



Bos Chandiyamba

## Nestlé In Africa

### Exploitation in Ethiopia

At the end of 2002, Nestlé drew international attention and outrage as it became embroiled in yet another public relations scandal, this time involving an alleged debt owed to the company by the government of famine-stricken Ethiopia. The controversy centered around an event which took place over 25 years ago in what is now likely the poorest country in the world.

In 1975, Ethiopia was governed by a military junta which was headed by a man named Major Mengistu Haile Mariam. Mengistu's political aim was the creation of a one-party socialist state, and as such he instituted a government policy of nationalizing foreign businesses. One such business was a German company called the Schweisfurth Group. At the time, the company was not fully compensated for the nationalization process.

Over the following decades, the government of Ethiopia radically changed numerous times as coups and counter-coups took place. By the turn of the century, the new Ethiopian government was in dire straits and desperate for international investment. In order to gain credibility on the world market, the Ethiopian government began to attempt to pay outstanding debts the country had. One company it approached was Nestlé, which is now the owner of what was the Schweisfurth Group. The government produced a payment offer of \$1.6 million, which it calculated to be appropriate compensation (this was the value of the initial shareholding with interest). Nestlé, however, had its own idea as to what it was owed, and calculated Ethiopia's debt to it by using the American currency and the exchange rate in place in 1975. This produced the far greater sum of \$6 million, which Nestlé demanded the African country pay.

This attempt to extract much needed funds from an impoverished nation was cruel in any context, but

all the more so considering that the demand was made when the country was on the verge of a potentially catastrophic famine. At the time, the United Nations was estimating 11 million Ethiopians would go hungry in the winter of 2002-2003.

Once the story hit the press, the public was rightfully outraged and Nestlé was forced to back-pedal. It claimed that Ethiopia's government should pay the sum as a matter of principle — apparently a principle worth more than the lives of thousands of Ethiopians. A company spokesman elaborated, saying,

*"In the interest of continued flows of foreign direct investment which is critical for developing countries, it is highly desirable that conflicts are resolved according to international law and in a spirit of fairness."*

This ominous statement adequately depicts the power that multinational corporations wield over the world's poorer nations. The message is "play by our rules, or forget about getting our investments." This was the theme of an address made by Nestlé to Zimbabwe's parliament in 1998 when it was attempting to pass into law the International Code of Marketing of Breast-milk Substitutes. According to Timothy Stamps, Minister of Health at the time, "[Nestlé] called a meeting ... to try and tell Parliamentarians that if we went ahead with putting the Code into regulation they would remove themselves from Zimbabwe." It proved to be an idle threat.

In Ethiopia's case, Nestlé's idea of "the spirit of fairness" is to have the government of a sovereign nation in crisis hand over millions of dollars to a company with no responsibility to the nation's people simply because of the actions of a non-democratic government which existed 30 years ago in dealing with a company Nestlé likely hadn't heard of at the time. This demand, like Nestlé's irresponsible promotion of artificial feeding practices, displays the company's lack of regard for the well-being of humanity and is a reiteration of its policy of putting profits before life. It is also another excellent reason to boycott Nestlé's products.



Nestlé Boycott Action Kit





### **Nestlé and the Red Cross: Charity vs. Public Relations**

Nestlé eventually promised to forgo using Ethiopia's payment for its own purposes and pledged instead to reinvest the money in development and relief efforts in Africa.

This seemingly noble gesture is actually one in a pattern of dubious actions on the continent. Nestlé's CEO, Peter Brabeck-Letmathé, stated that this reinvestment in Africa would come via the Red Cross. Certainly the International Federation of Red Cross/Red Crescent Societies (IFRC) is to be lauded for their work, yet unfortunately it appears that Nestlé's involvement with them is exploitative.

