

ADVOCACY IN ACTION

Advocacy in action: extreme corporate makeover *interruptus*: denormalising tobacco industry corporate schmoozing

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The tobacco industry continues to seek corporate “respectability”, despite being responsible for the deaths of millions of smokers worldwide every year

In May 1998, the tobacco industry’s world was turned upside down by a judgment in the Minnesota court that in part required US tobacco companies to make public millions of pages of previously internal documents. As the Minnesota judgment threatened to domino through different US state copycat trials, the tobacco industry struck the historic Master Settlement Agreement (MSA) with the US state attorneys general in November 1998. The MSA provided for \$206 billion to be paid by the companies to the states, and significantly, that all documents “discovered” in any trial up until 2010 be placed on the world wide web. Today, some 40 million pages of previously private memos, faxes, reports, and letters are available to anyone with a computer (see <http://legacy.library.ucsf.edu/>).

Faced with this Niagara of embarrassing revelations, including thousands from its highest officials, the international industry changed strategy. It embarked on the world’s most public rebirthing exercise, asking to henceforth be appreciated as an ethical industry devoted to providing tobacco products to sentient adults, all supposedly fully informed of the risks they took. No longer was the relation between smoking and illness merely a dubious “statistical association”, the new tobacco industry now admits in carefully weasel worded statements that tobacco use is a highly risky practice. As British American Tobacco (BAT) carefully put it this year in its 2003/4 Social Report: “Our main role is to recognise the relevant health authorities as the prime public voice on the health risks of tobacco consumption, while at the same time making our views clear.”¹ Translated, this might mean: “Like everyone else, we can see it is a fact that health authorities are the main voice on smoking and health. We ‘recognise’ this, but we also have ‘our views’ on smoking and health and we’ll take every opportunity to make them clear to governments trying to do heinous things like place graphic photos of tobacco diseases on packs.” In 2004, BAT Australia, for example, fresh from gushing about its dedication to informing smokers about risk, lobbied hard to dissuade governments to shelve plans for these warnings,

including funding of retail petitions where its role was not acknowledged.²

For the rebirthed industry, no longer was nicotine a simple “habit” akin to liking chewing gum, chocolate, or television viewing, BAT now concedes “The common understanding is that nicotine is addictive”.¹ Translated, this means: “We concede that everyone says nicotine is addictive, but we don’t necessarily agree. And if someone claims in court they were addicted to our products, we’ll probably keep on doing what we have been doing for years and challenge that, pointing to all the ex-smokers in the community.”

There is wholesale cynicism and disgust in health and medical circles about this exercise. Critics point out that contrary to the most elementary procedures for wrongdoers seeking public contrition, the industry has made no public apology about its years of misleading conduct to accompany its volte face. Doubtless mindful of the legal ramifications of doing so, it has made no admissions that it lied to smokers in the past, and that for decades it engaged in a globally orchestrated campaign to falsely reassure smokers. It has made no gestures to compensate those it has harmed. It remains implacable in its refusal to acknowledge that intriguing children about smoking is intrinsic to its continuing future economic welfare. Indeed it is so sincere in not wanting children to smoke, that it refuses to hand back its annual massive earnings from underage smokers, whom it says ad nauseum it doesn’t want to smoke.

DENORMALISATION IN ACTION

Emboldened in their fetching new sheepskins, and refreshed from sipping homeopathic strength truth serum, tobacco industry wolves are doing the rounds of the world’s corporate responsibility conferences. On 26 May 2004, corporate responsibility watcher Bert Hirschhorn³ noticed that BAT and Philip Morris were getting home page billing as speakers and gold sponsors (fig 1) at a conference to be held in Hong Kong in October 2004 run by *Ethical Corporation* magazine.⁴ Email alerts saw tobacco control activists Mary Assunta from Malaysia and Professor Tony Hedley from Hong Kong contact Asian delegates listed as speaking at the conference. Hedley also protested to his university chancellor over the involvement of his university’s business school in the event.

Stan Shatenstein and I set up an online petition on Globalink for professional ethicists

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Event Overview

How to manage corporate responsibility in Asia

A 2 day conference and learning event in Hong Kong on October 14 and 15

October 14: Keynote speeches, case studies and interactive panels
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Following last year's successful event in Singapore, this important conference in Hong Kong will focus on will be **how and why** companies are trying to improve Corporate Responsibility performance.

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Figure 1 Top billing for Philip Morris and BAT on the home web page of Ethical Corporation Asia 2004.

to condemn the tobacco industry's involvement.⁵ I emailed the link to colleagues in my own university's Department of Philosophy inviting them to sign and to then forward the link to the petition to their international colleagues in ethics. Within days, some 86 ethicists had signed, including bioethics heavyweights Peter Singer from Princeton University and Arthur Kaplan from the University of Pennsylvania.

The two tobacco companies disappeared from the conference website within a week of the campaign commencing. Staff at Ethical Corporation advised us that they had received heated complaints about tobacco industry involvement and that they had advised Philip Morris that their sponsorship was cancelled and were considering whether to cancel BAT's speaking role: "This furore made us realise that there are some companies who we cannot take sponsorship money from, this list of industry sectors, along with tobacco, includes defence, nuclear and biotechnology." Two speakers withdrew from the conference in protest and the conference went ahead without tobacco involvement.

