

LONDON  
SCHOOL of  
HYGIENE  
& TROPICAL  
MEDICINE



LSHTM Research Online

Gilmore, AB; Collin, J; McKee, M; (2006) 'Unless Health Decree 30 is amended satisfactorily it will not be possible for this transaction to proceed': British American Tobacco's erosion of health legislation in Uzbekistan. *BMJ*, 332 (7537). pp. 355-8. ISSN 1468-5833 DOI: <https://doi.org/10.1136/bmj.332.7537.355>

Downloaded from: <http://researchonline.lshtm.ac.uk/12242/>

DOI: <https://doi.org/10.1136/bmj.332.7537.355>

**Usage Guidelines:**

Please refer to usage guidelines at <http://researchonline.lshtm.ac.uk/policies.html> or alternatively contact [researchonline@lshtm.ac.uk](mailto:researchonline@lshtm.ac.uk).

Available under license: Creative Commons Attribution Non-commercial  
<http://creativecommons.org/licenses/by-nc/3.0/>

<https://researchonline.lshtm.ac.uk>

*Public health***British American Tobacco's erosion of health legislation in Uzbekistan**

Anna B Gilmore, Jeff Collin, Martin McKee

Uzbekistan shows how countries that privatise state owned tobacco industry can be manipulated by global companies

In 1994 Uzbekistan's tobacco industry was privatised in a closed deal enabling British American Tobacco (BAT) to establish a production monopoly.<sup>1</sup> While completing this deal, BAT learnt that Uzbekistan's chief sanitary doctor, Mr Iskandarov, had issued Health Decree 30, a potentially highly effective piece of tobacco control legislation that would have banned tobacco advertising and smoking in public places and introduced health warnings. BAT responded aggressively, delaying completion of its investment until the decree was replaced with a voluntary advertising code.

Until now BAT has implied that it developed the code without prompting and presented it as an example of "the company's responsible attitude to its advertising practices."<sup>2</sup> We have obtained evidence from BAT corporate documents released after litigation in the United States<sup>3</sup> that shows how BAT in fact developed this code when overturning health legislation that would have served to protect the health of the Uzbek population. Its behaviour highlights broader concerns about the influence of transnational tobacco companies over health policy when they invest in low income countries. A description of our methodology is available on [bmj.com](http://bmj.com).

**Marketing environment**

The regime of Uzbek President Islam Karimov has held power since independence in 1991, gaining notoriety for serious human rights abuses.<sup>4,5</sup> Despite largely rejecting international advice to pursue rapid and extensive privatisation,<sup>6,7</sup> President Karimov aligned himself closely with the BAT deal, then Central Asia's largest foreign investment.<sup>8-10</sup> He hoped to use it to project Uzbekistan as a safe investment environment.<sup>11</sup>

BAT, in turn, considered Uzbekistan a remarkable opportunity. After a company visit in July 1993 identified only one electronic billboard in the country,<sup>12</sup> a marketing report described Uzbekistan as, "unique in the world in terms of its singularly unexploited advertising and promotional environment," arguing that trade and consumer loyalty could be established rapidly as advertising costs were "cheap enough to allow multinationals almost unrestricted market spend."<sup>13</sup>

BAT's plans projected a 45% increase in annual cigarette consumption between 1993 and 1999.<sup>14,15</sup> The increased supply of cigarettes, assisted by an exclusive arrangement with the state distributor, would be a key driver of market expansion alongside population and economic growth.<sup>13-18</sup> BAT expected a "growth in incidence among women as cultural stigma



Helping BAT achieve its targets

on smoking recedes,"<sup>19</sup> claiming that "females can be drawn into the market via menthol offers or lighter brands."<sup>13</sup>

But marketing activities were also key to efforts to "stimulate" consumption<sup>14,18</sup> with objectives predicated on an unrestricted advertising environment.<sup>15,19-21</sup> As William Wells of Schrodgers, BAT's financial advisers in Uzbekistan, noted: "BAT would require an undertaking from the government not to impose restrictions on the advertising of tobacco products for a period of (seven) years from the agreement to invest"<sup>19</sup>

