"The law was actually drafted by us but the Government is to be congratulated on its wise actions": British American Tobacco and public policy in Kenya

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RESEARCH PAPER

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Background and objective: British American Tobacco (BAT) has historically enjoyed a monopoly position in Kenya. Analysis of recent tobacco control debates and a case study of BAT's response to the emergence of competition in Kenya are used to explore the company's ability to shape public policy and its treatment of tobacco farmers.
Design: Analysis of internal industry documents from BAT's Guildford depository, other relevant data and interviews with key informants.
Results: BAT enjoys extensive high-level political connections in Kenya, including close relationships with successive Kenyan presidents. Such links seems to have been used to influence public policy. Health legislation has been diluted and delayed, and when a competitor emerged in the market, BAT used its contacts to have the government pass legislation drafted by BAT that compelled farmers to sell tobacco to BAT rather than to its competitor. BAT was already paying farmers less than any other African leaf-growing company, and the legislation entrenched poor pay and a quasi-feudal relationship. BAT's public relation's response to the threat of competition and the ministers' public statements extolling the economic importance of tobacco growing suggest that BAT has manipulated tobacco farming as a political issue.
Conclusions: The extent of BAT's influence over public policy is consistent with the observations that, despite ratifying the Framework Convention on Tobacco Control, progress in implementing tobacco control measures in Kenya has been limited. The benefits of tobacco farming seem to be deliberately exaggerated, and an analysis of its true cost benefits is urgently needed. Tobacco farmers must be protected against BAT's predatory practices and fully informed about its activities to help them have an informed role in policy debates. As image, particularly around the importance of tobacco farming, seems key to BAT's ability to influence policy, the truth about its treatment of farmers must be publicised.

Driven by the recent expansion of transnational tobacco corporations (TTCs) across many low- and middle-income countries, the burden of tobacco's health effect is shifting. It is predicted that, by 2030, 70% of the estimated 10 million global deaths from tobacco will occur in developing countries.[1] In this context, sub-Saharan Africa (SSA) offers an opportunity for global health, being the only region in the world where primary prevention of the tobacco epidemic remains possible.[2] However, with TTCs investing heavily in the region during the last decade and with evidence of rapidly rising consumption, particularly among youth,[3] this window of opportunity is closing rapidly.

Implementation of comprehensive regulatory measures is required to prevent further escalation of the epidemic in SSA, and the World Health Organisation's Framework Convention on Tobacco Control (FCTC) provides excellent opportunities in this regard. The African nations recognised this in pressing unanimously for a comprehensive treaty while simultaneously acknowledging the need to find an alternative income for countries dependent on tobacco farming, notably Zimbabwe and Malawi.[2,3] Tobacco farming represents a unique dimension to the tobacco control debate in SSA, and previous analyses of tobacco industry documents suggest that the tobacco industry has attempted to hijack such debates by presenting tobacco control as a ''first world'' concern that would lead to economic destabilisation and exacerbate poverty and malnutrition among tobacco-growing countries.[4] By contrast, a growing body of evidence suggests that tobacco farmers face considerable financial and health risks from growing tobacco.[5–12]

As African nations seek to implement the provisions of the FCTC, tobacco control legislation will have to be developed and enacted, providing opportunities for the tobacco industry to influence policy. The fact that Kenya has signed and ratified the FCTC[13] while (as detailed below) efforts to implement legislation consistent with the treaty have been unsuccessful amid persistent reports of BAT influence[14] highlights the possible barriers. Hence, there is an urgent need to understand the tobacco control policy environment in Africa, including the relationships between tobacco farmers and TTCs, which are clearly integral to this. However, there remains a dearth of research in this area. This paper seeks to address this gap by examining British American Tobacco's (BAT) policy influence in Kenya.

BAT merits particular attention as it is the dominant player in SSA, with a market share of over 90% in 11 countries.[3] The selection of Kenya reflects its significance to BAT's operations in Africa, the role it seems to have in BAT's efforts to influence policy regionally[15] and the nature of Kenyan tobacco politics.

