

Quaderni di ricerca **ref.**

n. 53 / Settembre 2009

**The Economic Impact of Clean Indoor Air Laws:
a Review of Alternative Approaches and of
Empirical Findings**

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Abstract

This paper surveys existing approaches and empirical results to estimating the impact of Clean Indoor Air Laws on smoking behaviour, on the one hand, and on the hospitality industry, on the other. The purpose is twofold: first, identifying important gaps, if any, in the literature that could be addressed in future research; second, trying to unfold the reasons of the wide heterogeneity in the results and, as a consequence, to provide an assessment of the reliability of those results.

The discussion begins with a look at the recent regulations that motivate the study of the impact of Clean Indoor Air Laws, with a special emphasis on European smoking bans. This is followed by critical reviews of studies and approaches to estimating the economic impact of Clean Indoor Air Laws. We can distinguish between a direct and an indirect effect of anti-smoking regulations: the direct effect on smoking behavior and the indirect effect on the economic performance of the hospitality industry. The first review assesses those studies and approaches that have focused on the direct impact on smoking behaviour. The second review analyzes estimation of the economic impact on the hospitality industry. At the end of each of the two broad reviews, we summarize a selection of the empirical findings. The fifth section explores methodological differences and problems that may affect the empirical analysis reviewed in the previous sections with the purpose of shedding light on the wide heterogeneity in the empirical findings. The concluding section asks whether the studies reviewed in this paper place us in a better position to assess the economic impact of Clean Indoor Air Laws.

JEL Classification: I18; K32

Key words: smoking bans, smoking participation, smoking consumption.