**Health decree 30**

As negotiations progressed swiftly, BAT was shocked to discover, in August 1994, that the Ministry of Health had recently issued a tobacco control decree.<sup>22-24</sup> Although BAT had seemingly already overturned<sup>22</sup> a decree banning street advertising in the capital Tashkent,<sup>25</sup> Mr Wells warned that the ministry would prove "an altogether more difficult animal with which to deal."<sup>w1</sup> The decree, unprecedented in the region, banned filterless cigarettes and those high in tar and nicotine, banned tobacco advertising and smoking in public places, required outlets to be licensed, and introduced health warnings.<sup>23</sup> It also noted, in contrast to BAT's reports just one year earlier, that "large scale" tobacco advertising was undermining health promotion efforts.<sup>23</sup>

*Editorial by Sebric and Glantz*

European Centre on Health of Societies in Transition, London School of Hygiene and Tropical Medicine

Anna B Gilmore  
*clinical lecturer in public health*Martin McKee  
*professor of European public health*

Centre for International Health Policy, University of Edinburgh

Jeff Collin  
*lecturer in global health policy*Correspondence to: A B Gilmore  
[anna.gilmore@lshtm.ac.uk](mailto:anna.gilmore@lshtm.ac.uk)

BMJ 2006;332:355-8

Details of the methodology, decrees, and references w1-w33 are on [bmj.com](http://bmj.com)

BAT described the decree as a “deal stopper”<sup>w2</sup> that infringed its agreement with the Uzbekistan government<sup>w1</sup> and immediately pursued its reversal or deferral.<sup>w3-w5</sup> Within 24 hours BAT had coordinated counter arguments from its corporate affairs and smoking issues teams<sup>w6-w7</sup> and met with Mr Mahsudov<sup>w3</sup> from the Cabinet of Ministers. It then met Mr Iskandarov and other health officials a few days later.<sup>w4</sup>

BAT sought to counter each section of the decree (see table A on bmj.com), repeatedly claiming to be a responsible manufacturer of a legal product<sup>w4</sup> and making three key assertions. Firstly, BAT depicted the decree as jeopardising foreign investment in Uzbekistan,<sup>w1-w3-w4</sup> while warning the health ministry that it would lead to “the immediate demise of the domestic cigarette industry” and threaten an investment supported by Karimov.<sup>w4</sup> Secondly, BAT refuted the health effects of smoking as accurately described in the decree,<sup>w4-w6-w8</sup> suggesting an ongoing controversy in which “smoking has not been proven to actually cause” diseases.<sup>w6</sup> Thirdly, the company portrayed Mr Iskandarov’s intended restrictions as “seriously interfering with . . . commercial freedom”<sup>w4</sup> and denied that advertising affected consumption: “World wide experience consistently shows that advertising bans do not reduce consumption. Advertising a mature product like cigarettes is not intended to increase the overall market but to expand company market share.”<sup>w4</sup>

Additionally, BAT portrayed Russia’s recent voluntary code as epitomising the industry’s responsible approach in working with governments to agree advertising standards.<sup>w4</sup> This code was actually developed collaboratively by tobacco companies and entailed only modest and ineffective restrictions.<sup>w9</sup>

### BAT’s amended decree

Since Mr Iskandarov refused to withdraw the decree, BAT sought extensive amendments.<sup>w4</sup> An amended decree was rapidly circulated (table B on bmj.com) alongside highly confidential briefing notes.<sup>w6-w8</sup>

BAT’s version downplayed claims about the health impacts of smoking, repudiated proposed interventions, and nullified its regulatory impact (table).<sup>w6</sup> Thus

the intended total advertising ban was replaced with a voluntary code. The ban on smoking in public places was replaced with a ban confined to institutions dealing with health and children, specifying that elsewhere smoking areas would be provided.<sup>w6</sup> Despite BAT’s claims not to encourage young people to smoke,<sup>w4</sup> the original ban on smoking in colleges and universities was removed, consistent with BAT’s marketing plans.<sup>w13-w14</sup>

In September, when Mr Iskandarov still refused to concede,<sup>w11</sup> BAT abandoned negotiations with the Ministry of Health<sup>w10</sup> and shifted focus to the first deputy prime minister, Mr Djurabekov, whom President Karimov had charged with implementing the proposed joint venture.<sup>w11</sup> BAT seemingly enjoyed a good relationship with Mr Djurabekov and seemed confident of presidential support, expecting a satisfactorily amended decree despite the health ministry’s intransigence.<sup>w11-w12</sup>

