



# TAKING ON GOLIATH: THE NESTLÉ BOYCOTT (1977-1984)<sup>ii</sup>

*The act of buying is a vote for an economic and social model, for a particular way of producing goods. We are concerned with the quality of goods and the satisfactions we derive from them. But we cannot ignore the conditions under which products are made – the environmental impact and working conditions. We are linked to them and therefore have a responsibility for them.*

– Anwar Fazal, Chairperson Emeritus, World Alliance for Breastfeeding Action

<sup>ii</sup> This chapter draws heavily from  
a. Douglas Johnson's "Confronting corporate power: strategies and phases of the Nestlé boycott (1977-1984)", which first appeared in Vol. 8, 1986 issue of *Research in Corporate Social Performance and Policy, A Research Annual*  
b. "Milestones: Ten years of struggle to prevent "bottle baby disease", *ICCR Brief*, May 1983

On 4 July 1977, Minnesota INFACT launched the Nestlé Boycott and invited others across the country to join; on 3 November 1977 the first National INFACT Conference declared the Boycott at a national level initiating the seven and one-half year campaign, Led by Douglas Johnson, the boycotters leafleted churches, erected a big baby bottle outside the Nestlé office in the US, paraded carrying coffins and banners

Volunteers distributed lists of several hundred products, engaged local committees in debates, teach-ins, file showings, and newsletters. Local organisations were sought as endorsers and affiliates. Monitoring of industry field practices became an important activity, providing data to hearings, press, and education campaigns. Member organisations of the International Coalition for Development Action were asked to begin campaigns in

## ***Baby food - a potent symbol***

The baby food issue is ripe with potent symbolism that gives it powerful appeal for many constituencies and allies. Food and health care are basic human needs, largely unmet for a large number of people, especially in the Third World. The most vulnerable populations are mothers and children, the symbol of the family and the future for all cultures and people. But women's vulnerabilities and parents' desires to do the best for their children are transmuted into marketing strengths of powerful, profit-motivated TNCs. An elaborated sales strategy manipulates the health care system into an agent of commerce, betraying its trust as a protector of the sick and vulnerable. A global food resource—breastmilk—is discredited in a hungry world. The life and death of babies, of families, of nations are at stake.

These symbols exist as part of the baby food issue. They give it power and draw a constituency to a campaign:

1) parents who care for their babies;

- 2) mothers who breastfeed and who are denied the opportunity in modern health care facilities;
- 3) women's groups determined to fight manipulation of women and their bodies;
- 4) doctors and health practitioners who want to recuperate their institutions to serve people first;
- 5) scientists, development workers, and governments seeking appropriate technology to combat hunger;
- 6) religious bodies promoting ethical societies;
- 7) consumer activists and labor groups concerned with the power and role of TNCs.

Each constituency has potential to be developed through new articulations of the issue, which can touch the lives of millions in a very personal way. The process of developing and articulating the issue in new forms is critical to gain allies within the struggle; it is a fundamental task of a campaign. It must be done to motivate everyone in the organisation. Without deep personal feelings about the issue, no one can sustain the commitment and motivation needed for a campaign to be successful.

## Why Nestlé

1. Nestlé was (and is) the largest food company in the world, selling almost twice the number and quantity of products as other manufacturers did.
2. Nestlé's reaction to the AgDW publication titled Nestlé Kills Babies showed how vulnerable it was to public opinion.
3. From 1974 to 1977, Nestlé's behavior in Europe and the behavior of other companies in the United States helped to set the stage for the Boycott. In Europe, Nestlé refused to meet face to face with its critics, demanded public apology and financial retribution, and denied validity of the criticism. Its outraged reaction to the publication of Nestlé Kills Babies quickly brought further attention to the issue and helped to increase interest throughout the two years of the trial. Only the corporation characterised the outcome of the lawsuit as a Nestlé victory. Nestlé believed that the public campaign had ended in Europe, because the baby food issue faded from the newspapers and activism died down in Europe.
4. In the United States, ICCR had achieved enough minor victories with other infant milk manufacturers to isolate Nestlé initially as the most intransigent and hard-line company.

their countries. Canada and Australia formed INFACt organisations and declared the Boycott during this phase.

One of the first acts of the Boycott was to campaign for Senate hearings. Finally, the Subcommittee on Health and Scientific Research of the Committee on Human Resources of the US Senate, chaired by Senator Edward Kennedy, began the hearings on 23rd May 1978.

