

# “An example for corporate social responsibility”: British American Tobacco's response to criticism of its Myanmar subsidiary, 1999–2003

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## Abstract

In 2013, British American Tobacco (BAT) returned to Myanmar a decade after it had left the country under pressure from civil society, international organizations, and the government of the United Kingdom. The company's involvement in a joint venture with an investment branch of the country's military government between 1999 and 2003 resulted in intense scrutiny and criticism based on the military's record of human rights abuses. BAT argued that corporations could not be held accountable for actions of governments in countries in which it operated, and that its presence in Myanmar contributed to economic and social development. It also maintained that its Myanmar subsidiary provided a model of responsible business conduct. The controversy that surrounded BAT's Myanmar subsidiary between 1999 and 2003 has increasing relevance to the current situation in Myanmar, and potential implications for foreign corporations operating in the country.

## KEYWORDS

Myanmar, tobacco industry, corporate social responsibility, human rights, framework convention on tobacco control

This paper considers British American Tobacco's 2013 return to Myanmar, a decade after it had left the country under pressure from civil society and the government of the United Kingdom. It specifically analyses the company's defence of its links to Myanmar's military regime, which was widely condemned for its human rights record. It also assesses the current situation in Myanmar and the potential fall out for foreign corporations operating in the country.

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## 1 | INTRODUCTION

In July 2013, British American Tobacco (BAT) announced that it would return to Myanmar, a decade after it had withdrawn from the market in the face of widespread censure of its commercial links to Myanmar's military regime. Mounting criticism by human rights groups, non-governmental organizations (NGOs), and the UK government of its 1999 acquisition of Rothmans of Pall Mall, a joint venture with a government investment agency, led the company to leave the market in 2003 (Macalister, 2003a; Robinson, 2013).

The recent return of BAT and other western companies to Myanmar has been facilitated by reforms to the country's political, economic, and social systems since 2010. Release of Aung San Suu Kyi from house arrest, the 2015 general election victory of the main opposition party, the National League for Democracy (NLD); commencement of talks with ethnic insurgents; loosening of restrictions on peaceful gatherings and trade unions; and discussions launched with the International Monetary Fund, the World Bank and Asian Development Bank on economic direction (Jones, 2014) have been sufficient indication of rehabilitation for predominantly western government to lift or suspend sanctions that had been put in place against the military regime. Much of the investment that has subsequently flowed into in the country has been made by consumer goods corporations including Coca-Cola, Unilever, Colgate-Palmolive, Suzuki, and beer companies Kirin and Heineken. Health Ministry opposition to allowing global tobacco corporations to return to the country was overruled by the Myanmar Investment Commission, according to media reports (Min, 2013; Win, 2013) and BAT and Japan Tobacco International and Hongyun Honghe Tobacco Group, China's largest manufacturer have joined the growing number of global corporations moving into the market.

Predictably, BAT has emphasized the potential benefits to Myanmar of its \$50 million manufacturing operation. Chief executive Nicandro Durante stated that the company was "truly excited with the post-sanctions development in Myanmar" and "keen to play an active part in the country's economic and social advancement" (BAT, 2013), whereas Rehan Baig, managing director of the Myanmar subsidiary, alluded to development of local "technical know-how" and creation of employment opportunities in manufacturing (BAT, 2013).

But it is also the case that contemporary Myanmar presents a valuable commercial opportunity at a time when transnational tobacco companies face declining markets in many parts of the world. BAT has returned to a tobacco market that has changed little since 2003. High smoking rates, 44.8% for men and 7.8% among women 15 years and older (World Health Organization [WHO], 2015), popularity of hand rolled cigarettes, and a perceived susceptibility among young adults to western make the local market an attractive commercial proposition (Mudditt, 2014; Robertson, 2016). Domestic tobacco control policy and regulation is limited and barely funded. Although Myanmar did ratify the WHO's Framework Convention on Tobacco Control (FCTC) in 2004, it ranked last among Association of Southeast Asian Nations (ASEAN) countries in a 2016 survey of implementation (Simpson, 2016).