A second opportunity arose to test this strategy in July in Sydney when a website advertising the "Australian Public Relations and Corporate Communications Summit 2004" showed a Philip Morris representative on the programme. All speakers were emailed a letter signed by myself and the head of the Cancer Council New South Wales, Dr Andrew Penman. We wrote, in part:

"This conference is giving a stage to a company to gloat about its "strategies" and to portray itself in a good light. Philip Morris has been engaging in a global program of spending vast sums of money to publicise its support for programs like domestic violence awareness, carefully selected to ensure that it is largely immune from criticism. In Australia it has even funded an Aboriginal health promotion campaign, knowing well that our indigenous populations have among the highest smoking rates in the country.

"It funds highly-publicised youth smoking prevention programs, yet is content to keep the large amounts of revenue it derives from under-age smokers each year.

"We are writing to all keynote speakers to urge you to put pressure on the organizers of this conference to have Philip Morris removed from the program. If the organizers do not agree to this, we would urge you to withdraw your own participation. We will be seeking to bring maximum publicity to our efforts to urge all other speakers to withdraw and hope that we will be able to highlight your responsible action in this matter.

"In considering your participation, you may wish to consider whether you and your organization would be prepared to speak at a conference that had also invited an arms dealer to speak. Or a mercenary recruitment agency. Or the public relations division of a despotic nation. Or the gun lobby. Or a racist political party. Each of these organizations are, like tobacco companies, also "legal".

At least two prominent business speakers contacted the organisers, threatening to withdraw should Philip Morris remain on the programme. The organisers promptly "de-invited" Philip Morris from the programme.

WHY SO EASY?

The speed by which the organisers of both conferences showed their already invited tobacco industry sponsors and speakers the back door was remarkable. Despite Philip Morris being a "gold sponsor", a simple show of protest consisting of a few emails and phone calls was sufficient to abort their involvement in both conferences.

The tobacco industry has had many doors closed in its face over the years. The BAT Social Report shows that no UK public health or tobacco control groups chose to participate in its consultations (reference 1, page 16). Similar refusal to buy into the industry's oleaginous talk about dialogue with

stakeholders has occurred in other nations, with groups and individuals refusing to risk being appropriated into the industry's public relations ambitions. It now looks like that with vigilance, tobacco control advocates can easily foment similar distaste in many areas of the business community. Our actions sought to denormalise the tobacco industry by disrupting its efforts to take its place alongside other industries—often with considerable social credit—in the hope that it might gain by association.

Tobacco industry posturing about its corporate responsibility can never hide the ugly consequences of its ongoing efforts to “work with all relevant stakeholders for the preservation of opportunities for informed adults to consume tobacco products” (translation: “we will build alliances with others who want to profit from tobacco use, to do all we can to counteract effective tobacco control”). BAT has 15.4% and Philip Morris 16.4% of the global cigarette market.⁶ With 4.9 million smokers currently dying from tobacco use each year,

and the industry unblinkingly concurring that its products are addictive, this leaves BAT to argue why it should not be held to be largely accountable for the annual deaths of some 754 600 smokers, and Philip Morris some 803 600 smokers.

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INDUSTRY WATCH

Corporate social responsibility and the tobacco industry: hope or hype?

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Corporate social responsibility (CSR) emerged from a realisation among transnational corporations of the need to account for and redress their adverse impact on society: specifically, on human rights, labour practices, and the environment. Two transnational tobacco companies have recently adopted CSR: Philip Morris, and British American Tobacco. This report explains the origins and theory behind CSR; examines internal company documents from Philip Morris showing the company's deliberations on the matter, and the company's perspective on its own behaviour; and reflects on whether marketing tobacco is antithetical to social responsibility.

tobacco company espousing CSR should be judged simply as a corporate entity along standards of business ethics, or as an irretrievably negative force in the realm of public health, thereby rendering CSR an oxymoron.

CORPORATE SOCIAL RESPONSIBILITY: THE CONTEXT

The term “corporate social responsibility” is in vogue at the moment but as a concept it is vague and means different things to different people.¹

Some writers on CSR trace its American roots to the 19th century when large industries engaged in philanthropy and established great public institutions, a form of “noblesse oblige”. But the notion that corporations should be required to return more to society because of their impact on society was driven by pressures from the civil rights, peace, and environmental movements of the last half century.^{2,3} The unprecedented expansion of power and influence of TNCs over the past three decades has accelerated global trade and development, but also environmental damage and abuses of

Over the past three decades increasing pressure from non-governmental organisations (NGOs), governments and the United Nations, has required transnational corporations (TNCs) to examine and redress the adverse impact their businesses have on society and the environment. Many have responded by taking up what is known as “corporate social responsibility” (CSR); only recently have two major cigarette companies followed suit: Philip Morris (PM) and British American Tobacco (BAT). This report first provides the context and development of CSR; then, from internal company documents, examines how PM came to its own version. This paper examines whether a

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Abbreviations: ASH, Action on Smoking and Health; BAT, British American Tobacco; CERES, Coalition for Environmentally Responsible Economies; CSR, corporate social responsibility; DJSI, Dow Jones Sustainability Index; GCAC, Global Corporate Affairs Council; GRI, Global Reporting Initiative; MSA, Master Settlement Agreement; NGOs, non-governmental organisations; PM, Philip Morris; TNCs, transnational corporations; UNEP, United Nations Environment Program