

Briefing-paper

Self-Interested Generosity

How support for cultural and social organisations serves the commercial interests of the tobacco industry

Dossier #5 Sponsorship | December 2024

Contents

Introduction **03**

01. Major Financial Contributions
in Switzerland **04**

02. Philanthropy: A Well-Oiled
Commercial and Influence Strategy **07**

03. Unequivocal International
Recommendations **10**

04. What Are the Solutions? **11**

References **12**

Introduction

In 2023, Switzerland ranked second to last out of 90 countries on the Global Tobacco Industry Interference Index, revealing its vulnerability to the industry's influence.¹ One of the methods used by tobacco companies to exert this influence in Switzerland is by providing financial support to various cultural and social projects. Whilst some of this funding offers visible and direct benefits to the industry, such as the opportunity to sell and promote products at music festivals, a significant proportion of these financial contributions appear to be purely philanthropic. Tobacco companies publicly declare that these donations are without any commercial incentive. However, their internal documents reveal that they strategically select the organisations they support, and view philanthropy as a “weapon” to enhance their influence. By portraying themselves as benefactors, these companies not only create a positive image in the eyes of their own employees, the public, and decision-makers, they also extend their influence through the networks of allies that their donations create, allies who are likely to support the industry's cause when in need. The tobacco industry has long understood the benefits of building a sense of reciprocity and accountability with the organisations it supports financially and which, sooner or later, may be called upon to defend its interests publicly.



01. Major Financial Contributions in Switzerland

Unlike in most European countries, partnerships with the tobacco industry are permitted in Switzerland, allowing tobacco companies to finance various events and institutions.

➤ Cultural Sector

Both Japan Tobacco International (JTI) and Philip Morris International (PMI) provide funding to numerous arts institutions. JTI is a “major patron” of the Grand Théâtre de Genève,² a “partner” of the Musée d’art moderne et contemporain (MAMCO),³ the “community partner” of the Verbier Festival of classical music,⁴ and is one of the “sponsors” of the Kunsthaus Zürich.⁵ PMI is one of the “partners” of the Musée cantonal des Beaux-Arts in Lausanne⁶ and one of the “sponsors” of the Fondation de l’Hermitage in Lausanne.⁷

Public subsidies only cover a fraction of these institutions’ budgets. A 2001 report estimated that 14% of funding for cultural activities was provided by private companies in Switzerland.⁸ Whilst the declarations made by some funded institutions may suggest that their survival depends on tobacco industry support, the reality is that this contribution is minimal, accounting on average for only 0.6-0.8% of their funding. There are several examples that show that the ending of tobacco industry funding does not jeopardise the survival of these events or structures. The Swiss Indoors, which was forced to end its partnership with Davidoff in 2010 due to EU regulations on transborder advertising of tobacco products⁹, which is doing very well today, is a fine example.

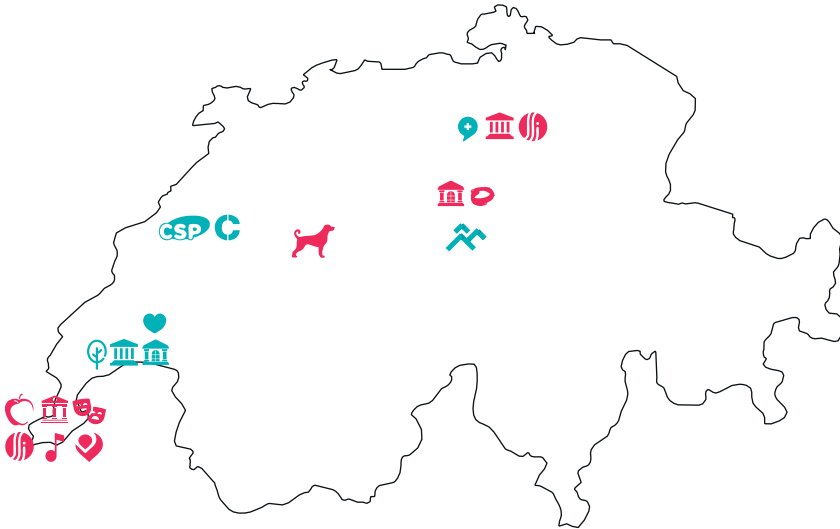
Not only do these contributions to prestigious institutions allow tobacco companies to gain visibility with their logos on the institutions’ websites alongside those of official bodies such as cantons, municipalities and universities, but they also provide opportunities to network with representatives of these bodies at institutional events and gala evenings.

These cultural partnerships are also intended to attract and retain employees in the tobacco industry.¹⁰ Their aim is to give employees, who benefit from









free admission tickets, the impression that they are contributing to a philanthropic enterprise by supporting artistic institutions.