Abbreviations: BAT, British American Tobacco; BATCo, British American Tobacco Company; BATK, British American Tobacco Kenya; FCTC, Framework Convention on Tobacco Control; MTCo, Mastermind Tobacco Kenya; MTK, Mastermind Tobacco Kenya; NGOs, non-governmental organisations; SSA, sub-Saharan Africa; TTCs, transnational tobacco corporations

After an introduction to the origins and character of BAT's political influence in Kenya and an overview of recent tobacco control debates in the country, this paper uses a case study of the company's response to an emergent competitor, Mastermind Tobacco Kenya (referred to in the documents as MTK or MTCo), to examine BAT's influence on policymaking. The paper therefore aims to shed important light on issues critical to the development of tobacco control across SSA.

METHODS

A 1998 legal settlement in the USA led to the creation of two document depositories, including one in Guildford, UK storing an estimated 8 million pages of documents from BAT. Full methodological details are provided online at http://www.tobaccocontrol.com/supplemental. In brief, relevant files were identified in the Guildford Depository via an iterative search strategy. Documents were then indexed in a specially designed database to construct a historical and thematic narrative. Additional data were obtained from tobacco industry journals, social science and medical databases, newspapers, annual reports, four visits to Kenya and through interviews with key public health informants.

RESULTS

BAT, Kenya and the politics of tobacco

BAT's presence in Kenya dates back to around 1908,[16 17] although BAT Kenya (BATK) was created only in 1965. Kenya is now the third largest cigarette manufacturer in World Health Organization's African region,[18] and BATK is the largest cigarette-manufacturing company in East and Central Africa.[19]

Tobacco growing in Kenya began in the late 1930s, when the colonial government invited BAT to conduct experiments with flue cured tobacco.[20] Although BAT concluded that "Kenya is not an ideal country to grow tobacco",[21] it later expanded tobacco farming in response to the Kenyan government's invitation to make the country self-sufficient in tobacco, thereby reducing foreign exchange losses from leaf imports.[22 23] Although now an important part of BAT's Kenyan business,[24] the documents suggest that historically the company's involvement in tobacco farming largely reflected political priorities, with one document describing the leaf development programme as merely "an adequate P.R. platform".[25] Box 1 gives the details of the structure and profitability of tobacco farming in Kenya.

The Kenyan government has a longstanding stake in BATK,[33] being its second largest shareholder with a 20% holding.[34] The company has long enjoyed high level political connections. Former chairman BM Gecaga, who had close ties to the powerful family of Kenya's first president Jomo Kenyatta,[35] was a nominated Member of Parliament[36] (nominated by political parties represented in parliament), whereas Harris Mule, non-executive director of BATK, was Vice-Chairman of Transparency International Kenya, and was involved in Kenya's recent constitutional review process.* Another non-executive director, Professor Joseph Kimura, has recently been appointed Chairman of Higher Education Loans Board by the current president, Mwai Kibaki (http://www.statehousekenya.go.ke/news/march03/2003250303.htm). The long-time president Daniel Arap Moi was regarded as sympathetic to the tobacco industry,[8] and documents indicate his close relationship with BATK.[37–40] Mr Mule has also undertaken several major consultancies for the World Bank, the African Development Bank and the International Food Policy Research Institute. He has also held ministerial posts: 1978–1986—Permanent Secretary, Ministry of Finance/Planning; 1972–1978—Deputy Permanent Secretary, Ministry of Finance and Planning. Allan Ngugi is also a Non-Executive Director of BAT Kenya. He is also the Chief Executive Officer of the Kenya Association of Manufacturers (BAT Kenya is a member of this organisations; see http://www.nationaudio.com/News/DailyNation/21072000/Business/Business8.html).

Importantly, BAT's close political links have continued into the post-Moi era. Documents suggest that the new president Mwai Kibaki has had a close relationship with BATK, having publicly spoken on its behalf while Minister of Health[41] and being described by BAT as "a close friend of our chairman and a good ally of the company".[36] As mentioned above, the long awaited Tobacco Control Bill, originally sent to the Ministry of Health for final approval in 1999,[42] has languished in the Attorney General's office amid reports of industry influence,[43] with successive annual reports[44–47] from BATK noting the company's efforts to amend it. Anticipating the bill's re-emergence, tobacco companies, including BAT and Mastermind, funded a retreat for over 40 Members of Parliament at an exclusive coastal resort.[48 49] There are now indications that the bill has been so heavily diluted after industry lobbying that some of its original advocates are seeking to delay its passage.[14] More recently, Ministry of Health efforts to enact tobacco control measures, including smoke-free legislation and health warnings consistent with the FCTC, through a different route in an attempt to bypass the Tobacco Control Bill and pre-empt industry lobbying failed when BATK and Mastermind's challenge to Kenya's High Court succeeded in suspending the legislation.[31 50 51]

