Phillip Morris International: 
Child Labor Abuse in South African and Central Asian Tobacco Farms

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INTRODUCTION

Considering the fact that there are numerous negative health effects that smoking tobacco provides its loyal consumers, it should not come as a big surprise that Phillip Morris International (PMI), a company that has six multi-billion United States (U.S.) brands of cigarettes, also has been one of the greatest offenders of violating human rights in over thirty different countries. In addition to PMI's U.S. brands, the biggest non-government tobacco company, based in Lausanne, Switzerland owns seven of the top fifteen tobacco brands in the entire world by volume, and continuously affiliates with other tobacco companies to profit off of the highly addictive and dangerous plants.

Producing their brands of cigarettes in over fifty different factories worldwide, with its headquarters in New York City, the former U.S. corporate ownership (in regards to potential litigation and legislative restrictions) separated itself in 2008 from it prior operating company, the Altria Group; in order to "pursue sales growth in emerging markets", as PMI claims. The purpose of the following research is to: analyze the history of PMI in regards to child labor in Malawi and Kazakhstan; examine the responses of organizations and policy implementation; and considering the specific company profile, it is the ambition of this research to offer further recommendations to resolve the matter at issue.
CHILD LABOR

Sixty percent of child laborers work in agriculture. These children range from the age of five to seventeen years old. The total amount of child laborers is estimated at over ninety eight million boys and girls. A vast majority of children who work in agriculture are unpaid family members. "Poverty is the main cause of child labour in agriculture, together with limited access to quality education, inadequate agricultural technology and access to adult labour, high hazards and risks, and traditional attitudes towards children’s participation in agricultural activities. Especially in the context of family farming, small-scale fisheries and livestock husbandry, some participation of children in non-hazardous activities can be positive as it contributes to the inter-generational transfer of skills and children’s food security. It is important to distinguish between light duties that do no harm to the child and child labour, which is work that interferes with compulsory schooling and damages health and personal development, based on hours and conditions of work, child’s age, activities performed and hazards involved (ILO, 1)." Being one of the most dangerous sectors in terms of labor, agriculture is one of the top three highest occupations for work-related fatalities, non-fatal accidents, and occupational diseases.

Although there have been abounding claims as well as evidence of the abuse of child labor laws and PMI within the United States of America, and frequently other countries throughout the world; the following research is focused on two countries: Malawi and Kazakhstan. Concerning tobacco farming and child labor abuse, the corollary is based upon the premise of discerning the uttermost prevalent, neoteric case studies, in order to deduce the
optimum recommendations to procure the matter that which the world is faced; the exploitation of our own youth, both present-day along with future generations.

MALAWI

"Ants are so much like human beings as to be an embarrassment. They farm fungi, raise aphids as livestock, launch armies into war, use chemical sprays to alarm and confuse enemies, capture slaves, engage in child labor, exchange information ceaselessly. They do everything but watch television." ~ Lewis Thomas

One of the more recent issue in regards to PMI and child labor arose in the southern African country of Malawi. "Landlocked Malawi ranks among the world's most densely populated and least developed countries. The economy is predominately agricultural with about 80% of the population living in rural areas. Agriculture, which has benefited from fertilizer subsidies since 2006, accounts for one-third of GDP and 90% of export revenues. The performance of the tobacco sector is key to short-term growth as tobacco accounts for more than half of exports. The economy depends on substantial inflows of economic assistance from the IMF, the World Bank, and individual donor nations(CIA World Factbook, 1)." Relative to most African countries, the dependency on foreign companies has resulted in severe exploitation within the sovereign borders of Malawi.

As mentioned above, Malawi relies heavily on the revenue it receives from tobacco farming, and PMI also depends upon Malawi for burley tobacco. "Malawi has the highest
incidence of child labour in southern Africa. Malawi produces 6.6% of the world burley tobacco exports, accounting for over 70% of Malawi's foreign earnings. Phillip Morris International and British American Tobacco (BAT) purchase most of Malawi's tobacco from global leaf processing companies (Otanez, 224).” Universal Leaf Corporation and Alliance One International purchase more than ninety percent of Malawi's tobacco farms through subsidiary companies at three government-run auction floors.

