



INTERNATIONAL LABOR RIGHTS FORUM

1634 I St NW, Suite 1001, Washington, DC 20006

CPATH ♦ Center for Policy Analysis on Trade and Health

Bringing a Public Health Voice to Trade and Sustainable Development



The Human Rights and Tobacco Control Network

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Dear Ambassador Miriam Sapiro,

As garment factory fires and building collapses continue to claim more lives in Bangladesh, the US government must change course and send a strong message that business as usual in Bangladesh must end. Removing GSP benefits for Bangladesh, a country that has repeatedly failed to address worker rights issues across several industries, will send that message.

Some concerns have been raised as to the monetary consequences of removing GSP benefits for Bangladesh. Notably, there is a concern that stripping Bangladesh of GSP will hurt industries that support workers, doing more harm than good. But a closer look at the benefits that the country receives under the GSP program reveals that the United States is supporting an industry that does not, in fact, support its workers.

In 2012, the tobacco sector was the largest beneficiary of Bangladesh's GSP program, accounting for over \$11 million in tobacco exports out of \$35 million in total GSP exports.¹ While the trade benefits under the GSP program may benefit the growing Bangladeshi tobacco industry in the short term, over the long term, the incentives that the GSP program provides have led to the rapid increase in tobacco production. This increased production creates a net negative impact on the health of US citizens and Bangladeshi citizens in the form of increased tobacco use, increased health care costs, and decreased government revenue that otherwise could be applied to tobacco prevention programs. It is widely known and accepted that tobacco is the

¹ Data from the United States International Trade Commission Dataweb. Found at: dataweb.usitc.gov.

cause of nearly 6 million deaths every year, and encouraging tobacco production through the GSP program can only make that number grow.²

However, the damaging effects of tobacco production are not limited to health concerns. Encouraging tobacco production is not a sustainable form of development, which is what the GSP program is intended to promote. Current US Government development-related policy is aimed at encouraging economic development by promoting “self-sustaining economic growth with equitable distribution of the benefits.”³ Tobacco has been recognized by the United Nations for its negative contributions to global development, and as a party to the WHO Framework Convention on Tobacco Control, Bangladesh is obligated to seek pathways to alternative livelihoods for tobacco farmers. While some success has been gained in this endeavor over the past decade, the GSP program has the effect of running counter to this goal. While the GSP program certainly has expanded exports from Bangladesh, such expansion has occurred in an unsustainable industry which threatens the lives and livelihoods of farmers and their families.

Tobacco is a very input-intensive crop, requiring seeds, seedbeds, and a high amount of fertilizer and pesticide application, leading to a need for access to credit. Tobacco companies have taken advantage of this credit opportunity as a way to secure supply. Farmers in Bangladesh are enticed into switching from food crops to tobacco crops by tobacco companies which offer attractive loans that bind farmers to tobacco companies. Once farmers accept a loan from any tobacco company, they are bound to sell their produce to that company only. Because tobacco cultivation takes in a large amount of nutrients from the soil, the fertilizer requirements for growing tobacco increase each year, leading to steadily declining profitability for the farmer.⁴

In addition to the high costs of seeds and fertilizers, tobacco is one of the most labor-intensive cash crops in the world. As farmers have transitioned into tobacco production, family members are enlisted to assist with the high labor requirements. As a result, the tobacco crop is associated with child labor in Bangladesh and over thirty other tobacco growing developing countries.⁵

Food security has also been threatened by tobacco farming. In Bangladesh, large groups of farmers have been switching from rice cultivation to tobacco farming, leading to concerns about Bangladesh’s ability to feed its own population.⁶ Farmers who used to be able to grow food crops on their land now must rely on a decent tobacco harvest if they want a chance at buying sufficient food for their families.

There are also numerous health risks associated with tobacco growing. Tobacco farmers and family members experience green tobacco sickness (nicotine poisoning through the skin) in Bangladesh. Tobacco plants require applications of pesticides and fertilizers to ensure larger yields and such applications increase farmers’ vulnerability to pesticide poisoning, which can include skin rashes, vomiting and in some cases death. Tobacco farmers and family members also suffer from respiratory disease due to inhalation of dust from raw tobacco leaves.

² <http://www.tobaccoatlas.org/harm/deaths/text/>.

³ See Foreign Assistance Act of 1961, PL 87-195 at Sec. 101(a)(2).

⁴ *Tobacco cultivation and poverty in Bangladesh*, Naher and Efroymson, Ad Hoc Study Group on Alternative Crops, 2007.

⁵ Otañez M (2008) “Social disruption caused by tobacco growing,” Study conducted for the Second meeting of the Study Group on Economically Sustainable Alternatives to Tobacco Growing – World Health Organization Framework Convention on Tobacco Control, Mexico City, Mexico 17-19 June; <http://escholarship.org/uc/item/7ks4s9js>.

⁶ Tobacco and food insecurity: <http://www.irinnews.org/Report/91718/BANGLADESH-Growing-interest-in-tobacco-farming-and-Tobacco-cultivation-and-poverty-in-Bangladesh>” from the study group on alternative crops.

Tobacco is a relatively minor crop in overall agriculture in Bangladesh, but its influence is rapidly growing. Between 2011 and 2012, tobacco exports under the GSP program have more than doubled, from \$5 million to \$11 million.⁷ Furthermore, tobacco as a share of overall exports has risen rapidly, from about 2.5 percent in 2000 to nearly 34 percent in 2009.⁸ These statistics represent a dangerous growth trend in a sector that is responsible for the death and impoverishment of hundreds of thousands of Bangladeshi and US citizens every year. The expansion of tobacco growing is made easier as the GSP program encourages production through the absence of tariffs.

Tobacco control advocates in Bangladesh have worked hard to pass legislation on tobacco control. The benefits that tobacco receives from the GSP program undermine these and future tobacco control efforts. Withdrawing GSP benefits for Bangladesh could substantially prevent or potentially eradicate tobacco-related child labor problems and workers' rights violations. With the suspension of the GSP program in Bangladesh, newly applied tariffs can deter tobacco production and consumption. Tobacco is a unique product in international trade. When used exactly as intended, it kills, and it should therefore not be promoted.

Thank you,

Action on Smoking & Health

Human Rights and Tobacco Control Network

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⁷ Data from the United States International Trade Commission Dataweb. Found at: dataweb.usitc.gov.

⁸ *The Economics of Tobacco and Tobacco Taxation in Bangladesh*, Bloomberg Initiative to Reduce Tobacco Use