The international importance of such links is reflected in BAT's identification of Kenya as key to its attempts (largely unsuccessful in Africa) to prevent developing countries from supporting the negotiation of a strong FCTC.[15 52-54] At one BAT-sponsored regional meeting of the International Tobacco Grower Association (previously discredited as a front group funded and directed by the TTCs)[4] in Nairobi, the Minister of Agriculture suggested that, in considering the FCTC, Kenya "cannot ignore the economic and social benefits this crop brings to our country".[29] Similar sentiments have been expressed elsewhere in Africa (see, for example, BAT's statement on tobacco in Africa. http://www.bat.com/oneweb/sites/uk__3mnfen.nsf/vwPagesWebLive/DO538NJ3?opendocument&SID = 34706DE89998E74C85ED4-C85840FC711&DTC = 20040616&TMP = 1.[55]

BAT's response to the emergence of competition

In the late 1980s, BATK's de facto monopoly status was undermined by the launch of two local companies, Mastermind and Cut Tobacco. Despite still being the country's largest manufacturer, by 2002 its market share had dropped from 90%[3] to 71%, Mastermind's had progressed to 22%, followed by Cut Tobacco at 7%.[56]

BATK became aware of a potential threat to its pre-eminence in 1987.[57] Of the two new cigarette manufacturers registered in that year,[58] Mastermind was the more important one, benefiting from both a detailed awareness of BATK's potential weaknesses and a powerful political backing:

> Mastermind Tobacco Company … is spearheaded by Wilfred Murungi, an ex-BAT Kenya Director, in association with Rujigiro, financed by Baganza, the ousted President of Burundi … It also appears to have a godfather in the person of Nicholas Biwott, who is a front man for President Moi's commercial interests.[59]

* http://www.tikenya.org/board.asp.

Box 1: Tobacco farming in Kenya

Approximately 35 000 small-scale farmers grow tobacco in Kenya, in Eastern, Western, Central & Nyanza Provinces. In all, 4500 hectares of land is devoted to tobacco farming, representing 0.19% of total arable land.[26] BATK has a contractual arrangement with around 20 000 of these small-scale farmers.[8] It offers them crop inputs and advice, and buys leaf from them once dried (cured). The price farmers receive for their tobacco leaf is dependent on BATK's evaluation of its quality. Usually no independent assessors are present.[27] Under BATK contracts, crop inputs such as seeds, pesticides and fertilisers are given to farmers as a loan, which is then deducted from their final earnings. BAT documents suggest that traditionally the costs of such inputs were financed by the state,[28] although we have been unable to confirm this. Interviews with tobacco farmers suggest that these inputs are grossly overpriced, with one farmer stating ''The loan the tobacco firm provides is really weighing down on us. Actually after the deduction you get nothing. Year in year out of the company ensures that you have an outstanding loan''.[8] Such findings are substantiated through research on a small number of tobacco farmers which shows that having allowed for the loan, labour, fuel and costs, over 80% are losing money.[10]

Despite widespread perceptions of the economic importance of tobacco leaf,[29] independent data suggest that tobacco makes a minimal contribution to Kenyan exports. Between 1961 and 2001, the maximum contribution that all tobacco exports made in dollar terms to Kenya's total merchandise exports was 4% during the early 1960s, since when the proportion has fallen to between 0.05% and 2%.[30] Over the same period, leaf exports alone contributed only between 0.1% and 0.8%. The Ministry of Agriculture data also suggest that a shift to other cash crops could provide far greater revenues to Kenya's tobacco farmers.[31] In the Eastern province in 1999, for example, mangoes were 37 times more profitable, whereas papaya and cotton each similarly dwarfed farmers' earnings from tobacco.[32]

The combination of local expertise and influence was sufficient to instigate a substantial and wide-ranging response, with the parent company BATCo conducting several examinations of BATK's performance and giving authoritative instructions for reform of its operating company.[60] BATCo was particularly worried about the seeming failure of BATK to make sufficient headway among poor, young adult smokers. A competition sensitivity analysis conducted in November 1987 emphasised that:

