



THE EMPLOYERS CONSULTATIVE ASSOCIATION OF MALAWI

“The Voice Of Employers in Malawi”

**EMPLOYERS’ POSITION ON ILO COOPERATION WITH THE TOBACCO SECTOR AND
PUBLIC-PRIVATE PARTNERSHIPS FOCUSED ON CHILD LABOUR**

1. Introduction

We are aware of the World Health Organisation’s Framework Convention on Tobacco Control (FCTC), which requires Parties to protect public health policies on tobacco control from the commercial interests of the tobacco industry. We are also aware of the ECOSOC Resolution E/2017/L.21 on the United Nations Inter-Agency Task Force on the Prevention and Control of Non-communicable Diseases, which encourages UN agencies, *“as appropriate and in line with their respective mandates, to develop and implement their own policies on preventing tobacco industry interference”* of public health policies on tobacco control. ¹ We welcome the ILO’s decision to discuss the issue of ILO cooperation with the tobacco industry at the 331st session of the Governing Body to be held in November 2017.

2. Overview of cooperation with the ILO

Currently, the ILO is involved mainly in child labour programmes in a number of countries including Brazil, Malawi, Uganda, Tanzania, Zambia and Zimbabwe that have received support amounting to US\$15 million from the tobacco industry. Most of the programmes are expected to come to an end in 2018. In our view as stakeholders, it is our belief that Private Public Partnerships (PPP’s) between the ILO and the Tobacco industry should continue to contribute in as far as decent work and sustainable enterprises.

¹ GB329-POL_6_[GOVER-170131-1]-En.docx p.1

The tobacco industry subscribes to the fundamental principles of rights at work. In addition to this, the industry also is cognizant of the importance of inclusive business of which corporate social responsibility is a part of. The involvement of the PPP's in supporting the elimination of Child Labour is aligned with the ILO objective of promoting sustainable enterprises, including small and medium-sized enterprises. A sustainable enterprise is one that combines the legitimate quest for profit, the respect of human rights, promotes a sustainable environment and decent work. It is therefore imperative that supply chains and value chains echo this combination. In this vein, PPP's with the tobacco industry are balanced as they support employers, workers and the overall policy goals of Governments. This collaboration is aimed at supporting the realization of fundamental principles and rights at work in tobacco growing communities.² Through this collaboration the office:

has supported the application of the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182), towards the elimination of child labour, which is widespread in many tobacco growing communities, while striving to increase opportunities to secure decent work and improved incomes for adults who depend on the sector for their livelihoods.³

The sector is aware that the highest incidence of child labour occurs in the agriculture sector. This is because 'out of the 168 million children engaged in labour, 98 million are found in agriculture'.⁴ The ECLT foundation continues to engage in meaningful partnerships, one example being the PPP's to "advocate globally in order to identify, develop, and implement sustainable solutions to child labour".⁵ This includes:

- Educating key actors of the tobacco supply chain about the implications of using child labour and what must be done to end it.
- Disseminating knowledge about local and global initiatives on children's rights, education, and empowerment.
- Monitoring the legal systems and human rights and development frameworks in our project countries.
- Raising awareness about the root causes of child labour in tobacco growing and what can be done to tackle them.
- Researching, developing, and sharing good practices that are effective in ending child labour and helping children realize their full potential.⁶

3. Contribution to economic activity

It should be borne in mind that in countries such as Malawi, there are few substitutes for tobacco. The importance of tobacco production is that it is more profitable than maize and 14 times more profitable than cotton. In Malawi, tobacco accounts

² ibid

³ ibid

⁴ <http://www.eclt.org/our-approach/global-advocacydissemination-of-good-practices/>

⁵ ibid

⁶ ibid

for over 70% of foreign exchange earnings and contributes to 10% of the GDP.⁷ It is still the source of the bulk of the small-holders revenue. From this it is evident that an approach that includes players in the sector as well as from a technical perspective is well founded.⁸ With 69% of children in Malawi in child labour in agriculture, the call for collaborative action cannot be overemphasised.

