initiatives and rallied to their definition of the problem and its solution not only a broader array of actors than their opponents did but also more influential actors, in particular parliamentarians. The members of this coalition thus imposed on the debate their concerns with respect, for example, to the increase in crime and the survival of small retailers. Even more importantly, the promoters of the tax reduction succeeded in conveying their perception of the problem and its solution, that is, market forces that led to smuggling and that taxes thus had to be lowered. A large part of the political elite concerned with the question of smuggling was made aware of this thinking, which was part of a liberal notion of the operation of markets and, more specifically, of a calling into question of the taxpayers' burden. Such thinking rallied a sizeable proportion of the electorate who voted in the fall of 1994, thus exercising considerable pressure on political officials.

Unlike the tobacco manufacturers, the actors concerned with smoking-related health issues in the smuggling debate had to contend with limited investment by the public health system to deal with smoking and the scarcity of initiatives aimed at the environmental determinants of smoking. Consequently, the Québec public health system had neither the structure nor sufficient resources to influence the government. The anti-tobacco actors were few in number and not only did they have at their disposal insufficient resources to participate in the debate but, more importantly, they had to become familiar with the industry's practices and stratagems. Moreover, the ability to intervene of non-governmental health organizations and governmental public health organizations was thwarted by systematic denigration of their positions, which further weakened the anti-tobacco coalition.

Such being the case, the industry and its allies had little room to manoeuvre. They intervened against a backdrop in which members of the political elite whose thinking we analysed rejected the challenging of tobacco's lethality. The coalition promoting a reduction in taxes could not call into question either the objective

of reducing smoking in the population at large and, in particular, among young people, which would have deprived it of support from journalists and parliamentarians. Nor could the industry put forward arguments that hinted at the impact of taxes on its profitability as a business, which might make it more likely that small retailers win public support.

We were able to grasp the opportunities afforded the anti-tobacco coalition to promote a series of legislative measures to reduce smoking. To this end, we placed the smuggling crisis in a continuum of initiatives introduced by a political elite shaping Québec tobacco policy and assumed that the crisis was an event that helped to shape such policy. This perspective of the crisis also enabled us to bring to light obstacles to the anti-tobacco coalition's desire to rely on tax measures to reduce access to tobacco products. All in all, the smuggling crisis was an event that, despite its unfortunate repercussions on tobacco taxes, helped put the tobacco problem in Québec, especially among young people, on the government's agenda.

Our findings should encourage stakeholders concerned with smuggling to integrate into their explanation of government decisions the influence exercised by the values of the large group of actors concerned. The response to smuggling also seems to be indissociable from the evolution of the government's stance on smoking. To this end, the application of the ACF appears to be promising from the standpoint of an understanding of changes in tobacco policy. Such an understanding is, however, limited inasmuch as this model does not address cooperation mechanisms between institutional interveners nor the nature of measures and strategies designed to influence decision-makers. This shortcoming, which has been noted elsewhere (33,34), could be overcome by enriching Sabatier's and Jenkins-Smith's model of proposals stemming, for example, from a theorization of the structuring of coalitions (35). Aside from the limitation inherent in our theoretical construct to shed light on the smuggling crisis, it should also be noted that our approach centers on *post hoc* data collection. It was sometimes difficult for our informants to remember in detail various factors, constraints and opportunities that influenced their choices and decisions when they were fighting the tax reduction. We were able to largely overcome this difficulty by relying extensively on written documents to obtain data.

To conclude, it appears desirable, in light of the promising nature of this analytical approach, that the anti-tobacco community rely more extensively on public policy change models in its analysis of anti-tobacco policies and events likely to alter the development of such policies. This article shows that our understanding of the decision-making process underlying these policies can only be enhanced and, consequently, to hope in the medium term for improved modelling of intervention by activists and tobacco professionals in respect of legislation aimed at reducing smoking and protecting non-smokers.

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