An order to be issued by Mr Djurabekov on the Cabinet of Minister’s behalf, requiring the Ministry of Health to amend decree 30 was faxed from BAT’s Tashkent office.<sup>w13</sup> Documents suggest it may have been drafted by BAT.<sup>w10</sup> It incorporated BAT’s main concerns, with the tar and nicotine limits and the bans on smoking in public places, filterless cigarettes, and advertising all cancelled.<sup>w10-w13</sup> The advertising ban was replaced with a new code,<sup>w13</sup> which seems to be an even less restrictive version of the Russian voluntary code.<sup>w9</sup>

The Cabinet of Ministers approved BAT’s proposal,<sup>w14</sup> agreeing that “Djurabekov will write to the Minister of Health formally requesting amendment, hopefully on the terms discussed with BAT”, with the expectation that “the political situation will lead to a satisfactory amendment to the decree.”<sup>w14</sup>

In response, the health ministry reportedly offered BAT a two year exemption,<sup>w15</sup> a compromise BAT dismissed as insufficient. This rejection triggered the direct involvement of President Karimov: “Djurabekov/Chzehen are writing to Karimov to inform him of this response and make him aware that unless the decree is suitably amended it is unlikely that BAT will invest, the Uzbek cigarette industry will collapse with the domestic market being flooded by imports, there will be a leaf farmer crisis and Uzbekistan will have its reputation as a place in which to invest very materially damaged. This letter is to be delivered to Karimov’s home and it is likely that it will received [sic] prompt attention.”<sup>w15</sup>

Although there were concerns about the president’s formal authority to amend the decree,<sup>w11</sup> once the dispute reached presidential level resolution seemed inevitable. BAT cited 31 October as a date when the decree would be “amended and in force,” noting that this was a condition for further progress.<sup>w16</sup> Within a month the deal had been completed,<sup>w17</sup> with BAT transferring its first payment in November 1994.<sup>w18</sup>

### After the deal

From the mid-1990s, tobacco advertising in Uzbekistan became ubiquitous.<sup>w19</sup> Tobacco consumption has reportedly increased by 7% to 8% annually, primarily among young people,<sup>w20</sup> and cigarette sales rose by 50.5% between 1990 and 1996.<sup>w21</sup> By 1999, BAT had achieved a market share of over 70%,<sup>w22-w23</sup>

Examples of BAT amendments to Health Decree 30 (changes highlighted in bold)

Original decree <sup>w1</sup>	Amended decree <sup>w4</sup>
Smoking <b>can essentially worsen</b> the clinic [sic] course of such diseases as stomach and duodenum [sic] ulcer, chronic gastritis, etc, and <b>strongly influence</b> the development of the heart-crowning artery [sic] sclerosis . . .	Smoking <b>has been claimed</b> to worsen the clinic [sic] course of such diseases as stomach and duodenum [sic] ulcer, chronic gastritis, etc, <b>and to influence</b> the development of the . . .
In Uzbekistan the number of people suffering from the diseases of breathing system, including those <b>related</b> to smoking, increased from. . .	In Uzbekistan the number of people suffering from the diseases of breathing system, including those <b>associated with</b> smoking, increased from. . .
<b>There is data that tobacco smoke is more harmful to non-smokers than to smokers</b>	<b>Sentence removed</b>
Advertisement of the local and foreign brand tobacco products, including the advertisement through the mass media (television, radio, cinema, newspapers, magazines, etc) [shall be permanently prohibited]	Advertising of local and foreign brand tobacco products, including advertising through the mass media (television, radio, cinema, newspapers, magazines, etc); <b>will be restricted according to the attached code</b>
Smoking [will be banned in] <b>public places, on the transport, at the health care institutions, kindergartens, schools and other institutions for children, colleges and universities.</b> At other institutions and enterprises <b>smoking should be permitted only in specially arranged places</b>	Smoking at health care institutions, kindergartens, schools and other institutions for children, will be prohibited. At other institutions and enterprises, <b>and on public transport, both smoking and non-smoking areas will be provided</b>

\*The unusual English is explained by the fact that this was translated from the original Russian

not far short of its 80% target.<sup>14</sup> In the 10 years since BAT's investment, further legislation has been confined to a partial ban on direct advertising, introduced in 1998 and amended in 2002,<sup>w24</sup> which can serve only to maintain BAT's dominant market position.

