
Study group on economically sustainable alternatives to tobacco growing (in relation to Articles 17 and 18 of the Convention)

BACKGROUND

1. At its first session (Geneva, 6–17 February 2006), the Conference of the Parties to the WHO Framework Convention on Tobacco Control decided to establish an ad hoc study group on alternative crops (decision FCTC/COP1(17)), with the objective of: (a) summarizing the uptake of existing economically viable alternatives for tobacco workers, growers and, as the case may be, individual sellers; (b) recommending to the Conference of the Parties mechanisms to assess the impact over time of the tobacco companies' practices; (c) reporting on initiatives being taken at national level in accordance with Article 17; and (d) recommending cost-effective diversification initiatives (decision FCTC/COP1(17)).

2. The Government of Brazil hosted the first meeting of the study group (Brasília, 27–28 February 2007). The ensuing report (A/FCTC/COP/2/11) was presented at the second session of the Conference of the Parties (Bangkok, 30 June–6 July 2007), which, in decision FCTC/COP2(13), mandated the study group to continue its work and to submit a report to the Conference of the Parties at its third session that would address, in particular, scientific evidence, tobacco-growing specific aspects, the time span in view of demand trend, aspects of economically sustainable alternatives in crop diversification measures as an alternative to tobacco crops, and possibilities of alternative livelihoods.

PROGRESS BETWEEN THE FIRST AND SECOND MEETINGS OF THE STUDY GROUP

3. In preparation for the second meeting of the study group, the Convention Secretariat contacted the participants in the first meeting and other international intergovernmental and nongovernmental organizations and academic and policy experts, in order to raise awareness about the issue, update and expand the inventory of experiences and case studies and engage different actors in a collaborative effort.

4. During the first session of the Intergovernmental Negotiating Body on a protocol on illicit trade of tobacco products (Geneva, 11–15 February 2008), the Convention Secretariat organized a lunchtime seminar at which presentations were made by representatives of Parties and other international experts. The purpose of the seminar was to raise awareness about the experiences and challenges of finding economically sustainable alternatives to tobacco growing and to provide an overview of the technical and institutional aspects in light of the provisions of the Framework Convention. It also served to provide information about preparations for the second meeting of the study group and to promote interest and contributions. Later that month, the Convention Secretariat participated in the seventh session of the United Nations Ad Hoc Interagency Task Force on Tobacco Control (New York City, 21–22 February 2008), where it described the progress and planned work of the study group.

SECOND MEETING OF THE STUDY GROUP

5. The second meeting of the study group on economically sustainable alternatives to tobacco growing was hosted by the Government of Mexico and took place in Mexico City, 17–19 June 2008.

6. Parties were invited on the basis of three criteria: (1) they had participated in the first meeting of the study group, (2) they were one of the largest producers of tobacco or (3) they were countries in which tobacco growing had a relatively heavy impact on their economies. Invitations were also extended to intergovernmental organizations, as outlined in decision FCTC/COP2(13), other international intergovernmental and nongovernmental organizations with expertise in the matter and academic and policy experts.

7. The aim of the meeting was to expand the scope of work from that of the first meeting, to describe recent experiences and cross-national reviews, to review policy development and analyse policies that are conducive to adopting economically sustainable alternatives to tobacco growing, and to prepare feedback and recommendations for submission to the Conference of the Parties.

8. In particular, the meeting reviewed global economic and labour trends in the tobacco leaf market and a cross-national analysis of key aspects of tobacco growing (health-related risks, social disruption and environmental impact) prepared by international experts at the request of the Convention Secretariat. The meeting also reviewed recent case studies on crop substitution that illustrated farmers' willingness to shift from tobacco growing and issues of profitability. It also discussed elements of a national policy framework to promote alternative development, including approaches other than crop substitution. Finally, the meeting reviewed corporate practices that undermine the promotion of economically sustainable alternatives to tobacco growing.