It is also apparent that the domestic political situation has changed less than initially thought. Despite recent reforms, there has made limited progress on some of the key issues that had led to sanctions and condemnation of the state in the 1990s. The military retains extensive influence and power, and the "hybrid regime" that has emerged from the reform process is neither wholly democratic nor wholly authoritarian (Egreteau, 2016). Although improvements have been achieved, restrictions on freedoms of expression, association, and assembly remain (Amnesty International, 2017), and the widely condemned enforced displacement of Myanmar's Rohingya population (Human Rights Watch, 2017) raise serious concerns regarding the

government's ostensible commitment to improving human rights. How international governments and civil society respond to the Rohingya situation (Ismail & Dolan-Evans, 2017), and more general concerns around Myanmar's political direction, may have implications for corporations that have recently returned to the country if, as was the case previously, pressure emerges for them to reconsider their investments in the country.

This paper analyses strategies used by BAT to defend its Myanmar subsidiary against criticism between 1999 and 2003. The company claimed that its policy of “constructive engagement” with the regime meant that by conducting business in a responsible manner, it could influence the government and provide a model for other corporations. Corporate social responsibility (CSR) initiatives were a key aspect of this policy, and were publicized by the company to promote what it described as its positive impact on the country's economic and social development. The paper then considers these strategies in the context of BAT's return to Myanmar in 2013, the country's current human rights controversies, and possible implications for foreign companies operating there.

## 2 | DATA AND METHODS

This study is primarily based on analysis of BAT published material related to its operations in Myanmar, and previously confidential internal industry documents made publically available as a result of litigation in the United States (Truth Tobacco Industry Documents, 2017). The provenance, relevance, and limitations of industry documents have been described (MacKenzie & Holden, 2016), and findings presented here highlight their particular value in understanding tobacco industry strategies for which more conventional data sources are limited. Initial terms for searches carried out between October 2016 and November 2017 included *Burma, Myanmar, Rothmans Pall Mall Myanmar, Singapore Tobacco Company*, and BAT's *Corporate and Regulatory Affairs* (CORA). Snowballing search techniques (Anderson, McCandless, Klausner, Taketa, & Yerger, 2011) generated further terms including names of key industry and government individuals, associated organizations, projects, and products. Analysis was based on Forster's (1994) hermeneutic model. This includes identification of document meaning; categorization of themes; interpretation and contextualisation of findings within geographical, temporal, and corporate culture settings; and triangulation with other resources. Other resources consulted included material published by international organizations including the WHO, NGOs, media reports, and scholarly journals.

## 3 | BACKGROUND

### 3.1 | The tobacco industry and CSR

CSR typically involves what McBarnet (2007) has described as a broad sweep of ethical concerns that include “enhanced concern for the environment, human rights, fairness to suppliers and customers, and opposition to bribery and corruption.” At its most effective, a successful CSR programme enables corporations to demonstrate their willingness “to transcend self-interest for the sake of the common good” (Palazzo & Richter, 2005). Critics such as Doane (2005), however, argue that CSR in general has “proved itself to be often little more than a public-relations offensive to support business-as-usual.”

Palazzo and Richter (2005) distinguish between *transformational* CSR, in which a corporation “demonstrates that it is willing to transcend self-interest for the sake of the common good” and a *transactional* approach in which corporations publicize their compliance with legal and moral obligations and make claims of fair and consistent behaviour. Tobacco companies, they argue, “are not in CSR business in the strict sense” and therefore focus on its *transactional* value (Palazzo & Richter, 2005) that can provide political and organizational legitimacy that reduces the extent to which they are held responsible for particular negative outcomes.

Given mortality and morbidity caused by tobacco use, the concept of a socially responsible tobacco industry is considered by many observers to be intrinsically self-contradictory (Fooks, Gilmore, Collin, Holden, & Lee, 2013; Hirschhorn, 2004), or dismissed as strategies to mollify regulators and impede meaningful policy change (Tesler & Malone, 2008; Yang & Malone, 2008). The WHO position on CSR has been made clear in *Tobacco Industry and Corporate Social Responsibility ... an Inherent Contradiction* (WHO, 2004), and in *Tobacco industry interference with tobacco control* (WHO, 2008), which describes CSR as “crucial to the tobacco industry for restoring its damaged reputation, improving employee morale and maintaining and increasing the value of company stock.” The FCTC does not explicitly address corporate responsibility strategies, but subsequent discussion by parties to the Convention led to the 2008 declaration that CSR practises fell within the parameters of the FCTC’s definition of promotion as the “aim, effect or likely effect of such a contribution is to promote a tobacco product or tobacco use either directly or indirectly” (World Health Organization. Framework Convention on Tobacco Control, 2009).