PMI purchases the highest amount of tobacco from Malawi, which accounts for approximately twenty percent of PMI's total tobacco purchasing. As the article *Five Giant Companies Who Use Slave Labor* stated that, “Despite “regular and constructive dialogue” between Human Rights Watch and Philip Morris in 2010, it was later discovered that Philip Morris was failing to live up to their promises regarding putting a stop to these illegal and unethical practices. If the idea of poor families working thirteen hour days for pennies while their small children slave in the tobacco fields at the risk of nicotine poisoning makes you feel bad, try to avoid purchasing the following: Marlboro, Basic, Benson & Hedges, Cambridge, Chesterfield, Commander, Dave’s, English Ovals, Lark, L&M, Merit, Parliament, Players, Saratoga and Virginia Slims(1)."
The competitive landscape of multinational tobacco companies in Central Asia, as Euromonitor International's country report stated: "Tobacco industry in Kazakhstan is represented by multinational tobacco companies and their regional representatives. All major privatisation processes in tobacco industry are already accomplished in Kazakhstan. The leading position in cigarettes is held by Philip Morris Kazakhstan with 42% volume share. The second and the third largest companies are Japan Tobacco and British American Tobacco with 35% and 10% volume shares respectively(1)." Over and above tobacco farming in regards to Kazakhstan, numerous other natural resources are abundant; making the reasoning behind PMI's boot print on Central Asian soil abundantly clear. Alike the child labor in the southern state of Malawi, it is apparent that the exploitation of developing countries simply serves PMI's avid purpose.

As an article entitled Five Giant Companies Who Use Slave Labor, "In 2010, Philip Morris was “forced to admit” that at least 72 children were working on tobacco farms that sold to PM, some of which as young as ten years old. “Forced” is the key word in the last sentence; it was only after the Human Rights Watch uncovered a sordid tale of slavery and illegal practices on tobacco farms in Kazakhstan that Philip Morris took only partial responsibility for these problems(1)." Furthermore, the
tobacco that is harvested in Kazakhstan is only used in the local brands of cigarettes that are literally unknown outside of their markets in the former Soviet countries (including Apollo-Soyuz and Polyot). Kazakhstan’s economy is much larger than most of all the other countries in Central Asia, which is primarily due to its vast natural resources. "The company’s purchases in Kazakhstan are tiny compared to its global operations; it bought 1,500 tons in 2009, compared to its global total of 400,000 tons. The company said it contracts with 300 farms in Kazakhstan, employing about 1,200 seasonal workers. These workers are typically accompanied by about 200 children(Kramer, 2)." Peter Nixon, a spokesman for PMI stated in response to the Human Rights Watch, that PMI would begin requiring farmers to sign a written contract with laborers, as well as police the farms for compliance with child labor laws by use of an outside monitor.

Yet with Kazakhstan not having much to gain by tobacco farming, in respect to their enormous fossil fuels reserves, mineral and metals, and livestock and grain; the devastation PMI is creating in the geographically largest former Soviet republic appears to be unjust from an outsider perspective. It begs the question as to how it appears to the people of Kazakhstan. Reputably because of what is considered to be current issues at hand, according to the CIA World Factbook, which "include: developing a cohesive national identity; managing Islamic revivalism; expanding the development of the country's vast energy resources and exporting them to world markets; diversifying the economy outside the oil, gas, and mining sectors; enhancing Kazakhstan's economic competitiveness; developing a multiparty parliament and advancing political and social reform; and strengthening relations with neighboring states and other foreign powers(1)."
In relation to the child labor abuse that arose in Central Asia, there have been several significant steps towards re-establishing relations that align with ILO's policy. "This year, the company opened a summer camp for the children of migrant laborers in Kazakhstan’s tobacco-producing region. It will also require its suppliers to pay monthly salaries, rather than piecework pay, to discourage migrant parents from enlisting the help of their children (Kramer, 2)." There is additional information concerning ILO’s policy in the recommendations section of this paper.