9. Representatives of 18 Parties (Brazil, Canada, China, the European Community, Honduras, India, Kenya, Kyrgyzstan, Lao People's Democratic Republic, Mexico, Pakistan, Paraguay, Peru, Republic of Korea, Sudan, Syrian Arab Republic, Thailand and Turkey) and from Argentina, a signatory to the Framework Convention, attended the meeting. A representative of the United Nations Office on Drugs and Crime also participated, as did representatives of nongovernmental organizations and other agencies with expertise on the topic, such as the Framework Convention Alliance, Corporate Accountability International and the International Development Research Centre. The meeting was officially opened by the Secretary of Health of Mexico, Dr José Córdova Villalobos, in the presence of other high-level authorities in the host country.

OVERVIEW OF GLOBAL ECONOMICS AND LABOUR IN TOBACCO GROWING

10. Elements that affect trends in the tobacco leaf market were discussed. First, production is steadily being concentrated in a few countries, 10 accounting for 80% of global production, which increasingly is in developing countries. This is largely due to quality and cost factors. Secondly, the upwards trend in production, surpassing actual global consumption of tobacco leaf, is resulting in an excess supply, thus decreasing producer prices and lowering tobacco farmers' profits. Under these financial circumstances and in view of the current global shortage and high prices of food crops, a window of opportunity might be opening for farmers to shift resources away from tobacco production towards food crops.

11. The lack of availability of current, reliable data on labour is a key limitation to an effective analysis of trends in this area. As the impact of tobacco control measures on employment is a critical issue, the study group emphasized the importance of accurate information on labour. The group discussed the fact that industry-sponsored studies tend to overestimate the negative impacts on employment, ignoring the fact that countries would transfer resources no longer required for tobacco production to other sectors of the economy. Peer-reviewed academic studies show that reduced consumption of tobacco products has no effect on overall employment, or even has a small positive impact. Nonetheless, the study group acknowledged that regions in which income is based largely on tobacco would suffer most from reductions in overall tobacco consumption. It was postulated that, as tobacco production shifts towards developing countries, employment trends will follow, putting tobacco-growing communities at higher risk for greater dependency, food insecurity and child and bonded labour.

Specific conclusions

12. World tobacco production is shifting towards developing countries, but profitability is beginning to decrease, thus affecting farmers' incomes. In this context, the current trends in the global food market represent an opportunity for economically sustainable alternatives to tobacco growing, particularly as the tobacco crop has a negative impact on food security.

13. In order to analyse the employment situation and trends, systematically collected, standardized data are required, and independent studies with credible results should be encouraged. As stated at the first meeting of the study group, data on tobacco growing and economically sustainable alternatives are needed, as well as a systematic review of tobacco industry practices in this field. The participation of specialized international agencies and programmes, including the International Labour Office, the United Nations Development Programme, the Food and Agriculture Organization of the United Nations and the World Bank, was considered to be instrumental.

HEALTH, SOCIAL AND ENVIRONMENTAL IMPACTS OF TOBACCO GROWING

14. Although production is shifting to developing countries, most of the studies on the health, social and environmental impacts do not reflect this trend, as they are conducted in developed countries.

15. Various occupational risks related to tobacco growing were reviewed, including green tobacco sickness, pesticide intoxication, respiratory and dermatological disorders and cancers at certain sites. Green tobacco sickness, the disease most specifically related to tobacco growing, results from dermal absorption of nicotine, which is exacerbated during the handling of wet leaves but is preventable by the use of personal preventive equipment. Nonetheless, lack of knowledge, limited access to resources,

the pursuit of lower production costs and climate conditions restrict the use of personal preventive equipment. Furthermore, women and children are most often exposed to the health risks: they are often employed because of the labour intensive nature of the crop, the small size of farms and the fine skill required for certain tasks. The existing literature does not however address the use of children and women of reproductive age in tobacco growing, and cohort studies of the long-term impacts on these groups are needed.