### 3.2 | BAT in Myanmar

BAT’s interest in entering the Myanmar market in the late 1980s (Salter, 1991) took place against a backdrop of growing international criticism of the country’s human rights record. Condemnation of the State Law and Order Restoration Council, the military’s governing body, intensified in 1988 following its crackdown of violent protests against government economic mismanagement and political repression (Kipgen, 2016). In 1990, State Law and Order Restoration Council summarily rejected the landslide general election victory won by the opposition NLD, carried out mass arrests of party members and its suppression of ensuing protests left thousands dead (Kipgen, 2016). As well as political repression, accusations of human rights abuse, military conscription of children, and exploitation of ethnic minorities led a number of predominantly western countries to suspend diplomatic ties with Yangon and implement a range of further actions. The United States froze assets of Myanmar officials and implemented a trade embargo, the European Union enacted limited sanctions, and the UK government expressed its growing concern with the regime and with UK-based companies operating in the country (Holliday, 2005; Kipgen, 2016).

Asian governments, particularly those with significant investment in the country, generally adopted a policy of *constructive engagement*. This approach was premised on the argument that continued investment would create opportunities for dialogue and influence with the regime, and consequent economic growth would contribute to the growth of a politically active middle-class. Sanctions, according to this approach, harmed an already oppressed population and had enabled China to increase its regional influence as an ally of the increasingly isolationist Myanmar regime (Holliday, 2005).

Economic policy was overseen by the Union of Myanmar Economic Holdings Ltd and the Myanmar Economic Corporation. Its mismanagement had transformed a resource-rich state

from potentially the wealthiest in Southeast Asia into an “undeveloping country” (Turnell, 2008) that became increasingly dependent on windfall gains from natural gas sales. By the late 1980s, economic stagnation and political unrest forced the administration to soften its position on foreign investment as part of 1988 economic reforms (Jones, 2014). The *Union of Myanmar Foreign Investment Law* of November 1988 marked a reluctant shift by the isolationist military leadership to attract foreign investment, but investing in the country remained a labyrinthine process. Joint venture applicants were assigned a government-approved local partner, and regulations for the process required use of state-owned land and employment of a government-supplied labour force (Steinberg, 2005).

These arrangements meant that foreign companies doing business in Myanmar were partners with the military regime. Investment in the country became a sensitive public relations proposition that frequently attracted criticism from NGOs and NLD members-in-exile who hoped to isolate the regime through sanctions, public protests, and shareholder activism (Holliday, 2005), and a number of predominantly western firms took the decision to withdraw from the market.

### 3.3 | Responding to public and shareholder concerns

Negotiations with Myanmar’s military regime to establish a joint manufacturing venture in the 1990s were unsuccessful, and BAT operations were restricted to importing and promoting its products for a decade. In 1999, BAT was eventually able to move into production as a result of its global merger with Rothmans that saw the latter’s local subsidiary, Rothman’s of Pall Mall Myanmar (RPMM) become part of the BAT group. The potentially problematic public relations implications of the RPMM acquisition were made clear by reports of human rights abuse released around the time of the merger by Human Rights Watch (1999) and the International Labour Organization’s censuring of the regime for its “widespread and systematic” use of forced labour, the first time organization had taken this step (ILO, 2000).

BAT documents indicate that company policy on countering public and official disapproval and, importantly, reassure shareholders focused on three assumptions. Foreign corporations operating in Myanmar could not be held accountable for actions by the military government; BAT operations in the country complied with local legal requirements; and by operating in a responsible manner, RPMM could set an example for corporate conduct. The company’s 2000 Annual General Meeting (AGM) presented an early test of shareholder attitudes to the RPMM acquisition, and BAT statements prepared for speakers focused on these assumptions:

*British American Tobacco has actively operated in various economic and political environments since its foundation nearly a hundred years ago. Around the world we believe that constructive engagement with local governments is the best approach for the long term. (BAT, 2000)*

Company policy was also described as being consistent with regional political approaches. Because the RPMM joint venture was registered in Singapore, and the “Singapore Government’s line on Burma/Myanmar is to follow the ASEAN policy of constructive engagement” and Burma/Myanmar was a fully paid up member of ASEAN (BAT, 2000), BAT was, therefore, in line with ASEAN policy according to the company. Additional notes prepared for company

representatives addressing the AGM raised the question of why the British government took a harder line on Myanmar than it did on Saudi Arabia or China, where human rights abuses had also been identified (BAT, 2000).