## Discussion and international implications

By successfully overturning bans on tobacco advertising and smoking in public places as well as significantly reducing cigarette excise rates (as detailed elsewhere<sup>w25</sup>), BAT removed the three most effective means of controlling tobacco consumption.

Documents suggest that such policy influence has not been confined to Uzbekistan. When BAT was considering manufacturing in Kyrgyzstan, proposed conditions for the deal included a voluntary code and agreement that no advertising restrictions would be introduced<sup>w26</sup> alongside extensive excise reforms.<sup>w27</sup> Documents also suggest that reversal of a Soviet decree banning tobacco advertising was a precondition for the deal by R J Reynolds and Philip Morris to import 34 billion cigarettes to the Soviet Union in the early 1990s.<sup>w27</sup>

Our findings highlight the difficulties in developing tobacco control measures in the context of industry privatisation and investment by transnational tobacco companies. They support our previous contention that former Soviet countries with major tobacco company investments and highly centralised one party systems of government faced the greatest challenges in implementing effective tobacco control policies.<sup>1</sup> Between 1992 and 2000 BAT's investment accounted for over a third of total foreign direct investment into Uzbekistan.<sup>1</sup> The chief sanitary doctor was powerless next to BAT, particularly given its close alliance with President Karimov.

Effective control policies are much needed during privatisation because growing evidence, supported by our findings, suggests that liberalisation of investment fuels consumption.<sup>w28-w30</sup> International financial organisations should therefore reconsider their support for privatisation of the tobacco industry.<sup>w28 w31</sup> If privatisation does proceed, it should be conducted openly and preceded by implementation of effective tobacco control legislation. In countries where privatisation has already occurred, every effort should be made to implement comprehensive, enforceable tobacco control policies.

The ability of tobacco companies to shape public policy assumes particular importance in the context of the World Health Organization's first public health treaty, the Framework Convention on Tobacco Control. Now ratified by 119 countries, though not by Uzbekistan,<sup>w32</sup> the convention has already accelerated policies on tobacco control in participating countries. Although this move is extremely promising, it may also, perversely, heighten opportunities for tobacco companies to shape legislation or to encourage the pre-emptive adoption of ineffective measures. If the potential of the convention is to be realised, participating states must develop binding protocols rapidly and provide adequate funding to low income countries to facilitate development of effective tobacco control policies. This requires development agencies to recognise the contribution that cost effective tobacco control measures can make to the millennium development goals.<sup>w33</sup>

## Summary points

In 1994 the Uzbekistan tobacco industry was privatised and British American Tobacco (BAT) established a production monopoly

BAT's investment plans predicted a 45% increase in cigarette consumption

As part of its investment conditions, BAT overturned tobacco control legislation that banned advertising and smoking in public places

Safeguards are needed to prevent transnational tobacco companies influencing health policy when investing in low income countries

The Framework Convention on Tobacco Control could help but needs to be enhanced with binding protocols

We thank Yuri Loshmanov for helping with interviews in Russian and for those who were willing to talk to us despite the obvious risks. We also thank Nadja Doyle for administrative help.

Contributors and sources: This article is based on a search and analysis of company documents contained in the Guildford depository. Key informants substantiated our findings, although they must remain anonymous since people involved in tobacco control in Uzbekistan have been tortured. ABG developed the concept of this paper, undertook the background work, document searching, indexing and analysis, drafted and revised the paper. JC contributed to document searching and initial indexing, drafting and revision of the paper. MM contributed to the drafting and revision of the paper. All authors approved the final version. ABG is guarantor.

Funding: This work was supported by the National Cancer Institute, US National Institutes of Health, grant number R01 CA91021.

Competing interests: ABG is an unpaid board member of ASH-UK. JC is an unpaid board member of the International Agency on Tobacco and Health. ABG, JC, and MM receive funding from the National Cancer Institute, US National Institutes of Health. ABG and JC have received funding for tobacco document related work from the Wellcome Trust, Cancer Research UK and Health Canada. JC has received funding from the Rockefeller Foundation for tobacco document related work.

