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## THE CONVERSATION

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# There's no such thing as a free lunch from tobacco companies

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Not so appetising when you think about it. GS+

Almost all companies contribute money to charity and many would argue that corporate donations make a positive difference in the world. But this hopeful take on corporate philanthropy sits uneasily with the findings of a growing number of studies based on tobacco industry documents, which are publicly available from litigation in the US. These provide a compelling reminder of the principle that what is good for business isn't necessarily good for everyone else.

### For your eyes only

Confidential internal emails, memos, and strategy documents give us an unmediated record of what corporate executives were really thinking when they made decisions. And they suggest tobacco industry largesse isn't driven solely (or even primarily) by philanthropic impulses, but by misanthropy

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and the desire for political influence. The aim is to prevent evidence-based policies that limit tobacco use – still the **number one cause** of preventable death in the world.

A recent study, which we published in PLOS ONE, looked in depth at British American Tobacco (BAT), one of the big four multinational tobacco companies. Using documents from the digital archives of the Legacy Tobacco Documents Library (LTDL), we found that concerns in the 1990s over increasing efforts by national governments to introduce public smoking restrictions led to BAT making large, conspicuous donations to education institutions, health organisations and NGOs – all essentially aimed at increasing the company's political footprint.

## **Diversionsary techniques**

The BAT documents suggest that money was allocated to form partnerships with NGOs in the hope of exploiting links with policy-makers and was earmarked for specific causes that overlapped with government policies, precisely because of their potential to facilitate access to policy-makers.

Evidence also emerged in the documents of donations being used to divert attention away from the human cost of tobacco-related disease by highlighting other risks to health. Support for the then Beijing Liver Foundation, for example, was designed to raise the profile of hepatitis, which BAT considered “should be of greater significance to the [People's Republic of China] and the WHO” than smoking. The donation, highlighted in one 2008 study was to “reprioritise the agenda” of the Chinese Ministry of Public Health and “divert the public attention from smoking and health issues to liver diseases”.

Recent donations aimed at combating the impact of diseases such as malaria, tuberculosis and HIV/Aids in Africa and Asia show that corporate reputation in the area of health is a high priority and good for business.

BAT's support for scholarships also illustrates the long-term thinking behind political philanthropy and its role in the company's efforts to create a political class more inclined to overlook the negative impact of tobacco on aggregate social welfare.

One document from the late 1990s, for example, highlighted the importance of providing finance for overseas postgraduate students as part of a “long-term investment in potential leaders in developing markets”. Another explained that funding scholarships in tertiary education would create “alumni that will in future be part of the national leadership of the world in which we do business.”

Such blunt efforts to shape political cultures sit alongside more subtle attempts, which rest on the potential for charitable donations to change perceptions through the associations they create. Our research suggests that in low and middle-income countries, philanthropy has been used to link BAT to social and economic development while in high-income countries, donations to social and economic projects have been aimed at training, economic regeneration, and the alleviation of poverty.

## **In whose interest?**

Linking the tobacco industry to development in middle and low-income countries is perverse on several levels. Smoking can strike down workers in their prime, exaggerate the impact of poverty, and suck scarce capital out of struggling economies.

For tobacco companies, such gifts are meant to countervail work by the World Bank, which highlights these negative social and economic impacts and shows that reducing tobacco use is economically beneficial.

BAT's donations in high-income countries, which we also considered in our study, work in a broadly similar way. By emphasising that the company provides capital for programmes which ameliorate the social effects of de-industrialisation, these types of donations convey the continuing relevance of the company to the long-term social and economic success of richer nations. This is despite tobacco being the leading risk factor in health inequalities.

## Philanthropy is perfect


Philanthropy works particularly well for the tobacco industry. When done right, donations shift relations between corporate and public officials from low-trust, low-frequency access to high-trust, high-frequency access. Trust, the essence of all effective political lobbying, is effectively cemented through the normalisation of engagement and dialogue, which shifts policy-makers' perceptions of the credibility of information conveyed to them by tobacco companies. In short, philanthropy holds out the promise of unwinding some of the effects of the industry's poor reputation.

While corporations' political strategies vary enormously between different sectors, emerging evidence suggests uncomfortably close similarities between tobacco industry philanthropy and how companies in other sectors use charitable donations.

In 2011, the Foundation for a Healthy America, a nonprofit created by the American Beverage Association (ABA) – the trade association of the soft drinks industry in the US – donated US\$10m to the Children's Hospital of Philadelphia. A report by the Philadelphia Inquirer later revealed that the gift had originally been made when Philadelphia's City Council was debating a proposed tax on sugar-sweetened beverages.

Only the very trusting would fail to see this as an attempt to weaken support for effective policy change after doctors from the hospital had given testimony to the council on the dangers of sugar-sweetened drinks.

Corporate donations from the tobacco industry are a false economy, and while tobacco companies are rightly vilified for pushing a product that kills half of its users, their political duplicity also seems to provide important clues to understanding charitable giving by other companies.

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