In 1999, Baby Milk Action, a British-based organisation which promotes the Nestlé Boycott, lodged a series of complaints with the UK Advertising Standards Association, claiming that a Nestlé ad which stated the company promotes breastmilk substitutes "ethically and responsibly" was unfounded. After a lengthy investigation, the ASA upheld the group's complaints and Nestlé was dealt a huge public relations blow.

Soon thereafter, apparently acting on the advice of PR firm Saatchi and Saatchi, Nestlé publicly engaged in partnerships with numerous British charities, including the Red Cross, seemingly acting to reverse the bad publicity received from the ASA ruling. While the work of the charities which Nestlé funds is undeniably helpful and noble, if Nestlé were truly concerned, it would stop jeopardizing infant health around the globe. According to the International Baby Food Action Network and the UN, it refuses to do this. Therefore one can without undue cynicism conclude that Nestlé's charitable actions are performed with public relations, rather than the lives of others, in mind. This is especially apparent when one considers that its donations are advertised to the public rather than given anonymously.

As offensive as these manipulations may seem, they cannot compare to Nestlé's horrific exploitation of the HIV/AIDS disaster and the Red Cross in Africa.

### **Greed in a Time of Crisis**

#### ***The AIDS Pandemic***

Sub-Saharan Africa is in the grips of the greatest health disaster in modern history. Currently, 29.4 million Africans are infected with HIV/AIDS. In

2002, 5.8 million more people on the continent were infected with the virus. In some countries, the rates of infection have reached levels not previously thought possible (Botswana: 38.8%, Lesotho: 31%, Swaziland: 33.4%, and Zimbabwe 33.7%). Of particular concern is the fact that 58% of those infected are women, and thus are in danger of not only infecting other adults, but the children they may bear as well.

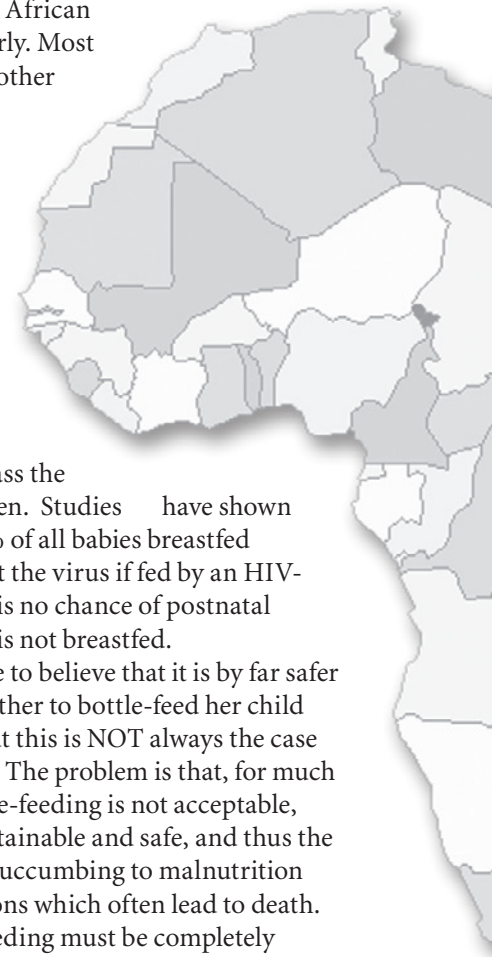
Approximately 600 000 African infants are infected yearly. Most acquire the virus via Mother to Child Transmission (MTCT).

There are three ways in which a mother can transmit HIV to her child; during pregnancy, during birth, or during breastfeeding.

Approximately 25% to 45% of African seropositive mothers pass the disease to their children. Studies have shown that approximately 15% of all babies breastfed exclusively will contract the virus if fed by an HIV-positive mother. There is no chance of postnatal contraction if the baby is not breastfed.