Although members of BAT's CSR team were assigned to answering written complaints from the public by stating that the corporation expected its companies to "operate to high standards of business integrity" (Adams, 2003), the company defended its investment in the country in a December 2002 *Rothmans of Pall Mall Myanmar Limited Social Status Report* (BAT, 2002a). Noting that its investment had had been encouraged by ASEAN, the report stated that RPMM had developed proposals "which it believes benefit Myanmar society and has taken a lead in defining, demonstrating and setting an example for corporate social responsibility in the country" (BAT, 2002a). Specific achievements included provision of contracted farmers with "tobacco cultivation knowledge and expertise at no cost" and with "fertilisers and agro-chemicals on credit, which makes the process affordable"; support for health projects; supplying a meal for an entire village of 700 people as part of a ceremony; and "celebrating Peasants' Day with Union of Myanmar Economic Holdings personnel" (BAT, 2002a). These projects were portrayed as being particularly beneficial to Myanmar society given that international sanctions and aid withdrawal meant that "the Government continues to face significant pressure on its budgetary position and this has had an effect on spending in key areas including health and education" (BAT, 2002a).

The report, however, did little to mollify critics. In November 2002, Burma Campaign UK alleged that land provided by the government for the RPMM factory near Yangon was in an industrial zone that had been upgraded by work crews that included child labourers. It also alleged that the company paid its employees below the poverty level wage, and contributed an estimated US \$400,000 directly to the regime via taxation (Burma Campaign UK, Friends of the Earth, 2002).

In response, BAT countered with a second publication in December 2002, *BAT and Myanmar (Burma)*, which denied any knowledge of the involvement of child labour and stated that it was "disturbed to learn of the allegation" (BAT, 2002b). There was, however, no reply from BAT when subsequently questioned if they intended to investigate the child labour claim (Burton, 2003). This statement reiterated many of the key points of the earlier RPMM social status report and argued that although "economic impoverishment renders people less free, more frustrated and less likely to support democratic principles," RPMM not only represented a potential catalyst "for long term social development", but also set an example for socially responsible corporate conduct (BAT, 2002b).

In response to allegations by Burma Campaign UK, Friends of the Earth (2002) claims that RPMM factory workers were paid as little as 23 pence per day, well below the 60 pence per day poverty threshold, BAT pointed to monthly wage figures in *kyat*, but acknowledged that accurate conversion of the Myanmar currency was imprecise because of conflicting official and unofficial exchange rates. Despite this apparent ambiguity, it was claimed that the lowest paid RPMM factory was paid 52,942 *kyat* monthly, which, according to the statement, worked out to six times more than the figure of 23 pence per day (BAT, 2002b). Although BAT apparently felt it necessary to defend its position on specific issues, *BAT and Myanmar (Burma)* made it clear that it had little obligation to consider such concerns:

*Our view is that our companies will operate in any country unless it is impossible to manage a commercially viable business to appropriate standards or unless it is for*



*any reason unlawful for them to do so. We believe this is the best way for a commercial organisation to fulfil its role and to contribute to economic, environmental and social development goals and to the spread of best practice. (BAT, 2002b)*

### 3.3.1 | Growing censure and withdrawal

Pressure on BAT continued into 2003. In January, the company donated approximately US \$50,000 donation to a government-sponsored human rights awareness workshop in Yangon, but this was dismissed by critics as “creating a façade of concern” that meant little in the face of ongoing systematic violations (Burton, 2003). The awkward issue of wages resurfaced at the company's May 2003 AGM, during which BAT was accused of paying as little as 17 pence per day (Macalister, 2003b). Company officials now argued that when calculations included a bonus, meal benefit, shift allowance, and overtime, 17 pence per day could work out to 52,941 kyat (£30 per month) for its lowest paid worker. It was later revealed by BAT's Asia Pacific CORA manager that the rate of overtime pay was one-sixth of the figure previously cited, and that the average monthly wage for RPMM's lowest paid workers was £16.10 a month (Macalister, 2003b).