> The admission that BAT Kenya has achieved only low penetration of the 18–24 years age group in the lower income segment is disquieting. … This market is worth examining in its own right and suitable products developed to exploit it.[58]

In some respects, the arrival of a competitor was seen by BATCo as a welcome opportunity to reshape BATK and overturn its monopoly-era inefficiencies particularly in the area of marketing:

> All the bad habits of monopoly days must be unlearnt and a drive to sell, not only company products, but also company image and service, undertaken without delay.[58]

BATCo's regional marketing director Richard (Dick) Hartley encouraged Kenya's managing director Terry McDowell to reconsider the previous voluntary commitment to restrict advertising and abandon radio advertising.[24] He suggested that, in addition to the resumption of radio advertising, new media opportunities be explored,[24] particularly given concerns about the introduction of health warnings in January 1985.[60]

> BATK should review the prospects of getting back on radio following their voluntary withdrawal because of the likely negative impact of health warnings on smokers. It will allow greater reach with image advertising to the rural population in times of a competitive threat.[61]

Recognising the need for a political response

Beyond these largely commercial responses, the threat posed by domestic competition was seen as requiring a political solution. The challenge to BATK's monopoly tapped into several important strands of Kenyan politics and required delicacy in its handling.[58]

BAT soon became aware of the national sensitivities to a contest between a powerful transnational and a small African competitor. Therefore, its strategic response had to reconcile potentially conflicting requirements to ''avoid the accusation of giant multinational squashing a local company, and to maintain our leadership''.[62] Worried that BATK did ''not appear to be winning the sympathy'' of the administration, Terry McDowell noted in relation to press coverage on the issue:

> MTCo are portraying themselves as the midget against the giant, the wholly owned tiny Kenyan company against the huge multinational, the small aggressive entrepreneur breaking into export business which has been the preserve of monopolistic BAT. He, Murungi, is also banging the drum on his noble efforts in the field of exports. As you can appreciate his ''audacious business approach'' is having a favourable impact on the readership.[63]

Given this context, BAT rapidly decided that it would ''be unwise for BATK to go out and kill competition as soon as it comes to the market'', but instead should be seen to welcome it.[41]

Farmers and tobacco politics in Kenya

The main battleground in making this a winnable contest for BAT was tobacco leaf and the tobacco farmers of Kenya, which constituted a key resource. Publicly, BAT had long alleged its value to farmers and the broader rural economy. Its 1986 annual report—for example, claimed:

> The total impact effect of our tobacco growing activities in the rural areas where we operate has been very positive. Especially visible has been the continued improvement in the quality of life of the people, by the provision of an extra cash income from tobacco.[64]

Such public assertions sit uneasily with independent evaluations of BAT's treatment of tobacco farmers in Kenya (see Christian Aid's interviews with tobacco farmers in Kenya and a study of BAT Kenya contracted tobacco farmers by SocialNeeds Network, a Kenyan NGO in Christian Aid (2004)—Behind the mask: The real face of corporate social responsibility, http://www.christian-aid.org.uk/indepth/0401csr/csr_behindthemask.pdf. (accessed 22 Dec 2006)) and the scale of economic exploitation indicated by the documents. BATK's record for under-paying farmers for tobacco leaf even drew adverse comment from the group's UK headquarters who noted that the "price per kilo paid to farmers is well below inflation each year … We do not agree with BATK's philosophy".[65]

BATK's projected profitability in the mid-90s relied on greater leaf exports, requiring yield increases that BATCo thought would be jeopardised by the former's treatment of farmers:

> Much depends on the cooperation of farmers and in that context your pricing philosophy has to be queried. **You are paying less to farmers than any other African leaf growing company and only 46% of crop cost actually goes to farmers compared to up to 70% in other countries**. While the factors may be somewhat distorted by the poor year in 1991, there would be merit in your reviewing your price to farmer strategy.[24] (emphasis added)

BATK were, of course, aware of the gap that existed between their and Mastermind's payments to farmers. A letter in June 1990 acknowledged that Mastermind's "indicated prices are of course above ours".[66] McDowell describes the effect of this differential on BATK's relationship with farmers:

> He (Murungi) is advising the farmers that BAT has, through all these years been underpaying them, and now he, the bright knight in shining armour, is paying the price they deserve for their labour. You can imagine the reaction of the farmers. Recently I gave a short presentation to 200–300 on one of their market days and their general attitude towards me was positively hostile.[64]

Reluctant to compete on price paid to farmers,[64] BATK decided on a comprehensive political strategy that would effectively deny farmers the opportunity to sell to its new competitor. By securing control over farmers' sales, BATK hoped that the "tobacco leaf supply situation could constrain (MTK's) initial operations".[58] Although BATK was self-sufficient in tobacco leaf,[67] a newcomer such as Mastermind was inevitably more vulnerable in its supply structure. If the supply of better grades of tobacco could be controlled by BATK, the competition would be starved of suitable leaf and "when they run out they will have to use unripe tobacco".[21] Fearful that the success of such efforts could be undermined by Mastermind being granted import licenses,[60] BATK "made strong representation at ministerial level that its competitors should not be given preferential treatment for importation of tobacco".[68]

The first step in BAT's political strategy was to reverse the increase in public sympathy for the newcomer. The company's 1991 public affairs programme outlined a strategy to shape both elite and public opinion. This included the extension of its public relations programme to cover the participation of key farmers, develop alliances and resources to be drawn on in future disputes, and use trade media to communicate favourable messages across rural areas.[68] Such efforts were to be reinforced by targeted attempts "to promote and sustain the company's good citizen image"[69] through its programme of promotions and sponsored events and by making strategic use of an economic impact study.[69]

Obtaining key allies within the government was seen as vital to securing a favourable political and trading environment, countering both Mastermind and emergent health activism.[69] The 1991 public affairs programme highlighted the need for heightened lobbying activities:

> In the coming year, therefore, we have to intensify our lobbying and briefing meetings with the political and government leadership through formal and informal contacts… We should aim to make contact with at least one Key Ally, Minister, Permanent Secretary or leading personality [sic] each month.[69]

Such a programme built on the already considerable efforts of BATK to lobby against the activities of Mastermind[64] as indicated by reports of leading political figures giving explicit endorsements to BATK alongside denunciations of Mastermind. For example, when a Mastermind press conference referred to using imported tobacco leaf "they were immediately accused in public by the Minister of Health of using up foreign exchange for products which can easily be made with local produce", the minister proceeding to praise BATK's efforts in improving the quality of local leaf.[41] In November 1990, local newspapers reported how Moi condemned the business practices of Mastermind while praising BAT for their assistance to tobacco farmers. Moi was quoted as stating that it was unfair for a Kenyan owned company "to cheat tobacco farmers and buy their crop directly while they have been assisted by BAT".[70 71]

Meanwhile, BATK was also lobbying the government to designate exclusive growing areas or zones. As McDowell reported in September 1990:

> We have followed the protocol of talking to the administration hierarchy – starting at the bottom. Last week Tim Kaloki and Mareka had a meeting with the Permanent Secretary in the Office of the President, Mr Oyugi. Short of meeting the President, this is as far as we can take it. Mr Oyugi has agreed that we should have separate growing zones. We now wait to see what measures unfold.[64]

BAT's efforts to constrain MTK's supply of leaf seemed to have succeeded when a joint agreement was reached in 1992 that carved up Kenya's tobacco-growing areas, allocating areas of exclusive or joint activity and itemising obligations of farmers and their sponsors.[72] However, in practice, the agreement failed to work, with McDowell complaining to the Minister of Agriculture, Simeon Nyachae, that "growers have accepted sponsorship from one party and are openly selling their crop to a third party."[73]

BATK therefore continued to press for a legislative response to what it perceived as continued "poaching" (acquiring tobacco leaf grown in BAT-controlled areas) by Mastermind.[74 75] By mid-1994, the group was becoming increasingly frustrated by the continuing absence of satisfactory legislation, and was contemplating dramatic action to regain control in the leaf growing areas:

> We believe one alternative is to now cease giving crop inputs to a large section of farmers or to one whole area. The implications are that production may drop but both Government and farmers must realise that the situation is now serious but also that we are no longer prepared to put up with an uncontrolled environment.[76]

The effect of such a gesture on the livelihoods of such a "large section of farmers" could clearly have been dramatic. The company's desire for a controlled environment seems, however, to have subsequently been realised through the adoption of its political strategy.