16. The study group discussed issues related to exacerbation of poverty by tobacco farming, in particular two issues related to social disruption: bonded labour and child labour. Although contractual arrangements trap farmers in a vicious cycle of debt, leaving them with few opportunities and little time for healthy practices, the tobacco industry has taken no responsibility for the resulting poverty or child labour. Children as young as 5 years of age are used in tobacco farming, contravening basic human rights and labour conventions. The group noted that the International Labour Office supports action against child labour in tobacco growing, particularly through the Eliminate Child Labour in Tobacco Growing Foundation, which has multiple partners, including the tobacco industry.

17. The study group addressed the environmental impact of tobacco growing, paying special attention to soil degradation and loss of vegetation. It noted that 90% of tobacco is grown in tropical dry forest and woodland areas – areas in developing countries with high population densities and high biodiversity losses. Tobacco depletes soil nutrients at a much faster rate than most crops. The tobacco seed contains no nicotine, and it is only through human intervention during the growing that nicotine is generated, resulting in a massive outflow of nutrients. Three triggers of vegetation loss are associated with tobacco growing: forest degradation, deforestation due to curing and deforestation due to clearance for more growing land. It was noted that, although the global share of agricultural land used for tobacco growing is less than 1%, its impact on global deforestation is 2–4%, making a visible footprint for climate change. Research suggests that tobacco growing may be up to 10 times more aggressive than the sum of all other factors in deforestation. The cost of mitigating socio-ecological losses is borne almost exclusively by farmers, despite the fact that the cause of ecosystem disruption by tobacco growing is the engineering of tobacco to deliver nicotine.

Specific conclusions

18. Tobacco growing entails a number of irreversible costs to farmers, which not only seriously damage their living standards but also erode their long-term prospects. Health risks, working conditions, contractual arrangements, the use of children in tobacco growing, and the environmental practices of tobacco growing have negative impacts on human capital and land, the two crucial assets in rural livelihoods. Further studies are needed on effects on health, the environment and the social structure in developing regions and countries with economies in transition.

19. Better reporting of the known health risks related to tobacco farming is needed. Green tobacco sickness should be recognized as an occupational disease, and the existence of health problems specific to certain regions or types of crop should be acknowledged. For example, in Lebanon, a case study showed that the stripping of tobacco leaves in the production of oriental tobacco leads to skin lesions, and storage of this tobacco in households for long periods leads to allergic reactions.

20. The social disruption caused by tobacco growing must be addressed from a development perspective, taking into consideration poverty, unfair contracts, child and bonded labour. Child labour and bonded labour should be discussed from the point of view of human rights, as these practices contravene the basic rights established in international law.

21. The group acknowledged that tobacco growing causes biodiversity losses, land pollution due to pesticides, soil degradation and deforestation, as well as water pollution. Monitoring is therefore needed, with annual audits of the environmental impact of tobacco growing. At the same time, environmental assessments are needed to ensure that alternative livelihoods for tobacco farmers do not have a greater environmental impact than tobacco crops.

ALTERNATIVE CROPS AND THEIR PROFITABILITY

22. Investments made by the tobacco industry in production and in securing the purchase of output (guaranteed minimum return) distort the agriculture market and discourage farmers from finding economic alternatives. Experiences around the globe indicate that it is crucial to involve farmers at every stage and that the profitability of alternative crops is the basis for success.

23. Region-specific characteristics define the range of opportunities available for agricultural development. An assessment of viable crop alternatives must be accompanied by a clear understanding of market conditions. In Mexico, a reconversion project run by the Government aims to seize the opportunity opened by current international food prices to promote cultivation of vegetables, fruits and grains. In Kenya, bamboo was found to grow well under agro-climatic conditions similar to those for tobacco; this crop was selected on the basis of potential demand, its multiple uses and the low investment and labour costs required. As full profit is expected to be reached only after three years, however, farmers will have to be supported in the interim. All possible options for marketing should be considered, from local to international markets. School food programmes that use alternative crops can stimulate markets for these new products.