This would lead one to believe that it is by far safer for an HIV-positive mother to bottle-feed her child than to breastfeed it, but this is NOT always the case in these areas of Africa. The problem is that, for much of the population, bottle-feeding is not acceptable, feasible, affordable, sustainable and safe, and thus the child is at great risk of succumbing to malnutrition and diarrhoea, conditions which often lead to death. Furthermore, bottle-feeding must be completely sustainable throughout the child's early life in order to be a safe option, as mixed feeding (bottle feeding complemented with breastfeeding) has been shown to greatly increase the risk of contracting the virus from a seropositive breastfeeding mother. This is because infant formula can damage the inside of a baby's stomach, making it easier for HIV to enter the system.

In all cases, the risks of breastfeeding must be weighed against the constant dangers of bottle-feeding in resource poor countries. If bottle-feeding is not feasible, exclusive breastfeeding for the child's early life is strongly recommended as the healthiest





option. In most AIDS affected areas, the risk of bottle-feeding is higher than the risk of Mother to Child Transmission of the virus.<sup>1</sup>

Because of these underlying factors, it is extremely important that mothers receive all the support they need to make the right decision. This has been outlined in WHA Resolution 54.2, which calls on member states

*“to recognize and assess the available scientific evidence on the balance of risk of HIV transmission through breastfeeding compared with the risk of not breastfeeding, and the need for independent research in this connection ... and that those who choose [options other than breastfeeding] should be encouraged to use them free from commercial influences.”*

The UN body stressed the need for independent, unbiased information free from commercial prejudice. The decision whether or not to breastfeed must not be interfered with. Unfortunately, it appears this resolution has already been violated.

#### **The Nestlé Nutrition Institute in Africa**

Insidiously, Nestlé seems to have smelled a profit amongst the indescribable human suffering caused by the AIDS pandemic, and has seen the increasingly questionable status of breastfeeding a chance to promote its own breastmilk substitutes. If breastfeeding rates are down, business is up for Nestlé. Soon after the passing of WHA Resolution 54.2, the Nestlé Nutrition Institute in Africa (NNIA) was founded. According to an e-mail written by Prof. Demetre Labadarios, head of the Department of Human Nutrition at the University of Stellenbosch, South Africa, and one of the academics affiliated with NNIA, the role of the institute is:

*“To facilitate and foster the development, communication and application of sound nutrition research and understanding.*

*“To connect scientists with technology in the*

*search to expand the boundaries of nutrition research and understanding.*

*“To provide healthcare professionals with access to the most current and balanced nutrition information and tools they can*

*use to make good nutrition a motivating goal for those they serve.*

*“To motivate consumers and caregivers toward a practical and enjoyable approach to nutrition.”*

He says the NNIA will not promote “any particular food products in any of the life cycle stages.” This is contrary to the fact that he refers to people as “consumers” rather than patients or mothers and there is a catalogue of Nestlé nutrition products on the NNIA website. How can doctors on Nestlé’s payroll be expected to give unbiased advice? Furthermore, any attempt by Nestlé to actively distribute its products in the region could cause HIV negative mothers to choose bottle-feeding instead of breastfeeding. The formation of this institute is in direct opposition to WHA resolution 54.2, and is a thinly veiled attempt to pass off promotion of Nestlé products as sound health advice. This is nothing other than commercial predation on a community of dying mothers who are already exceedingly vulnerable and have been forced into the heartbreaking position of having to choose between two methods of caring for their children, both of which could very possibly lead to death. Amidst this Nestlé has spied a way to turn a profit. Have they no shame?



#### **Source:**

1. BMJ 2003;326:113-114 ( 18 January ) <http://www.afronets.org/archive/200111/msg00000.php>, [http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field\(DOCID+et0039\)](http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+et0039)) HIV and Infant Feeding: A Review of HIV Transmission Through Breastfeeding. World Health Organization, 1998.



**INFAC Canada**

6 Trinity Square, Toronto ON M5G 1B1  
Phone (416) 595-9819 • Fax (416) 591-9355  
info@infactcanada.ca • www.infactcanada.ca