By the time BAT entertained President Moi and most of his cabinet to dinner in London in November 1994,[77] the political impasse had apparently been broken. BATCo Regional Director Norman Davis recommended praising the president for the recent passage of legislative proposals developed by BAT:

> The Kenyan Government has passed a ''tobacco law'' which looks as though it will be very successful (if properly implemented) in stopping poaching and illegal out of season growing. **The law was actually drafted by us but the Government is to be congratulated on its wise actions**.[77] (emphasis added)

This legislation had previously been described by Davis as ''drafted by BAT (K) and, if applied properly, should stop the predations of MTK''. According to Davis, the legislation constituted ''an excellent achievement by the company - congratulations to all involved''.[78]

The Crop Production and Livestock (Tobacco Growing and Marketing) Rules were enacted under the powers of the Minister for Agriculture in July 1994.[79] The obligations these placed on farmers were strikingly similar to proposals previously submitted by BATK to the Minister, Simeon Nyachae. Before a meeting with Nyachae in September 1993, McDowell forwarded a report entitled ''Rules and regulations governing the production of tobacco in Kenya'[80] (for comparison, see table 1). The proposals intended to restrict Mastermind would clearly subordinate farmers to their designated sponsor, overwhelmingly BATK. In effect, the legislation gave a legal basis to a quasi-feudal relationship between farmers and the company.

The justification for such restrictions rested on the claim, described above, that despite accepting sponsorship from one party, farmers were selling their crop to another party.[74] Both the alleged illegitimacy of this practice and the associated claim that Mastermind's purchase of these crops constituted poaching[75 76] reflect BATK's claims of obligations owed to it by sponsored farmers. BATK's purported entitlement to purchase the leaf on a non-competitive basis was seemingly rooted in its supply of crop inputs such as seeds, fertilisers and pesticides. Yet, the documents suggest that the costs of such inputs were ultimately borne by the Kenyan state. A report from a visit to Kenya in 1990 described how ''BATK provides the farmers with the crop inputs and claims the money back from either the KCB [Kenya Commercial Bank] or Agricultural Finance Corporation (parastatal).''[28] (see box 1).

DISCUSSION

Our findings indicate the longstanding, high-level political links and support enjoyed by BAT in Kenya. The company has been supported by successive Kenyan Presidents— Kenyatta, Moi and currently Kibaki—establishing links with a variety of ministers and appointing influential politicians as non-executive directors. They also highlight the extent to which BAT was able to influence public policy. Health legislation has continuously been diluted and delayed. Also, the government implemented legislation drafted by BAT that purely benefited the company at the expense of a local company and, more importantly, local tobacco farmers, entrenching their poor pay and quasi-feudal relationship with BAT and consolidating BAT's control over tobacco farming.

A secondary finding, BAT's commercial response to the threat of competition, illustrates the potential public health risks of increasing competition in a tobacco market. BAT's analysis of the ''bad habits of monopoly days''[58] indicates poor penetration among young adults, and recommended revitalising marketing to deal with this. The implication that the monopoly's inefficiencies limited tobacco consumption and that BAT would behave differently in a competitive market is consistent with growing evidence that, by increasing competition, trade and investment liberalisation stimulate marketing and in turn consumption.[81–85] This is an important finding given current trade liberalisation debates and the International Monetary Fund's ongoing commitment to tobacco industry privatisation.[86]

In addition to its political contacts, BAT's policy influence seems to be based on both the perceived importance of tobacco leaf farming to the Kenyan economy and individual farmers and the ''good citizen'' image projected through its role in leaf development and more broadly. The former is illustrated firstly by the key role played by ministers of agriculture both in recent and past events (witness BAT's efforts to influence the FCTC and the legislation enacted by the agriculture minister, respectively), and secondly by repeated references to the social

Table 1 Obligations of tobacco farmers: a comparison of BATK's proposals for the reorganisation of the tobacco industry with rules passed by the minister of agriculture