Ken Clarke, BAT nonexecutive deputy chairman and a long-standing Conservative Member of Parliament, former Minister of Health, Secretary of State for Health, and Chancellor of the Exchequer did little to help BAT's defence of its Myanmar operations by issuing a series of statements that seemingly contradicted the company's official stance. A letter distributed to his constituents quoted Clarke as stating that the “problem with Burma arises when companies start collaborating with an extremely unpleasant regime which is totally contrary to our notions of civil liberties and democracy” (Macalister, 2002). Speaking at the 2003 AGM, Clarke insisted that his statement had been taken out of context but effectively repeated its sentiment by stating that he shared the view that “Burma is not one of the most attractive governments in the world” (Macalister, 2003c). He contended, however, that the company should not pull out of the country as this would result in 500 redundancies. Company chairman Martin Broughton, in contrast, had offered a more typical defence of the Myanmar operation in his opening remarks to shareholders:

*[i]f we tried to judge the moral acceptability of governments as criteria for doing business, we would almost certainly find moral objections to a great many countries. Our investments are judged on our proper criteria, balancing all our responsibilities, and not on misdirected demands by campaign groups. (Macalister, 2003c)*

A series of events in 2003 significantly added to pressure for BAT to leave Myanmar. Amnesty International (2003) and Human Rights Watch (2003) released new reports of human rights abuses in the country. In May, armed supporters of the regime ambushed an NLD convoy that included Aung San Suu Kyi, killing some 80 people. The incident sparked international condemnation, including unusually strong criticism by Japan, suggestions by the Malaysian prime minister that Myanmar risked expulsion from ASEAN, and tightening of existing sanctions by the United States (Seekins, 2005). In July, the UK government formally requested that BAT withdraw from Myanmar (BBC News, 2003). The company remained defiant, arguing that pressure from the government set a “potentially damaging precedent which could worry its shareholders,” but indicated that it would be prepared to withdraw “if EU sanctions make it

illegal to operate there” (BBC News, 2003). Michael Prideaux, director of BAT’s CORA unit from 1998 to 2012 (BAT, 2011), stated that calls for divestment both failed to comprehend the complexity of the issues involved, and misjudged the respective roles of corporations and governments in relation to human rights concerns:

*[i]t’s not the profits, it’s the principle. It raises the question “wherever next?” Is it Zimbabwe or is it Iran? We stayed in Argentina during the Falklands War and in South Africa throughout apartheid. We believe that human rights in the workplace is for us and human rights in general are for the Government. (London Evening Standard, 2003)*

Despite protestations, BAT announced in November 2003 that it would accede to the government’s “exceptional formal request” (BAT, 2003) and sell its 60% share in RPMM. In what it described as a “balanced outcome to a difficult dilemma,” BAT would maintain “local employment opportunities and the orderly and responsible marketing our brands” (BAT, 2003) by licencing manufacture of its *London* and 555 brands to the new partnership at the former RPMM factory in Yangon. The statement acknowledged the “importance of the UK Government’s position to the investment decisions of a UK-based multinational business” (BAT, 2003), but also made it clear that the company believed that divestment from countries run by governments with controversial human rights records was not the best way forward:

*[w]hile we understand and greatly respect concerns about human rights, we believe that multinational companies have a key role to play in human rights through leading by example and influencing where they can have influence, such as employment standards, business practice, environmental management and community support. (BAT, 2003)*

BAT sold its 60% RPMM stake to the Singapore-based investment firm that has been the original partner of Rothmans, prior to the BAT takeover. The decision to drop its manufacturing operations was greeted enthusiastically by NGOs and the UK government but some important terms of the sale were generally overlooked. The licencing arrangement BAT agreed with RPMM’s new owners, for example, meant that BAT continued to profit from the manufacture and sale of its brands in Myanmar, while being subjected to considerably less scrutiny (Macalister, 2003a).

## 4 | DISCUSSION

BAT’s RPMM partnership with Myanmar’s military government raises important questions regarding corporate operations in countries whose governments engage in large-scale human rights violations. The company’s response to growing public and official criticism to its Myanmar subsidiary was that it could not be held accountable for actions of the host government, but that by adhering to unspecified human rights standards in the workplace the company could serve as an example to government and to other investors. To deflect criticism of its Myanmar subsidiary, BAT cited its CSR projects that, it argued, contributed to health, education, and other social concerns. Such initiatives were particularly timely, according to the company, as the government faced budgetary constraints caused by international sanctions.