➔ Social Sector











Each year, PMI releases a document that is intended to provide a comprehensive overview of all its "charitable" donations.¹¹ In Switzerland, in 2023, the multinational gave 20,000 CHF to the Opferberatung Zürich (prevention of domestic violence and support for victims), 25,000 CHF to Cartons du Cœur (distribution of essential goods) and 20,000 CHF to Swiss Mountain Aid (development aid for mountain regions). However, the website does not provide an exhaustive list (while the company claims that transparency is one of its core values). In 2023, PMI also donated 69,200 CHF to the Centre Social Protestant in Neuchâtel, as indicated in the charity's activity report, which thanks the company for this "extraordinary donation from Philip Morris International SA to support social sector-prevention and debt reduction".¹²



Philip Morris International (PMI)

-  Fondation de l'Hermitage (Lausanne)
-  Musée cantonal des Beaux-Arts de Lausanne
-  Lausanne Jardins (in year 2019, absent in 2024)
-  Cartons du cœur (Etagnières)
-  Swiss Mountain Aid (Adliswil)
-  Opferberatung Zürich (Zurich)
-  Centre Social Protestant (Neuchâtel)
-  Caritas (Neuchâtel)

Japan Tobacco International (JTI)

-  Orchestre de la Suisse Romande
-  Kunstmuseum Luzern
-  MAMCO Genève
-  Kunsthau Zürich
-  Grand Théâtre de Genève
-  REDOG (Bern)
-  International Social Service (Zurich and Geneva)
-  Eliminating Child Labour Foundation in Tobacco-Growing Foundation (Geneva)
-  Association Partage (Geneva)
-  Stiftung für selbstbestimmtes und begleitetes Leben (Luzern)

JTI's social contributions are not listed on their website. However, the company established the JTI Foundation in 2001, which funds projects in 25 countries. In Switzerland, the foundation is currently supporting REDOG (rescue dog training) with a 200,000 CHF grant for 2023 and 2024. They have also provided a 260,000 CHF grant to the International Social Service, which helps people in migration situations.¹³

Employee participation is also at the heart of tobacco companies' social "commitments". JTI invites its employees to take part in food distributions organised by Partage, a food bank in Geneva.¹⁴ PMI, for its part, promotes and funds its 'Projects with a Heart' programme with nearly 100,000 CHF in 2023, which encourages employees to propose humanitarian initiatives on a global scale.¹⁵

Sidebar Festivals, A Major Source of Support for Tobacco Companies

Along with Belarus, Switzerland is the only European country that still allows tobacco companies to sponsor music festivals. This type of partnership follows a particular logic, with tobacco companies demanding specific returns in exchange for their financial contribution. These benefits typically take the form of points of sale, advertising space, and the distribution of samples. The Montreux Jazz Festival, Paléo Festival Nyon, Openair Frauenfeld, and OpenAir St. Gallen, like at least a dozen other Swiss festivals, have commercial partnerships with the tobacco industry. However, these agreements are not mentioned on either the festivals' websites or those of the tobacco companies.

This type of sponsorship enables tobacco companies to establish privileged contacts in the cultural sphere. Furthermore, this support encourages cultural players to take a public stand against regulations that could jeopardise this funding. This was particularly noticeable in the run-up to the vote on the "Tobacco Free Kids" initiative in February 2022.¹⁶ Pascal Frei, head of communications at OpenAir St. Gallen,¹⁷ clearly mentioned the possibility of raising ticket prices if the initiative were to be accepted - an argument widely used by opponents. Similarly, the General Secretary of the Paléo Festival Nyon mentioned the possibility of reducing the quality of its lineup.¹⁸

02. Philanthropy: A Well-Oiled Commercial and Influence Strategy

Tobacco companies are aware that, to maximise the effectiveness of their donations, they must appear disinterested. They therefore claim that their “commitment” is that of a “responsible corporate citizen” and maintain that “their participation in cultural institutions is totally unrelated to [their] commercial operations”.¹⁹ A study of the tobacco industry’s internal documents reveals a very different reality.

One of the documents that best sums up the industry’s commercial objectives and explains its support for culture and humanitarian organisations is a diagram featured in the Corporate Affairs department’s objective for Philip Morris USA (PM USA) for the year 1992.²⁰ It details actions aimed at influencing legislative decisions in the company’s favour. In addition to lobbying and donations to political parties, it also includes the company’s “civic activities”, “charitable contributions” and the organisation of cultural events.

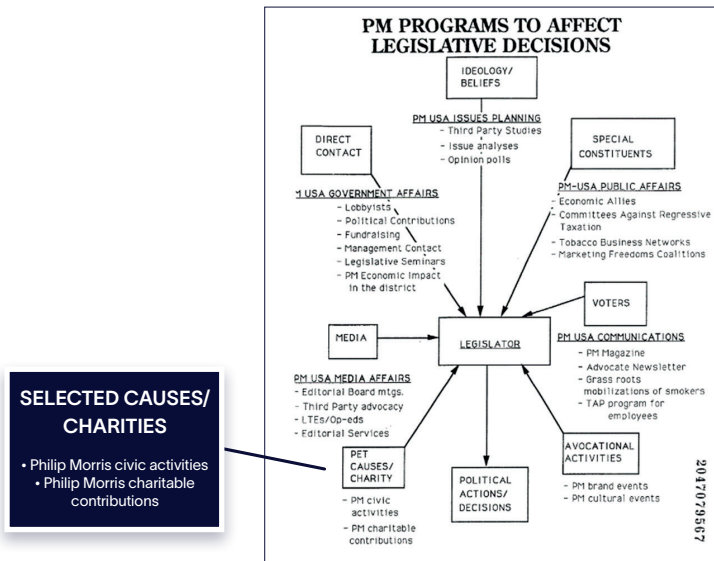


Figure 1 Philip Morris’ programmes for influencing legislation, 1992.

