

Philanthropy, politics and promotion: Philip Morris' "charitable contributions" in Thailand

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ABSTRACT

The efforts of members of the tobacco industry to portray themselves as responsible corporations via ostensible commitment to improved labour practices and public philanthropy have attracted growing criticism. This is particularly true of corporate social responsibility (CSR) schemes undertaken in emerging nations that are designed to rehabilitate the tobacco industry's image among public, government and market opinions in North America and western Europe. In the case of Thailand, sponsorship of arts events and community groups has been one avenue of promoting the industry in a regulatory environment that severely curtails promotion and advertising. The Association of Southeast Asian Nations (ASEAN) Art Award, sponsored by Philip Morris (PM) has provided one such outlet for 10 years. Analysis of PM funding announcements since the end of the ASEAN art programme in Thailand reveals that recent donations to tobacco-related community organisations reinforces the extent to which seemingly generous acts are driven by corporate self-interest rather than social responsibility.

Charitable contributions have been a part of this company's culture for more than 40 years. They are part of what we call our "social performance". Society expects a company our size to be socially responsible, and we're doing our best to meet those expectations.

Philip Morris website, 1997¹

Tobacco industry corporate social responsibility (CSR) initiatives reflect a business imperative to appease regulators and pacify the burgeoning ranks of would-be ethical consumers and investors.² Highly publicised schemes including social audits, impact assessments and dialogues with internal and external stakeholders provide cigarette manufacturers with much-needed public relations opportunities to present themselves in a favourable light, gain publicity in restricted advertising environments and, potentially, forestall increased regulation on their activities.

The transparent cynicism of these exercises has attracted growing opprobrium. This is particularly true of CSR schemes that are undertaken in emerging nations but aimed at promoting rehabilitation among public, government and market opinions in North America and Western Europe.

Examples of the disingenuousness inherent in CSR projects includes the release of statements on child labour policy by Philip Morris (PM) and British American Tobacco (BAT) purporting commitment to the International Labour Organization's provisions on child labour in 2000 and 2002 respectively. Neither company, however,

amended monopolistic leaf buying practices that benefit from child labour. Reminiscent of the industry's maligned youth smoking prevention programmes,³ this initiative was created to "protect BAT's (and later, PM's) corporate image rather than to promote meaningful steps to end child labour".⁴

CSR claims made by BAT in connection with contracted farmers in Brazil and Kenya have also been contradicted by recent investigations that revealed the company's widespread use of pesticides and failure to provide adequate safety clothing, resulting in illness among farmers.⁵ There is also evidence that the company's Brazilian subsidiary, Souza Cruz, claimed government credit intended for small-scale farmers themselves.⁶

Important issues regarding PM's regional CSR agenda are raised by the company's decision to end the Association of Southeast Asian Nations (ASEAN) Art Awards programme in 2006 (a local version, however, continues in the Philippines).⁷ According to one PM website the decision to wind down the regional art award was in response to the 2004 tsunami, which "prompted the Philip Morris Group of Companies to re-align their sponsorship priorities to help the victims".⁸

Contributing to natural disaster assistance fits neatly into PM's ongoing programme of financial support for international organisations and social service non-governmental organisations (NGOs), as detailed on the company's US⁹ and PM International websites.¹⁰ These ostensible displays of corporate philanthropy also allow PM to maintain a public profile in a region where advertising is increasingly restricted.

The Philippines and other countries unaffected by the December 2004 disaster were reportedly "given the choice" whether or not to continue local art award programmes.⁸ It is not clear from searches of PM's various websites, or unsuccessful attempts to contact company officials, which countries (other than the Philippines) opted to retain a national version of the art awards or instead requested funding for disaster assistance. The only available information lists PM tsunami relief donations, of undisclosed amounts, made to the Red Cross and the United Nations Commission on Human Rights in 2005 to assist in their work in Indonesia.¹¹ The 2006 list of contributions contains no specific references to tsunami relief.¹²

Thailand's advertising restrictions and the considerable vigilance of the local tobacco control community have made promotion of any sort particularly difficult. These obstacles have not, however, stopped transnational tobacco

corporations from mounting often sophisticated campaigns to circumvent existing regulation.¹³ Annual publicity for the ASEAN art programme provided a potent method of circumventing the country's comprehensive ban on advertising and promotion. In September 2003, for instance, it received full page colour coverage in *The Nation*, one of Bangkok's two English language newspapers.

The corporate advantage derived from this strategy however, was considerably compromised by escalating protests against the award staged by Thailand international tobacco control advocates.¹⁴ By switching to disaster relief, such as tsunami relief, and funding community level initiatives PM can effectively project its philanthropic credentials while creating a visible presence in Thailand's "dark market" to replace the much criticised arts award.

Information posted on PM websites also suggests that careful selection of recipients of "charitable" funding can build alliances with potentially invaluable allies within Thailand. Initially considered a potentially lucrative market by transnational tobacco corporations, Thailand has proven to be a difficult market that has failed to live up to the expectations of foreign manufacturers. A 1991 BAT report described Thailand as among the worlds fastest-growing economies, and noted its "youthful population in excess of 57 million can be expected to consume increasingly more foreign branded goods".¹⁵

It was optimistically predicted that imported cigarettes would command a 15% market share by 1996,¹⁵ a figure not achieved until very recently. This slow growth reflects Thailand's stringent regulatory regime, which incorporates comprehensive tobacco control legislation, regular tax increases, tariffs on imports and continued rejection of calls to privatise the Thailand Tobacco Monopoly.

Those benefiting from PM philanthropy in 2005 included the Association for the Promotion of the Status of Women, to assist in their work on domestic violence; the Human Development and Children Foundation, to "provide balanced meals to underprivileged HIV/AIDS patients and pre-school children"; and Population Development International, which ran a project to improve the quality of life of women and youth in tobacco farming communities.¹¹ Recipients in 2006 included the Thailand Population and Community Development Association. But perhaps unsurprisingly given this difficult environment, around one half of PM's "charitable" donations in Thailand 2005/2006 were made to tobacco-related organisations or projects. In 2006 the Thailand Chiangrai & Phayao Tobacco

Curer, Planter & Seller Association received \$12 821 for unspecified disaster relief, while the Thai Tobacco Growers, Curers and Dealers Association received \$50 795 under PM's "Giving area" heading of Education/Training, Agriculture/Environment.¹²

Such donations to tobacco-related organisations highlights the extent to which seemingly generous acts are driven by corporate self-interest rather than social responsibility. The strategic value of such gifts is suggested by the case of the Thai Tobacco Growers Association, which subsequently called for an end to the state monopoly of the domestic industry, and for foreign investment in tobacco production.¹⁶

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