There is, however, no evidence in the BAT documents of any related significant investment. There are, however, references to a small number of low cost CSR initiatives that were seemingly aimed at deflecting criticism from “being visibly allied with a universally unpopular regime” (Ockwell, 1993).

BAT's failure to effectively counter critics of its Myanmar subsidiary or to sway the UK government raises more general questions about tobacco industry use of CSR. Even Palazzo and Richter's (2005) concept of limited *transactional* use of CSR, through which corporations promote compliance with legal and moral obligations and make claims of fair and consistent conduct, seems beyond the tobacco industry given the social and economic impacts caused by its products. Despite this, CSR remains valuable to the industry for its capacity to establish links to policy elites, and to portray tobacco companies as legitimate actors in the health policy process (Gilmore, Fooks, Drope, Bialous, & Jackson, 2015). As such, it represents a key component of company strategies to meet their fiduciary responsibilities that “*require* them to maximize profits regardless of consequences to health, society or the environment and thus to oppose policies that could risk their profits” (Gilmore, Savell, & Collin, 2011). This is particularly the case in low- and middle-income countries desperate for investment, and BAT's ability to establish connections to Cambodia's political and economic elites, and its influence on tobacco control policy provide a pertinent regional example of the effectiveness of industry CSR strategies (MacKenzie & Collin, 2016).

BAT's partnership with Myanmar's military government also raises specific questions regarding corporate operations in countries in which governments are accused of human rights violations. Corporations in such environments could leave themselves open to charges of complicity in human rights violations committed by the state, and face criminal liability under international law (Olson, 2015). Such concerns were rejected by BAT CORA director Michael Prideaux (2000), who argued that responsibility for human rights did not extend beyond the workplace. Effectively, this was an admission that corporate policy was to overlook human rights abuses in markets in which it operated, including apartheid-era South Africa, and to focus instead on maintaining sound relationships with host governments. This had been previously spelt out in a BAT investment proposal to Turkish government officials in 1986, a few years after the military coup and the controversial 1983 general election. As part of its proposal, BAT underlined its reliability as a long-term investor during difficult times and its record “of working closely with governments and private enterprises for the benefit of the country concerned,” citing its presence in El Salvador, Nicaragua Uganda as examples (BAT, 1986).

Prideaux's report, written at the height of the RPMM controversy, provides valuable insights into company thinking on how best to employ and publicize CSR projects. The process, he stressed, “should succeed in hauling us closer to a position of co-operation with governments and other important stakeholders in the developed world, while helping to limit the spread of ‘demonisation’ from the developed world to the emerging markets” (Prideaux, 2000). Importantly, he also noted that social reporting would help BAT not only “achieve a position of recognised responsibility but also provide ‘air cover’ from criticism while improvements are being made. Essentially, it provides a degree of publicly-endorsed amnesty” (Prideaux, 2000).

#### 4.1 | BAT's return to Myanmar

BAT returned to Myanmar in July 2013 in a joint venture partnership with IMU Enterprises, a branch of the Sein Wut Hmon Group, a local conglomerate that has been accused of illegal

land acquisition backed by the military (Global Witness, 2015). Statements by BAT executives that the company is keen to play an active role in Myanmar's social and economic development (BAT, 2013) are less than reassuring given the industry's record of promoting the economic benefits of tobacco to LMICs via "lopsided assessments" that disguise the costs to economic development. Typically, the tobacco industry relies on misconceptions among policymakers regarding the economic benefits of tobacco, employment, and investment, for example, while downplaying the social and economic costs of consumption, effectively creating what has been described as "a false choice between health and economic wellbeing" (Gilmore et al., 2015).

Myanmar policymakers have apparently opted for the second of these choices. More than 70,000 annual deaths are attributable to tobacco use (Assunta, 2017), and the return of global cigarette manufacturers to a largely unregulated market suggests that the country faces an impending tobacco-related disease epidemic. Enactment of rigorous tobacco control measures is clearly required but this seems a remote possibility in current economic and political conditions. Tobacco control receives approximately US \$4,000 annually from the government (Carroll, 2016), and enforcement of limited existing regulation is uneven. Significantly, tobacco industry interference in the policy process remains a key concern according to a recent regional survey by the Southeast Asia Tobacco Control Alliance (SEATCA, 2017). CSR opportunities for tobacco companies appear to be largely unregulated and are, in some cases, abetted by the government (SEATCA, 2017). Recent media reports describe tobacco company provision of educational grants, and sponsorship of orphanages, disaster relief, and cultural festivals (Min, 2013; Win, 2013).