TOBACCO FARMING & HEALTH RELATED ISSUES

“There was a young lady named Mae,  
Who smoked without stopping all day;  
As pack followed pack,  
Her lungs first turned black,  
And eventually rotted away.”

~ Edward Gorey, Floating Worlds: The Letters of Edward Gorey and Peter F. Neumeyer

A significant issue of child labor in regards to tobacco farming is one of health. Tobacco, which can be unhealthy to harvest, typically causes what has been termed Green Tobacco Sickness which consists of vomiting, dizziness, and severe nausea. “Children are especially vulnerable due to their small body size in relation to the dose of nicotine they absorb (Kramer, 1),” Even more shockingly, reports have indicated that a laborer on a tobacco farm can absorb the equivalent amount of nicotine to that of a smoker inhaling thirty six cigarettes within twenty-four hours. Five Giant Companies Who Use Slave Labor explains that, "Using child slaves, many of whom developed rashes on their necks and stomachs from handling the tobacco, wasn’t Morris’ only offense. The farms (who sold 1,500 tonnes of tobacco to PM in 2009 and other significant
amounts to cigarette companies in Russia) utilized migrant workers for slave labor, often confiscating their passports and forcing them to work overtime without compensation(1)."

Health problems that arisen from working with this wicked weed have been notably researched, and it has been proven again, and again that the labor that goes into harvesting tobacco does not reap any benefits for the laborers whatsoever. It is suffice to say, the only beneficiary is PMI itself. "Although child labor is widespread in agriculture in Central Asia, Human Rights Watch said, the particularly harmful environment on the Kazakh tobacco farms warranted special attention. The report cited conditions it said were dangerous to children and adults alike. Lacking easy access to potable water, for example, laborers had resorted to drinking from irrigation channels contaminated with pesticides, the report said(Kramer, 1)."

PHILLIP MORRIS INTERNATIONAL, THE INTERNATIONAL LABOR ORGANIZATION, AND PUBLIC POLICY

The International Labor Organization (ILO) estimated roughly two hundred and eighteen million children, between the ages of five and seventeen, are actively working inappropriately for their age. The ILO also explained that nearly two-thirds of the children are in what the determine to be the worst form of child labor, such as commercial farming, excessive hours, and slavery. They contest the reasoning for this is because of the extreme poverty within their state. In relation to ILO's efforts in Malawi, their website explains:

- In December 2010, the ILO, FAO and IUF jointly organized knowledge sharing and planning workshops in Malawi with key stakeholders. These resulted in a draft workplan of activities by national stakeholders to better address child labour in agriculture in the framework of the National Action Plan on child labour. As a follow up, in May 2011, a
capacity development workshop on child labour in agriculture was co-organized in Salima, Malawi, by the Ministry of Labour and the Ministry of Agriculture and Food Security with the support of ILO and FAO. Senior-level staff and managers and directors of relevant government and civil society organizations developed a common basis of understanding and knowledge exchange on child labour in agriculture, identified entry points and practices to better integrate child labour into current work of agriculture and labour organizations, and identified opportunities for joint action. In July 2011 a capacity development workshop on child labour in agriculture for district teams – including rural extension services, labour inspectors, health, education, producers organizations and others - extended the coverage of these capacity building activities to the decentralized actors and developed action plans at district level.

In addition, PMI is one of the tobacco companies that started a corporate social responsibility (CSR) program in response to public pressure (alongside British American Tobacco (BAT)). "Perceptions of industry responsibility and tobacco control policy by US tobacco company executives in trial testimony", written by Michael Chaiton, Roberta Ferrence, and Eric LeGresley examined the various strategies that the tobacco industry utilizes in response to public opinion on a variety of issues. Their articles suggests that, "the motivation behind Phillip Morris's CSR programme as a measure to regain public and investor confidence and, in examining tobacco company documents, found that internal motivations and statements were similar to those expressed publicly(iv98)." The main objectives of the CSR program, as the article suggests, include, "Help Reduce Youth Smoking. . .Market Our Products Responsibly. . .Communicate the Health Effects of Our Products. . .Support Reasonable Regulation. . .Comply with Legal and Regulatory Requirements. . .Provide Shareholder Return(iv98)."