In his opening remarks, Kennedy asked

*Can a product, which requires clean water, good sanitation, adequate family income, and a literate parent to follow printed instructions, be properly and safely used in areas where water is contaminated, sewage runs in the streets, poverty is severe, and illiteracy is high?*

When it was announced in November 1977, the Boycott demands were for Nestlé to: Immediately stop all promotion of infant formulas in developing nations, including

- 1) an end to direct advertising of formula to consumers.
- 2) an end to distribution of free supplies to hospitals and clinics, and homes of newborns,
- 3) an end to the use of company "milk nurses", and
- 4) an end to promotion to health professions and through health care institutions. (Infant Formula Action Coalition (INFACt), 1978)

In the same year, CBS aired Bill Moyer's half hour documentary *Into the Mouths of Babes*, that exposed the severity of the bottle baby problem in the Dominican Republic and the role played by aggressive promotion, especially by US companies. Nine million Americans viewed the documentary.



### **Organizing principles of the Boycott:**

1. The need for the campaign to develop through controversy, so that the issue would become debated rather than hidden;
2. The need to internationalise the campaign in order to fight a trans-national corporation;
3. The contribution the Boycott could make to stimulating and freeing criticism in the Third World from the fear of possible reprisals;
4. The key of the U.S. market to mount pressure on the corporation as a whole;
5. The churches as a legitimate base;
6. The importance of organizing in the middle class, the primary purchasers of Nestlé's products and thus Nestlé's powerbase;
7. The need to project winning the Boycott and directly saving lives, not just to project education about an issue, as the goals of the campaign.

Nestlé attempted to disarm the U.S. campaign through floods of publicity materials, through public debates' and by renaming its US public relations office the Office of Corporate Responsibility."

In 1979, the International Nestlé Boycott Committee (INBC) was formed to coordinate negotiations with Nestlé and work on the Boycott. Initially the INBC had representatives of over twenty national organisations; by

1983, more than 80 organisations from US, UK, Canada, Sweden, Norway and the Federal Republic of Germany participated in it.

### **1979: A unique meeting is organised...**

In the meantime, internationally, there was increasing demand for a code that would regulate the marketing of infant formula. In keeping with the recommendations of Sen. Edward Kennedy's Subcommittee, the World Health Organisation agreed to host a meeting in October 1979 to develop such a code. The experts meeting was unique in that for the first time, it brought together government, industry and NGOs, consumer groups, and activists from across the world to debate the issue and come to a conclusion.

For Nestlé, this meeting, which was being held in Geneva, seemed to present an opportunity to garner international support. ICIFI had developed what was popularly called the "industry's code" that claimed to regulate its marketing methods. The code was neither adequate, nor did it have any teeth. Nestlé's field managers approached national governments with the ICIFI code to have it incorporated into legislation, in an effort to undermine governments' support for a strong international code.

This strategy ultimately failed. The final recommendations of the meeting included a ban on all sales promotion to the public, samples, and use of company personnel in the health care system. The ICIFIC code was overwhelmingly rejected and WHO and UNICEF were asked to develop a detailed international code of marketing of infant formula.

### **... and a unique group is born**

Shifting the level of action into an international organisation opened a new arena for consumer critics. In this arena, the potential for international information sharing could be used to the maximum. Internationalisation of the forum led to the creation of a unique networking organisation bringing together developed countries as well as Third World countries on the issue of infant feeding.

The five participating consumer groups (IOCU, War on Want, The Third World Working Group of Bern, INFAC, and ICCR) launched the International Baby Food Action Network (IBFAN) at the close of the meeting in 1979, leading to greater international collaboration among critics of the marketing of infant foods. By 1983 IBFAN members included 100 organisations in 67 countries. Today, the members have increased to more than 200 citizens' groups in 95 developing and industrialised countries.

### **1981: a unique code is passed**

The recommendation of the WHO/UNICEF meeting in 1979 led to the preparation of a draft code for marketing of formula foods. In a series of publications, IBFAN exposed the continuing unethical promotional activities of infant formula manufacturers, who, besides violating the recommendations of the October 1979 meeting, were also violating the ICIFI code. This put pressure on the drafters for strengthening the draft. At the same time, the industry, along with the US government acting as its mouthpiece, was trying to force the drafters into weakening the code.

The draft code was put to vote at the 1981 World Health Assembly. Leah Margulies describes the meeting:<sup>8</sup>



The parties to the Code negotiations included representatives of Member States of the World Health Assembly; officials of the World Health Organisation, UNICEF, and other intergovernmental bodies; representatives of the major international producers of breastmilk substitutes; and leaders of the non-governmental organisations who were campaigning to end promotion of breastmilk substitutes. This was the first time NGOs participated to this degree in intergovernmental negotiations. In the WHA, an alliance grew between the Northern advocacy groups and the Southern governmental representatives, buttressed by the several Northern European governments who tended to be sympathetic to developing country demands and who, in addition, didn't have a strong domestic breastmilk-substitutes industry.

