CORPORATE SOCIAL RESPONSIBILITY
IN AUSTRALIA’S TOBACCO INDUSTRY

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INTRODUCTION

Antonio Márquez; Fombrun, Charles J (2005) state that Corporate Social Responsibility (CSR) is a way by which business tries to give back to the society in some form. It is an instrument by which a business observes and makes sure its ongoing compliance with ethical aspects, government laws and international standards. It also monitors company’s actions if in any way might cause damage or harm to the society and helps in avoiding such actions. The CSR emphasizes on keeping in mind all the stakeholders before any action and should thoroughly analyze its consequences and effects on all of them. When tobacco companies are taken into consideration they are generally viewed as companies inherently harming the society as well as corrupting the youth. So CSR is a very tricky task for such companies. There are various factors which come into play when we look at different motivation factors which drive these companies to go for any CSR activities and in what way they can be made effective.

MOTIVATION OF TOBACCO COMPANIES BEHIND CSR

Fooks et al (2001) claims that not only does the tobacco companies go for CSR to improve their public image but also to gain access to different politicians in order to influence the government policies in their own interest. They claim that CSR programs run by tobacco giants like BAT are very creative ways of corporate political activity. WHO tobacco free initiative team (2003) also developed a report in which they claim that CSR by tobacco companies is an inherent contradiction. They go on further to state that programs run by every major Tobacco Company to prevent youth smoking are generally ineffective and sometimes instead of preventing youths from smoking these programs attract the young kids towards smoking. These companies try to portray that they are solving the problem which in the first place is caused by them to divert the attention from the major deterring factors like increase in taxes or prices of cigarettes which is proven to be a more effective method as the youths are very sensitive to price change of these products (Mandel, Bialous, Aguinaga; Glantz and Stanton, 2005). The other way in
which tobacco companies go for CSR activities is starting scholarships and grants for students of different universities who excel in different fields, but at the same time there are various posts in the same universities which were given to the employee of these tobacco companies. In this way they are trying to penetrate into the core of education system. Dr Fernand Turcotte, of Laval University one of the authors of this research also argue that it is way to buy silence or complacency. There are also various controversies over tobacco companies using marketing tactics like naming a product, creating an attractive advertisement to target youth audience which contradicts to their CSR efforts. They portray smoking as an activity which is “cool” or extremely fun by using young and good looking models getting attracted to person who is smoking. This develops an appeal in youth to go for use of tobacco products. Sundaram and Kaushik (2007) claim that advertising and marketing practices followed by tobacco companies are considered unethical by general audience and that the customers do not approve of such advertising practices.

TOBACCO COMPANIES IN AUSTRALIA

There is an increase in de-normalization of tobacco use in Australia which means that the change in people attitude towards smoking from publicly acceptable to anti social and destructive. It is not changed as much for smoking as it has changed for the tobacco companies. This can be deduced from the various media reports, newspaper articles, environment and health campaigns etc. There have been conscious efforts made to make the smokers feel unwelcome at many places. There have been also efforts taken by different type of industries like Australian automobile manufacturers by removing ashtrays from standard accessories in the car (Chapman and Freeman, 2007). These efforts have seen some success and so it can be taken as a sign of progress. The government is also trying to dissuade smokers by taxing the tobacco products or increasing prices of these products. The Australian people are not in great favor of these tax hikes or price increase unless the revenue collected in not used in
activities to reduce smoking as it might affect poor smokers a lot and will give rise to smuggling of these products and illegal distribution will become rampant. So the people have an opinion that if the government is not investing money in efforts to reduce smoking they do not have moral right to increase the tax further. There are also talks of selling cigarettes in plain packet as it was found in a study that cigarettes sold in plain packet are found less appealing to the youngsters. Even though these efforts have highly reduced smoking in Australia and yet there are some negative effects of these de-normalization efforts like smokers might feel shameful to seek medical attention and this might worsen their condition further, this might also cause discrimination of smokers at workplace which might negatively hamper their self image and might lead them to further smoking.

**MARKETING THE CSR**

Since the advertising of tobacco products is banned in Australia the tobacco companies resort to substitute methods to promote smoking. In Australia big tobacco companies are distributing stationary, food and clothing among the poor kids as corporate social responsibility measure. These tactics are highly criticized by various social and business communities. Many tobacco companies are using CSR as a marketing measure since it helps them to pacify the healthcare activists, they can avoid several litigations by establishing political high ground. They can directly communicate with their new customers which are the teenagers for whom they come up with these CSR activities. They also get friends in political circle who help them with favorable policy making and health care legislations. They also tend to improve their corporate image among the general public by showing that they care. They also try to improve their industry credibility by boasting about such efforts.

The top officials of controversial companies like alcohol, gambling and tobacco believe in going for CSR as it positively effects the company’s image and firm value which has been established by empirical research conducted by Cai, Jo and Pan (2011). They also claim that some of the efforts in reducing
smoking among the youth programs were also successful and these companies also helped in some community development tasks at various locations. It is not that the tobacco companies cannot do a good job of CSR but the problem is that mix their business and social objectives.

**CONCLUSION**

Corporate social responsibility is practiced to achieve social acceptance and giving back to the society from which the business has earned so much. The tobacco companies also try to make an effort at this task there are two basic problems which they face, one is the public always considers their effort as a way to redeem themselves from selling products which literally kills people, so there is high cynicism regarding the efforts made by the company in this direction. The other problem as mentioned above is that the companies also tend to mix their business objective with these social cause like when the Australian government pet a ban on advertising tobacco products they used the support of these CSR initiative to reach their target audience and sell their products. Hirschhorn N (2004) emphasizes that it is not possible for these companies to stop selling products which harm the people using it but at the same time they can make conscious effort in making some contribution towards the society. It can be as small as providing aids to the cancer institutions or to distribute free medicines and healthcare aides to the people suffering from any tobacco related disease. This will help them in building a corporate image and at the same time take them to get in the good books of public but this should not be the primary motivation of tobacco companies to go for such efforts.
REFERENCES

- S Chapman and B Freeman (2007) Markers of the de-normalisation of smoking and the tobacco industry