24. Alternative crops need not be single ones but could be a combination of crops or crop systems. In India, the net returns from cropping systems were found to be higher than from tobacco monoculture. Consequently, research has been undertaken to identify alternative cropping systems for specific regions. In Bangladesh, viable crop combinations were identified on the basis of food requirements, cash earnings and improving soil health, as well as increasing livestock-keeping.

25. Although profitability is a key element in persuading farmers to phase out tobacco growing, other elements can also influence their decision to adopt alternative livelihoods. Minimal support to farmers in shifting from tobacco to an economic alternative is essential, so that they not only have a guarantee that their produce will be purchased but also have access to infrastructure and support services, which can influence their decision. In China, advances in agricultural technology and farm product facilities have contributed to the successful introduction of new cash crops in certain regions. In Pakistan, the State is involved in research on economically viable alternative crop cycles, particularly in the case of hybrid spring maize and hybrid sunflowers.

26. Farmers' awareness of the negative impacts of tobacco growing on their well-being and access to information about alternative livelihoods are important. In Bangladesh, farmers' access to information about alternative food crops raised awareness about the harmful environmental (deforestation of native trees and soil degradation) and health effects of tobacco growing and stimulated their engagement in an alternative crops project. A survey in the tobacco-growing regions of Lebanon showed that farmers who are more autonomous are more aware of the shortcomings of tobacco growing, are better informed about alternative opportunities and are readier to assume the risks of pursuing new ventures.

Specific conclusions

27. There was consensus that tobacco is a cash crop that active industry intervention has made attractive to farmers. Nevertheless, many countries, including the world's largest producers, are taking steps to finding alternatives to tobacco growing. Cropping systems other than single crops should be considered, as they result in better returns.

28. A number of economically sustainable alternatives to tobacco growing have been identified in studies in various regions of the world. These studies show the greater profitability of alternative crops and that farmers are willing to stop growing tobacco, provided that there are economic opportunities and the necessary support is provided.

29. A successful shift from tobacco growing to alternatives requires profitability, the provision of technical and financial assistance, capacity building and market and social support, not overlooking the transition period. Public policies, including intersectoral approaches, are required in order to take full advantage of the existing resources and opportunities. Farmers should be involved in decision-making and must therefore be given adequate channels to voice their needs and concerns.

ALTERNATIVE LIVELIHOODS OTHER THAN CROP SUBSTITUTION

30. A model for introducing alternative livelihoods while sustaining rural development, presented by Brazil, was reviewed. It is based on the fact that expanding the capacities of rural families leads to diversification of their economic and production activities. The approach encompasses five types of capital: natural (land, livestock), human (labour, education), physical (infrastructure), financial (savings, income) and social (network of social relations), which households use to make their livelihoods. Access to these assets can be measured by indicators that provide a sustainability index of the corresponding unit (e.g. household).

31. The study group reviewed cases in which the range of economic alternatives for tobacco growers had gone beyond the agricultural sector. In Lebanon, a large majority (94%) of tobacco growers seeking jobs were looking in non-agricultural sectors. In China, urbanization is encouraging farmers, especially younger ones, to move to cities, where they can find better remunerated jobs. In Canada, expansion of the automobile industry in regions close to tobacco-growing areas has attracted farmers to move from farming into manufacturing. In spite of these developments, the study group acknowledged that land remains central to any pursuit of economically sustainable alternatives by tobacco growers.

32. A wide range of opportunities is essential so that families, particularly the rural poor, can resist the various forms of vulnerability (weather, disease, prices) to which they are prone and make them more resilient. Consequently, the study group agreed that substituting one crop with another is a limited approach.

Specific conclusions

33. Diversification should include both agricultural and non-agricultural opportunities, including transformation of one agricultural product to another. Substitution of one economic activity by another does not, however, fully address the problem of the poverty and vulnerability of tobacco farmers.