This “philanthropy” is thus intrinsically tied to the company’s commercial strategy, with the aim of obtaining the most favourable legislative regulations for the company, at both the local and national level. At the beginning of the same document, we read:

“Our job is not just lobbying - it is the effective utilization of all weapons and ammunitions (i.e. allies and relationships) needed at the state and local levels for achieving our Mission²¹

In 1996, Steve Parrish, Senior Vice President of Corporate Affairs at PM USA, clearly stated the political objectives behind the firm’s donations:

“The continuation and careful focusing of our contributions program also is a critical component of our overall effort to make a measurable improvement in Philip Morris’ image [...]. **In our view, it is an extremely visible and effective way to underscore in the public mind that Philip Morris cares, and has employees who care for their neighbours and for their communities - thus making it that much more difficult for our opponents to demonize our company and our people.**”²²

Cigarette companies have long understood that they have a strong commercial interest in changing their public and political image. In 1998, the CEO of British American Tobacco, Martin Broughton, set out the objectives of the company, which was at the time facing a series of lawsuits that had severely damaged its image:

“The new British American Tobacco PLC [Public Limited Company] needs to regain a reputation of being trustworthy and responsive if we are to retain and develop the commitment of employees and gain the access and influence that we need externally.”²³

Joshua Slavitt, Director of Corporate Social Responsibility (CSR) Planning at PM USA, said as much in 1998 when he called for “**charitable contributions driven by our corporate business objectives**” and suggested that to judge the effectiveness of a charity programme, we should ask “is it helping politically?”²⁴

Cigarette companies’ cultural and social programmes are part of corporate social responsibility (CSR). In 2010, British American Tobacco identified and theorised them as a key commercial advantage:

“We believe that CSR is about managing the social, environmental and economic consequences of our business in a way that [...] enhances commercial viability.”^{25,a}

^a Original text: “Selon nous, la RSE consiste à gérer les conséquences sociales, environnementales et économiques de notre activité de manière [...] à améliorer ainsi la viabilité commerciale”

This is why tobacco industry CSR is strongly questioned by prevention experts. Fooks et al. (2011) consider that CSR helps to initiate dialogue with social and political bodies, which is an important step towards changing the tobacco industry's image and being perceived as a legitimate partner.²⁶ Charitable donations also serve as a diversionary tactic to distract society's attention from the harm caused by the tobacco industry.²⁷

In the words of the US National Cancer Institute in 2008:

"The only difference between the conventional marketing [...] CSR is that the former targets potential customers, while the latter is more concerned with stakeholders and potential regulators."²⁸



03. Unequivocal International Recommendations

The guidelines for the application of Article 13 of the WHO Framework Convention on Tobacco Control (FCTC) (which requires a comprehensive ban on advertising, promotion and sponsorship of tobacco products) state that the tobacco industry's CSR practices are a form of commercial promotion to be banned:

“The Parties should ban contributions from tobacco companies to any other entity for “socially responsible causes”, as this is a form of sponsorship. Publicity given to “socially responsible” business practices of the tobacco industry should be banned, as it constitutes advertising and promotion”²⁹

Today, the FCTC has been ratified by more than 180 countries. Yet, 20 years after signing it, the Swiss Confederation has still not ratified it. This situation allows the tobacco industry to continue to exert its influence in the country, thus increasing its profits at the expense of public health.



04. What Are the Solutions?

➤ Raise Awareness to Denormalize

It is imperative to dispel the tobacco industry's illusion and expose its philanthropic facade. When cigarette manufacturers make donations, their aim is not to make a genuine contribution to society, but to protect their own commercial interests. They are fully aware that their "no-strings-attached donations" (a point which they insist on) create a sense of obligation in the recipients. Improving their image, normalization, access to political and cultural elites, and creating a network of indebted partners are all priorities that are identified on their commercial agenda. The industry seeks at all costs to gloss over the devastating health, social and environmental consequences of its activities.

The tobacco industry's support must therefore be denormalized and organisations that depend on its funding for their public interest missions must be informed about the unethical character of this source of funding and helped to find alternative financial resources.

Political Decisions

In 2024, the political challenge is to implement the "Tobacco-Free Kids" initiative into law. Business circles allied with the tobacco industry are attempting to introduce exemptions and exclude sponsorship from the definition of advertising. It is essential that decision-makers resist these pressures and aim for a law that faithfully and strictly reflects the will of the Swiss people.

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Transparency and Truth

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