Although the research in Chaiton's article focusing specifically upon health issues of cigarette smoking, the CSR program illustrates the company's response to public outcry, and as the authors conclude, "by examining changes in the stages of responsibility for tobacco control
policies, we can look at the levels of responsibility as a way of protecting the core business of the industry, that of selling tobacco. When the industry is threatened, they shift to protect their legitimacy as manufacturer and market of tobacco. While improving corporate image has other benefits, such as improved share prices and respectability, both regulation and voluntary action that does not completely remove the agency of industry serves to re-enforce the ability to continue to stay in business(iv103)." The answer to the question as to who exactly has authority in the industry; be it, the companies themselves, government, or public health officials remains ambiguous. "The dance between regulation and voluntary action relating to tobacco control policies hides the "elephant in the room": the authority of the government to allow tobacco to be sold as any other commercial product(Chaiton, iv103)."

Currently, PMI states that they have a child and forced labor policy, which sets a minimum age, and forbids the use of forced labor in all of their facilities around the world. PMI's website in regards to child labor explains:

- Although PMI does not grow tobacco, we purchase tobacco from suppliers and farmers in over 30 countries. In many of these countries child labor continues to be a problem in tobacco growing and also across the wider agricultural sector. Preventing child labor in such agricultural communities is a focus for PMI but continues to be particularly challenging, this is because labor practices can be rudimentary, work often occurs in impoverished circumstances, and there often exists a longstanding, cultural acceptance of child labor. As the International Labor Organization recognizes, eliminating child labor and other labor abuses that stem from systemic issues such as poverty and lack of education, requires the serious and lasting commitment from everyone in the supply chain, as well as governments and other stakeholders. Accordingly, we are in the process of implementing an Agricultural Labor Practices Code which strengthens and expands our existing practices and policies, and includes tailored, in-depth training programs for our tobacco crop professionals and suppliers, farmers and their workers; as well as external third party assessments to monitor the progress we’re making in addressing this problem.
Also, PMI states that they are continuing to work with a range of governmental and nongovernmental organizations around the globe in order to implement programs which seek to eradicate child labor in tobacco growing communities. They elaborate by stating, "Our programs focus on eliminating the root causes of child labor by improving the quality and accessibility of education for children of tobacco farmers, as well as living conditions in tobacco growing communities. Here are a few examples":

- In Colombia, we support the Department of Education and municipal authorities in their efforts to introduce a “New School” program to improve the quality of education in tobacco growing communities. As part of our support, PMI is funding a program through a local nonprofit, Dividendo Por Colombia, to renovate and equip 55 schools in the tobacco growing communities of Ovejas, Capitanejo, Campoalegre, Algeciras, Rivera and El Espinal.
- In Argentina, we are funding a major child labor eradication program known as ‘Porvenir’ in cooperation with the Tobacco Cooperative Foundation and the Conscience Association. PMI financing aims to upgrade educational quality by improving teacher salaries and training and by providing schools with teaching aids, educational materials, and supplies. The program is benefiting more than 3,000 tobacco farmer’s children in the tobacco growing communities of Misiones, Salta, and Jujuy.
- In Malaysia, we are funding a "back to school" program in the tobacco growing states of Sabah and Kelantan, in cooperation with the Malaysia Salam Foundation, by providing textbooks and supplies to more than 2,200 school age children of tobacco farm families.
- In Africa we are funding Total Land Care (TLC), an NGO associated with Washington State University, to alleviate poverty and reduce child labor in Malawi, Mozambique, and Tanzania. TLC’s programs currently reach nearly 6,700 villages and more than 765,000 people. Projects include supplying clean water, planting more than 90 million trees and bamboo, installing stoves, and constructing 100 schools over the next five years.
- We are also members of the Eliminate Child Labor in Tobacco (ECLT) foundation, an organization founded in April 2001, which is a partnership between trade unions, tobacco growers, and tobacco companies. The ILO serves as an advisor to the ECLT Board. The ECLT is working with governments in Malawi, Mozambique, Uganda, and Zambia to reduce child labor in tobacco growing communities. Program elements include conducting child labor awareness programs for community leaders, providing safe drinking water, improving food security, financing poverty alleviation programs, and building new schools.
ILO and FAO have been working together since 1947 to make an impact on reducing poverty and developing rural communities. The most recent Memorandum of Understanding between the ILO and FAO was signed in 2004, and includes ten specific areas of joint action: Youth Employment; Child Labor in Agriculture; Gender Dimensions; Decent Employment for the Rural Poor; Labour Statistics; Sectoral issues in agriculture (crop production, fisheries and forestry); Rural Workers; Cooperatives and Producers’ Organizations; Occupational Safety and Health; and Sustainable Livelihoods and Emergencies.