34. In order to find economically sustainable alternatives to tobacco growing, it is necessary to address not only income and crop profitability but all aspects of farmers' livelihood. A framework for alternative livelihoods that goes beyond crop profitability to address the problem holistically could form a bridge between academic findings and policy decisions. The livelihoods approach was considered to be a more suitable approach for implementing Articles 17 and 18 of the Framework Convention than economically sustainable alternatives to tobacco growing or crop diversification. Improvement of this framework will require definitions, tools, identification of the data required and methods for data collection and analysis.

NATIONAL POLICY FRAMEWORK TO PROMOTE ALTERNATIVE DEVELOPMENT

35. Farmers require support in adopting alternative economic activities in order to counter the industry's activities. Various national policies were reviewed by the study group. In Canada, policies launched in 1987 to match tobacco supply with decreasing demand offered compensation to farmers who wished to stop tobacco production and provided financial support for starting new businesses. In Turkey, after liberalization of the tobacco market in 2002, farmers were supported in growing crops for which the country has production deficits. In Brazil, a regulatory framework for family farming and a national programme for diversification in tobacco-growing regions were established in 2006, with support for starting new income-generating activities.

36. Although the contexts differ, these experiences have certain critical similarities, such as funding and marketing mechanisms, research and development, technical assistance, provision of basic infrastructure, support to farmers, capacity-building for new ventures and information campaigns.

37. In the discussion of the elements for a national policy framework to promote alternative development, emphasis was placed on a comprehensive rural development approach instead of a narrower crop diversification approach. This broader approach would also facilitate the inclusion of alternative development into national strategic plans, national poverty reduction programmes and country assistance strategies prepared and implemented by governments in cooperation with specialized intergovernmental agencies, such as the World Bank.

38. A model for alternative development presented by the United Nations Office on Drugs and Crime was reviewed, which comprises five steps: (1) focus on economic activity, (2) promoting community organization, (3) facilitating local processing facilities (value-added), (4) identifying a domestic market and (5) identifying international markets.

39. The study group acknowledged that alternative development should be part of wider programmes to improve the livelihoods of rural populations. It identified several necessary elements of a national policy framework: long-term political and financial commitment; consistent inter- and intrasectoral policy; promotion of farmers' participation, with emphasis on their empowerment and their involvement in decision-making; special attention to the transition period required for new income-generating activities; and monitoring of the impact at household level, with both development indicators and agricultural measures.

40. The United Nations Office on Drugs and Crime expressed its willingness to share its data collection methods, which could be analysed and adapted by the study group. Although the importance of sharing experience in promoting sustainable development in rural areas and the shortcomings encountered was acknowledged, the study group noted that the United Nations Office on Drugs and Crime had a somewhat different focus from its own.

Specific conclusions

41. An integrated approach to alternative economic activities is needed, which has a broader scope than crop substitution. This approach will require standardized instruments, definitions and indicators. A data collection mechanism is needed, which might exceed the capacity of the existing reporting instrument on implementation of the Framework Convention. In particular, the indicators should have a development perspective.

42. The pursuit of economically sustainable alternatives to tobacco growing requires a holistic approach that encompasses health, economic, social, institutional, political and environmental aspects. This approach will require multisectoral action at government level, with the involvement of existing national programmes and policies, particularly for rural development. It will also include raising the awareness of tobacco growers about the health, social and environmental aspects of tobacco farming.

43. National public policies and international cooperation for promoting economically sustainable alternatives to tobacco growing should be based on political and financial commitment for specific initiatives, with technical assistance in areas like capacity-building, technology, identification of markets, research and evaluation, and programme and project development. In addition, emphasis should be given to raising social awareness and networking, the involvement of growers in making decisions, monitoring economically sustainable alternatives and monitoring the undue influence of the tobacco industry and affiliated and front groups.

CORPORATE PRACTICES THAT UNDERMINE ADOPTION OF ECONOMICALLY SUSTAINABLE ALTERNATIVES TO TOBACCO GROWING

44. The industry has been forming partnerships with farmers in order to counter the adoption of alternative livelihoods, misleading them by stating that tobacco control will result in loss of employment. At the same time, under the facade of corporate responsibility, the industry is trying to gain space, enhance its public image and even to influence intergovernmental organizations. The tobacco companies' interest and public health interests are, however, irreconcilable: while public health seeks to decrease tobacco consumption and in the long term to decrease demand, the tobacco companies' goal is to increase tobacco consumption and thus promote demand and therefore agricultural output.