- Gilmore A, McKee M. Tobacco and transition: an overview of industry investments, impact and influence in the former Soviet Union. *Tob Control* 2004;13:136-42.
- News: BAT takes the lead in Uzbekistan. *BAT Bulletin* 1995 Aug. Guildford Depository: British American Tobacco, Bates No 500161238.
- Collin J, Lee K, Gilmore A. Unlocking the corporate documents of British American Tobacco: An invaluable global resource needs radically improved access. *Lancet* 2004;363:1746-7.
- Monbiot G. Britain and the US claim a moral mandate and back a dictator who boils victims to death. *Guardian* 2003 Oct 28.
- Wagstyl S, Gorst I. UN demands independent probe into Uzbek killings. *Financial Times* 2005 May 18.
- World Bank. *Transition the first ten years: analysis and lessons for Eastern Europe and the former Soviet Union*. Washington, DC: World Bank, 2002.
- Havrylyshyn O, McGettigan D. *Privatization in transition countries: a sampling of the literature*. Washington, DC: International Monetary Fund, 1999. (WP/99/6).
- Tuinstra T. Following the silk route. *Tob Reporter* 1998 Oct:143-5.
- Tobacco traveller: Uzbekistan. *Tob J Int* 1996;4:63.
- Select Committee on Foreign Affairs Minutes of Evidence. *Memorandum submitted by the Foreign and Commonwealth Office, March 1999*. www.parliament.the-stationery-office.co.uk/pa/cm199899/cmselect/cmfaff/349/9052502.htm (accessed 15 Nov 2004).
- Herter U. *Note to the chief executives committee, Uzbekistan*. 14 Oct 1994. Guildford Depository: British American Tobacco, Bates No 503800815-29.
- Marr M. Uzbekistan. *Preliminary marketing report following visit to Tashkent & Samarkand 26-30 July*. 11/08/1993. Guildford Depository: British American Tobacco, Bates No 203832508-16.

- 13 Sims D. *Marketing report Uzbekistan. Field visit 6/10/93 to 15/10/93.* Guildford Depository: British American Tobacco, Bates No 203465873-93.
- 14 Marr M, Sims D. *Uzbekistan marketing plan 1994-2003. Discussion draft 3.* Guildford Depository: British American Tobacco, Bates No 203459117-35.
- 15 *Draft 2, Project Umpire, Skeleton business Plan.* Guildford Depository: British American Tobacco, Bates No 600507395-420.
- 16 Wells W. *Project Umpire: Bain Link Market Sizing Model. 11/07/1994.* British American Tobacco, Bates No 503801054-5.
- 17 Marr M. *Market sizing—Uzbekistan draft 2.* 03/08/1994. British American Tobacco, Bates No 203459203-4.
- 18 Van Waay A. *Uzbekistan—market sizing estimates.* 24/06/1994. British American Tobacco, Bates No 203459354-5.
- 19 Schroders. *Draft 1. Project Umpire, Skeleton business plan.* (1994) Guildford Depository. BAT Bates No: 301734376-406.
- 20 Marr M, Sims D. *Uzbekistan Marketing Plan 1994-2003 Discussion Draft.* [01/10/1993]. British American Tobacco, Bates No 203459182-201.
- 21 Wells W. *Project Umpire: issues for Dr. Khamidov et al and Revised draft BAT's proposed investment in Uzbekistan. Issues for discussion.* 29/11/1993. British American Tobacco, Bates No 301728237-41.
- 22 Wells W. *Project Umpire. Uzbek Health Ministry Decree promoting the restriction of Smoking.* 25/08/1994. Guildford Depository. BAT Bates No: 500852348-9.
- 23 Chief State Sanitary Doctor of The Republic of Uzbekistan. Decree no. 30 "On Restricting and Preventing Smoking in Uzbekistan". 15/07/1994. Guildford Depository. BAT Bates No: 500852350-1.
- 24 British American Tobacco. Decree No. 30. "On Restricting and Preventing Smoking in Uzbekistan". 25/08/1994. Guildford Depository. BAT Bates No: 500898510-1.
- 25 Schroders. *Project Umpire.* Meeting to be held at Windsor House on 23rd August at 1430hrs Proposed agenda. 23/08/1994. Guildford Depository. BAT Bates No: 503800858-9.
- 26 Boyse S. *Uzbekistan Decree.* 02/09/1994. Guildford Depository. BAT Bates No: 500852323-30.