In 2015, Zambia tobacco production contributed 0.4% GDP. This is substantial when one considers that contribution to GDP of other products is Maize 1.5, coffee 0.7%, tea 0.01%. In the same year Zambia produced a total of 34,000 tonnes of tobacco valued at \$98,000,000 (ninety eight million dollars). On the other hand total output of maize was 2.9 million tonnes, cotton 260,000 tonnes, coffee 6,500 and 900 tonnes for tea. The value of production of maize, cotton, coffee and tea in 2012 was respectively \$390,000,000 (three hundred and nineteen million dollars), \$180,000,000 (one hundred and eighty million dollars) \$17,000,000 (one hundred and seventy million dollars) and \$200,000 (two hundred thousand dollars) respectively (write in words as well). In 2012 there was an estimated 10,000 small and medium scale farmers that grew tobacco.

In Mozambique there is a policy that creates an environment for PPP's with the tobacco sector. The tobacco companies train small scale farmers that have a hectare or more to produce tobacco on one half of their land and on the other, agricultural products that satisfy their food security. For example the tobacco companies provide seed such as beans, maize and other horticultural products. To complete the cycle, they buy the tobacco from the farmers. This is a clear example of inclusive business that supports sustainable enterprises. In 1999, the produce of tobacco was about 3,000 tonnes per year and this figure had gone up to 70,000 tonnes in 1999. In 2011 the export value of tobacco had gone up to \$217,000,000. (two hundred and seventeen million dollars) accounting for 40.5% of the export value of agricultural products. In the same year 6,000 people with around 12 dependants were employed. This suggests that the socio-economic impact is wider.

At national level, it is imperative to note that the majority of interested countries have a legal and regulatory environment for Public Private Partnerships, including the PPP Act of 2011 in Malawi, the PPP Act 15 of 2011 in Mozambique, the PPP Act of 2009 in Zambia, the PPP Act of 2015 in Uganda and the PPP Act of 2010 in Tanzania.

At international level, the PPP programmes have been channelled through a public private partnership signed by the ILO and the Eliminating Child Labour in Tobacco Growing Foundation (ECLT). ECLT is also a member of the Child Labour Platform (CLP) of the UN Global Compact Human Rights and Labour Working Group, for which the ILO provides the secretariat'.⁹ The other PPP has been entered into by

⁷ ibid p.4

⁸ ibid

⁹ ibid p.4

the ILO and JTI, which is also a member of the CLP.¹⁰ ECLT and JTI have contributed US\$5,332,835 and US\$10,114,200 respectively. Both of these PPP's have been selected through a standard vetting process employed by the Governing Body.¹¹ In as far as substantive reasons to maintain these PPP's, it is evident that they promote the fundamental principles of rights at work and sustainable enterprises. In as far as procedural elements, the PPP's, promote adherence to international standards as well as national laws and business practices.

Position

In conclusion, we urge constituents from tobacco growing communities such as the United Republic of Tanzania, Malawi, Uganda and Zambia to support continued ILO cooperation with the tobacco industry and to strongly oppose any disassociation of the ILO with tobacco companies at the upcoming Governing Body meeting of the ILO. At the heart of our CSR policies are two pillars creation of decent work and the promotion of sustainable enterprises.

Key messages and Recommendations

- i. We agree that the enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being.
- ii. Tobacco growing still functions as a safety valve which safeguards livelihoods for millions of people from tobacco growing economies who for the most part belong to vulnerable social groups.
- iii. The ILO is a specialised agency of the United Nations whose mandate includes all aspects of the world of work. It is therefore imperative that it takes a holistic and flexible approach acceptable within the framework of the UN to work with concerned and interested parties.
- iv. Tobacco is not only grown for commercial purposes, but it is also being used for food security to support other crops and enterprise growth in small scale farmers.
- v. The PPP's entered into between the ILO and Tobacco producing companies are in no way promoting consumption or production of tobacco, and do not address public health policies on tobacco control, which is the focus of the WHO FCTC. They can be used to promote research and development in ways of making tobacco less harmful to both primary and secondary markets as well as finding other viable uses of tobacco other than smoking.
- vi. Tobacco production remains a legal agricultural crop.

¹⁰ *ibid*

¹¹ *ibid*

- vii. There is an enabling legal and regulatory framework on PPP's in most of the concerned countries.

Signed