45. A number of actions were identified that governments could use to counteract industry interference, such as building information networks about tobacco industry interference, intersectoral collaboration, refusing sponsoring and avoiding offers of "social corporate responsibility" from the industry.

Specific conclusions

46. More awareness and information are needed on how the tobacco industry tries to influence policies through "corporate social responsibility" and direct lobbying of decision-makers. There is consensus that the aims of the tobacco industry and of public health are diametrically opposed.

47. In implementing the provisions of Articles 17 and 18 of the Framework Convention, Parties should take due account of influence by the industry on initiatives and programmes for economically sustainable alternatives to tobacco growing, consistent with Article 5.3 of the Convention.

CONCLUSIONS AND RECOMMENDATIONS

48. The pursuit of alternative livelihoods to tobacco growing must be addressed from a development perspective, as it involves health, social, environmental and economic aspects beyond substitution of one economic activity for another. Despite advances in terms of national experiences, further work remains to be done.
49. Standardized, regularly collected data are needed on employment, health and environmental and social issues, and independent studies should be conducted, especially in less developed countries, that provide credible evidence.
50. Intersectoral approaches are needed to address alternative livelihoods, and public policies are required to ensure, for example, research and development, technical assistance and market access.
51. At all levels, undue influence of the industry must be avoided in policy decisions by careful monitoring.
52. The group agreed that a holistic framework is required that addresses all aspects of the livelihood of tobacco growers. Such a framework was discussed at the meeting, and it was agreed that a similar approach should be used to evaluate experiences with alternative livelihoods and to provide a basis for implementing Articles 17 and 18 of the Framework Convention.
53. To this end, the group identified the following objectives, which the Conference of the Parties might consider when expanding the group's mandate: (1) adjust the suggested framework to address alternative livelihoods to tobacco growing; (2) standardize the terminology, instruments and variables in line with the standards and practices of the specialized international agencies; (3) identify mechanisms and areas of cooperation with international organizations with expertise in the matter; and (4) elaborate policy options and recommendations for implementation of Articles 17 and 18 of the Framework Convention.
54. The group agreed that a successful shift from tobacco growing to economically sustainable alternatives requires public policies that give priority to profitability, technical and financial assistance, capacity-building and market and social support, especially during the transition from one economic activity to another, and that ensure the involvement of farmers in decision-making.
55. An international database of information, research, experiences, best practices and regulations should be established, covering the status of tobacco growing, employment and the role of the tobacco industry. A baseline database should be established initially.
56. While progress has been made in finding economically sustainable alternatives to tobacco growing, further studies are needed, particularly on the health, social and environmental impacts of tobacco growing in developing countries and countries with economies in transition. Further monitoring is needed, and information should be made available to farmers and to the public.
57. States and international organizations should take a multisectoral approach in addressing the issue of alternative livelihoods, incorporating them into poverty reduction strategies and programmes. The World Food Programme and relevant development agencies should consider alternative livelihoods for tobacco crops as an opportunity. The involvement of farmers in all stages of decision-making should be encouraged.

58. Better understanding is needed of the role of the tobacco industry in tobacco production and its influence on the identification of sustainable alternatives. In accordance with Article 5.3 of the Convention, governments should protect their policies for alternative livelihoods for tobacco farmers from the vested interests of the tobacco industry, affiliates and front groups, as defined in the Framework Convention.

59. The group considered that the Convention Secretariat should support Parties in raising and accessing funds for implementation of Articles 17 and 18 of the Framework Convention.

ACTION BY THE CONFERENCE OF THE PARTIES

60. The Conference of the Parties is invited to note this report and provide further guidance, in particular regarding its conclusions and recommendations.

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