Developing the Agricultural Labor Practices (ALP) program, which is designed to eradicate child labor in small-scale family farms from more than thirty countries around the world, PMI contests that they hold firm to the ethical code laid out by the ILO, which is reflected in the contracts that PMI ensures that their suppliers sign. Also, PMI states that in addition to the contractual agreement, that they have field technicians that frequent the farms and provide training tools, and facilitate communication that is aligned with ILO labor practices, child labor standards; as well as offer support to the farmers with the implementation of their code of conduct and to monitor the process of its application worldwide. "To date, we have trained more than 2,900 field technicians, who have subsequently reached out to more than 335,000 farmers in 28 countries to provide information about the requirements of our ALP Code(PMI - Eliminating Child Labor, 1)."
RECOMMENDATIONS

"Child labor and poverty are inevitably bound together and if you continue to use the labor of children as the treatment for the social disease of poverty, you will have both poverty and child labor to the end of time." ~ Grace Abbott

If poverty is the underlying issue that causes the abuse of child labor, it would seem that the elimination of poverty would be the rational explanation to resolve the problem. As the Resolutions adopted by the International Labour Conference at its 97th Session decreed in its "Conclusions on promoting rural employment for poverty reduction": "As stated in the Declaration of Philadelphia, "poverty anywhere constitutes a danger to prosperity everywhere(3)." Moreover, with the elimination of poverty, an emphasis on education is essential to furthering the development of countries which lack the capacity to do so without international intervention.

The "Conclusions on promoting rural employment for poverty reduction", continues: "A paucity of economic opportunities and under-investment in rural areas, together with poor infrastructure and public services including education and, in many cases, the prevalence of weak governance and underdeveloped markets compound the difficulties incumbent on working life in rural areas(3)." As The Global Employment Agenda (GEA) stipulates, there are four pillars of work for reducing poverty: rights; employment; social protection; and social dialogue. Aligned with promoting other areas of potential economic prosperity with developing countries, as opposed to harmful, and dangerous resources (such as diversification in agriculture, and non-farm activities); countries such as Malawi and Kazakhstan could strengthen their national
economy. That being said, foreign investors would need to assist in facilitating developing countries.

This may be very difficult to achieve, and where the majority of challenges ensue. Still, with the assistance of international governmental organizations (IGOs) the probability of solving the underlying causes (poverty and education) is quite possible if time allows. The worryment of procuring steadfast results within developing countries is conclusively the power and ability of international corporations exploitation of the people that are bounded by their countries lack of global stature. "New sources of demand, especially for certain high-value products, and the overall trend towards greater global integration, offer opportunities and challenges for rural employers and workers. Modern commercial farming is often associated with the concentration of commodity markets and the economic power of a limited number of multinational agribusinesses in the industrial food chain. Notwithstanding the potential of exploiting new market opportunities, in many countries, the production of food for local consumption remains the primary focus. Innovative measures are required to ensure that small farmers have access to wider markets(Resolutions adopted by the International Labour Conference at its 97th Session, 4-5)."

Strategies should be adopted to ensure people have access to adequate training and technology, land and water for food production, according to their individual national circumstances. Global awareness of the matter examined with this paper, and health issues of smoking in general can also help improve the situations in the above mentioned developing countries; as well as other countries that have fallen victim to child labor abuse. Intervention is necessary, but rather problematic without a well-structured, highly developed, and enforceable international power.
REFERENCES


