

52. The use of economic instruments in other areas of social regulation involves a wide variety of alternatives. As suggested above, workplace safety may be more efficiently encouraged by a regime of experience-rated workers' compensation rather than attempting to specify what constitutes a safe workplace in every employment situation. The key is to provide an incentive to avoid accidents and to allow employers and employees to achieve this goal in the manner most suitable to their own circumstances.

53. With respect to product safety, Dewees and Trebilcock conclude from their survey of the Canadian and U.S. experience that:

As a general proposition, hazard labelling and other mandatory safety information appear to be underutilized responses relative to minimum safety standards.²⁸

54. The issue is, again, whether the specification of product characteristics is necessary to achieve the goal that products be safe, efficacious, or easy to compare. Should the insulation factors for fibreglass be imposed at the manufacturers' level, or should fibreglass insulation simply be labelled with any required insulation factors being embodied in the building code?²⁹ Should the sizes of facial tissue packages be specified by regulation, or should packages simply carry the number of tissues and their size on the label?³⁰ In general, regulation should be designed so as to allow the parties involved a reasonable degree of latitude in meeting a performance objective.

55. In some cases, voluntary regulation may be more efficient than compulsory regulation. Voluntary product standards may be preferable in fields characterized by rapid product change. Voluntary standards can be put in place and altered more quickly than can government regulations. The disadvantage of voluntary standards is that they can also be used as a facilitating device to reduce competition among existing firms or to disadvantage new entrants. The flexibility of voluntary standards thus may come at a cost of not taking the interests of consumers and other affected parties into account.

3. More Expeditious Proceedings

56. According to an official of the Department of Health and Welfare, the process of amending the product quality regulations administered by the department involves 30 separate steps and the documentation associated with a minor amendment runs to 400 pages. The process is slow and costly, and this is due, in considerable measure, to the amount of consultation that takes place. A more efficient consultative process could therefore yield high benefits. One suggestion is to focus consultations on the early stages of the regulatory development process when the questions of whether and how to regulate are still open.

4. Limit Monopoly Regulation to Monopoly Situations

57. Economic regulation may not be required where competitive alternatives exist. This was emphasized in the submission of AGT.

²⁸ Dewees and Trebilcock, *op. cit.*, p. 103.

²⁹ Submission by Canadian Manufacturing Industries Forum, p. 8.

³⁰ Brief of Kimberly-Clark Canada Inc. to Consumer and Corporate Affairs Canada Regarding the Sheet Count Regulations Under the Consumer Packaging and Labelling Act, pp. 6-7.