## Health policy

# Applying clinical epidemiological methods to health equity: the equity effectiveness loop

Peter Tugwell, Don de Savigny, Gillian Hawker, Vivian Robinson

Focusing on the average effects of interventions on health may miss important differences within populations. Examining these effects across gradients in wealth allows the identification of the interventions most likely to reduce health inequalities

### Introduction

The world achieved impressive health gains during the 20th century.<sup>1</sup> However, health worldwide is distributed unevenly, according to socioeconomic status.<sup>2-4</sup> Unfair and avoidable health inequalities have been termed health inequities.<sup>5</sup> Modern health policy must ensure that poor people are included in the benefits of development.<sup>6</sup>

### Objective

We propose the “equity effectiveness loop” framework (fig 1) to highlight equity issues inherent in assessing health needs, effectiveness, and cost effectiveness of interventions, and the development and evaluation of

evidence based health policy. This framework provides a method to calculate the “equity effectiveness ratio,” which assesses the impact of various factors on the gap in the effectiveness of interventions across socioeconomic gradients. Although we illustrate the application of this approach when data are available on the economic gradient across individuals, if social-group attributes are also known, the approach could be applied for other equity factors as illustrated by the PROGRESS concept: place of residence; race, ethnicity, and culture; occupation; sex; religion; education; socioeconomic status; and social capital, which reflects categories across which disadvantage may exist.<sup>7</sup> Including equity issues is an improvement on the iterative measurement loop, which focused on averages and thus ignored the distribution of health effects.<sup>8-9</sup>

Information on the distribution of both “risk” and “response” across the wealth gradient is critical for going beyond mere measurement to designing strategies to reduce the health gap between rich and poor.

### Methods

This equity effectiveness loop provides a framework for developing and evaluating population health interventions and policies that explicitly focus on narrowing the gap between rich and poor, using the best available evidence. This framework integrates the concepts of individual risk and socioeconomic status with intervention effectiveness from a population health perspective.

We will illustrate this framework with two interventions: nets treated with insecticide for malaria prevention (an acute infectious disease in low income

Ottawa Health Research Institute, Institute of Population Health, University of Ottawa, 1 Stewart Street, Ottawa, ON, Canada K1N 6N5  
Peter Tugwell  
director

Centre for Global Health, Institute of Population Health  
Vivian Robinson  
research associate

continued over

BMJ 2006;332:358-61

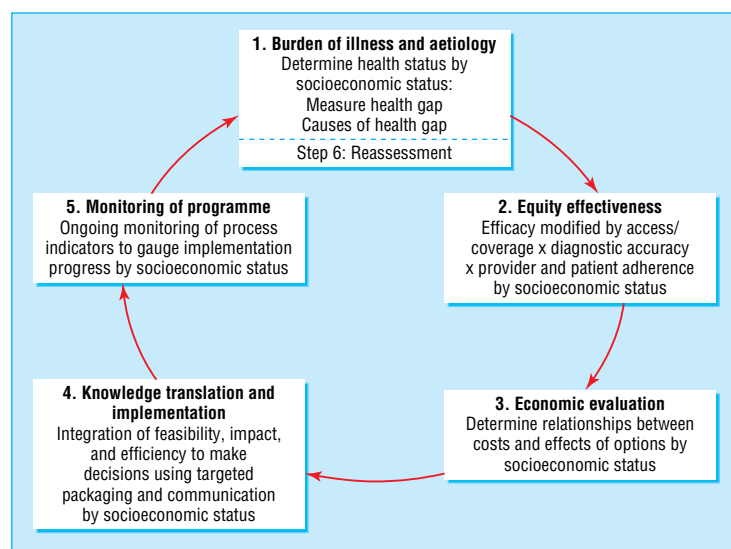


Fig 1 Equity effectiveness loop

**P+** Acknowledgments and other statements, and all references, are on bmj.com