BAT Kenya, September 1993: Rules and regulations governing the production, marketing and transport of flue cured, fire cured and burley tobacco in Kenya[85]	Kenya Gazette, Legislative Supplement, July 1994: The crop production and livestock (tobacco growing and marketing) rules, 1994[80]
Obligations of the registered growers	Part III – Farmers
1. Register with one approved sponsor only per crop season…ensure that there is no mixing of grades in each hand or mixing of hands of individual grades in one bale.	17.(1) No farmer shall enter into sponsorship agreement with more than one sponsor for the same growing period.
1.2 Not register with any other sponsor if he still has an outstanding debt from a previous crop with a previous sponsor	(2) Any farmer who enters into a sponsorship agreement with a sponsor shall prior to such agreement clear all outstanding debts secured with any other sponsor.
2. Sell ALL the tobacco he produces to his sponsor.	18. No farmer shall sell any tobacco grown by him pursuant to a sponsorship agreement, to any person other than his sponsor, or at prices and buying points different from those specified in the sponsorship agreement or as may be directed in writing by the sponsor.
3. Sell only the tobacco that he has grown, ie, he will not offer any of his tobacco for sale through a third party.	
4. Co-operate with the sponsor and other tobacco growers and grow only the hectarage, using the best cultural practices, agreed with his sponsor.	19. No farmer shall grow tobacco on an acreage either larger or lesser than that specified in the sponsorship agreement.

What is already known on this topic

We believe there are a number of lessons critical to policy development in SSA. Firstly, despite the economic benefits tobacco farming brings BAT, its benefits to the Kenyan economy and to individual farmers seems to have been deliberately exaggerated. Analysis of the true cost benefits of growing tobacco versus other crops is urgently needed to properly inform this debate. Secondly, tobacco farmers must be protected against BAT's predatory practices and fully informed about its activities in order to prevent them being inadvertent BAT pawns, and help them have an informed role in policy debates. Thirdly, image is the key to BAT's ability to influence policy, and, although assiduously cultivated over years, chinks in BAT's imagery armour can be identified and should be exploited. Such lessons will be critical in overcoming barriers to the domestic implementation of the FCTC as illustrated by Kenya's ratification of the treaty, but the marked lack of progress in implementing legislation that accords with the treaty.

What this paper adds

Most of the academic literature on tobacco industry tactics focuses on middle-income and high-income countries. Little research exists on the conduct of the industry in low-income countries, and even less in Africa. This paper shows that British American Tobacco (BAT) enjoys considerable influence over public policy in Kenya, having diluted and delayed health legislation and restructured tobacco farming to advance its corporate interests at the expense of local farmers. Such influence seems to stem largely from its extensive high-level political connections, but also from the perceived economic importance of tobacco farming and BAT's ''good citizen'' image. Yet, the documents also highlight BAT's poor treatment of tobacco farmers, with BATK paying tobacco farmers less than any other African leaf-growing company.

and economic benefits of tobacco growing by present[29] and past ministers[41] and presidents.[71 72] The major public relations response to the threat from MTK shows the importance BAT places on corporate imagery in aiding lobbying. Tobacco farmers were clearly an important audience for BAT's publicity. Such findings, combined by assertions in BAT's annual reports and on its website http://www.bat.com/oneweb/sites/uk__3mnfen.nsf/vwPagesWebLive/DO538NJ3?opendocument&SID = 34706DE89998E74C85ED4-C85840FC711&DTC = 20040616&TMP = 1), suggest that BAT has assiduously cultivated the perception that tobacco leaf farming is good for both farmers and the Kenyan economy.

Yet, weaknesses in BAT's position are identified. The foundations of its influence seem to be shaky, given the minimal contribution that independent data suggest that tobacco makes to the Kenyan economy (box 1).[30] We have documented clearly its cynical treatment of tobacco farmers, controlled and chronically underpaid by a monopolistic purchaser. Such conditions do not seem unique to Kenya—similar dangers are highlighted in a report on BAT's appalling treatment of tobacco farmers in Uzbekistan.[87] Growing evidence shows the economic and health risks faced by tobacco farmers contracted to BAT.[5 6 8–10] In addition, BAT's political response to the emergence of MTK highlights what it perceives as weaknesses in its position—nationalist sensitivities, its monopoly position and the image of a giant multinational versus a local company.

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The opinions are those of the authors alone.

PP had full access to all the data in the study and had final responsibility for the decision to submit the publication.

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