Since BAT pulled out of Myanmar in 2003, global tobacco control has progressed significantly, and adoption and enforcement of international regulation offers a potential way forward. Myanmar ratified the FCTC in 2004 but implementation and enforcement have been uneven and under-resourced (SEATCA, 2016). In 2011, the United Nations Human Rights Council endorsed the UN Guiding Principles on Business and Human Rights that stipulate that all companies, including tobacco, "avoid causing or contributing to adverse impacts on human rights" (UN Human Rights Commission, 2011). In its 2017 interpretation of the Guiding Principles, the Danish Institute for Human Rights (2017) stated that *as* "there can be no doubt that the production and marketing of tobacco is irreconcilable with the human right to health. For the tobacco industry, the UNGP therefore require the cessation of the production and marketing of tobacco."

In September 2017, the United Nations Global Compact, an initiative to encourage companies to align their strategies and operations with UN principles on human rights, labour, environment, and anti-corruption and to take strategic action to advance social goals, excluded tobacco companies from membership to bring its policies more closely in line with broader UN procedure (UN Global Compact, 2017). Although these resolutions may have limited impact in Myanmar in the short term, they do contribute to the growing denormalization of tobacco use. More importantly, they provide the local tobacco control community with international standards that can be used to support their claims that the government, and tobacco companies operating in the country, have obligations for human rights. More immediate assistance will be forthcoming via the FCTC Secretariat that announced in April 2017 that Myanmar had been selected as 1 of 15 countries to receive support under the FCTC 2030 project. Under the terms of the project, direct support will be provided to help countries selected to accelerate implementation of FCTC measures (WHO, 2017).

### 4.1.1 | Investment in Myanmar

Beyond public health concerns, uncertainty surrounding Myanmar's political direction raises questions about foreign companies doing business in the country, as suggested by observations made in 2013:

*back then, Myanmar was a pariah state and BAT was widely condemned for its links to a brutal military regime. Now, with a rapidly expanding economy and growing foreign interest, investing in Myanmar is a feel-good story, despite growing concerns about the spread of racial and ethnic violence. (Robinson, 2013)*

Recent reports of repression; oppression of critics of the government or the military; and escalation of conflicts with ethnic groups, particularly persecution and mass displacement of Rohingya Muslims, are worryingly reminiscent of the country's history under direct military rule prior to 2015 (Amnesty International, 2017; Human Rights Watch, 2017). The situation has reportedly caused unease among potential investors, (Lee & Zaharia, 2017), and how it might affect foreign companies already in the country is uncertain. Burma Campaign UK, a key actor in the campaign that led BAT to quit the market in 2003 is considering, for instance, resurrecting its "Dirty List" of companies directly or indirectly linked to human rights violations (Burma Campaign UK, 2017).

## 5 | CONCLUSION

BAT's previous defence of its partnership with the Myanmar's military regime prior to its 2003 divestment suggests that the company is unlikely to be concerned by recent reports of oppression of critics of the government and the military, displacement of ethnic minorities, or by accusations levelled against its joint venture partner of illegal land acquisition. Rather, the company has promoted the benefits of its return to Myanmar in terms that are strikingly similar to those made in defence of RPMM over a decade ago. Analysis of the company's earlier strategies and tactics presented above provide potentially valuable guidance for current tobacco control planning. Challenging pronouncements by company officials that BAT is "keen to play an active part in the country's economic and social advancement" (BAT, 2013), and its promotion of CSR projects can be challenged, for instance, by pointing to earlier controversies surrounding the real objective of BAT donations to human rights workshops, support for health projects, aid for farmers, and claims of living wages paid to RPMM employees.

Clearly, countering BAT claims will be difficult for Myanmar's under-resourced tobacco control community. Yet, the circumstances of BAT's divestment in 2003 suggest the potential of civil society, international organizations, and governments to hold the company, and the tobacco industry more broadly, to account for working in countries in which state-sanctioned human rights abuses occur. Further, the international tobacco landscape has advanced since 2003. Growing exclusion of tobacco companies from international agencies and, particularly, the progress of the FCTC enable tobacco control advocates in Myanmar to draw on resources, and to cite the country's international obligations to enact meaningful regulation.

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