The NGOs brought to the WHA a team of advocates from North and South countries, armed with the latest scientific research on the benefits of breastfeeding and examples of egregious promotional practices from around the world. Even though the NGOs couldn't participate in the formal debate, their presence and the issues they were presenting had an electrifying affect on the normally more stolid proceedings. For the first time in history, international standards, sanctioned by the UN, were established to control the excesses of a large multinational industry.<sup>iii</sup>

<sup>iii</sup> Estimates as to the size of the world market for infant formula (one of many breastmilk substitute products) for the year 1990 range from \$3.9 billion to \$6.5 billion. See S. Prakash Sethi, *Multinational Corporations and the Impact of Public Advocacy on Corporate Strategy: Nestlé and the Infant Formula Controversy* (Kluwer Academic Publishers, Boston, 1994), especially Chapter 9.

## **Highlights of the International Code**

The Code consists of a preamble and 11 articles, most with several subparagraphs detailing specific requirements. Its features include the following:

- The Code applies to a relatively broad scope of products—all breastmilk substitute products and other products which are used as a partial or total replacement of breastmilk, bottles and teats.
- All advertising and promotion to the general public is banned. This includes forbidding the distribution of free samples, gifts and other promotional materials, and eliminating direct or indirect contact between marketing personnel and pregnant women and mothers.
- Promotion is banned in health care facilities. This includes banning displays of products, placards and the use of “mothercraft nurses” to promote products. “Mothercraft nurses” are nurses or sales people dressed as nurses who are hired to promote products.
- Informational and educational materials about breastmilk substitutes are permitted. However, the materials must be scientific and factual, and must include information on all of ten points listed in the Code, including, for example, the superiority of breastfeeding, the difficulty of reversing the decision not to breastfeed, the financial implications of buying commercial substitutes, and the health

hazards of improper use. No pictures or text may idealise the use of breast-milk substitutes, or imply equivalency with breastmilk.

- To discourage the routine use of formula in hospitals, the Code restricts “donations” (free supplies) and low-cost supplies of breastmilk substitutes only to charity cases where a breastmilk substitute is deemed necessary.
- The Code designates a specific list of label requirements. Labels must, among other things, include the message that the product only be used on the advice of a health worker who can instruct on the proper method of use. Also, labels may not show pictures of babies or idealise, through either words or images, the use of infant formula.

The Code assigns implementation and monitoring responsibilities among the various parties: governments, manufacturers and distributors, non-governmental organisations and professional groups.<sup>10</sup> Governments are urged to “adopt national legislation, regulation or other suitable measure” to implement the Code. Manufacturers and distributors, “independently of any other measures” are instructed “to ensure that their conduct at every level” conforms to the Code.<sup>11</sup> Non-governmental organisations, professional groups, institutions and individuals are to draw the attention of manufacturers and governments to activities which are incompatible with the Code.

– Leah Margulies

118 governments voted to adopt the *International Code of Marketing of Breastmilk Substitutes* (hereafter referred to as the Code); only the US voted against it.<sup>iv</sup>

While not legally binding, the Code established for the first time internationally recognised minimum standards that Member States were urged to incorporate into national law. Today, more than half of the world's population live in the 27 countries where the Code has been adopted fully as national law. 33 countries have translated many of the provisions, and 22 countries some aspects of the Code into as national legislation. Other countries have either draft laws or have implemented the entire Code as a voluntary measure or as national health policy. The Code is still being studied in some countries. Solomon Islands, Antigua & Barbuda, St. Kitts & Nevis, Surinam, Somalia, Iceland, Malta, Monaco and the United States are the only countries where no action has been taken.<sup>9</sup>

The successful drive to win the Code brought many more contacts with like-minded NGOs around the world who could work to implement the code. Citizens' groups from all over the world met at the IBFAN Congress in the aftermath of the WHA to plan their work in fighting industry and implementing national legislation. The Code made possible a focus on national legislation, which required some of the same resources (campaign skills, monitoring information of industry practices) as the international corporate campaigns did. Monitoring networks became more established and regular in reporting. New Zealand, Sweden, Germany, and France launched their Boycotts during this phase, using informal network models and

<sup>iv</sup> The US public and Congress were furious that the Reagan administration put profits before people - ICCR Brief, May 1983

helping to disperse Nestlé's antiboycott energies.

This phase also saw Ernest Lefever, Reagan's nominee for Assistant Secretary of State for Human Rights forced to withdraw his name following disclosure that his think tank received at least \$47,500 plus other services from Nestlé, Bristol-Myers and Abbott Laboratories for attacks

### ***Nestlé gate scandal erupts***

In 1981, Nestlé's then vice president Ernest Saunders wrote a secret memo to General Manager Arthur Furer:<sup>12</sup>

In view of the overall propaganda campaign now being mounted by IBFAN and the professionalism of all the forces involved, it is clear that we have an urgent need to develop an effective counter-propaganda operation, with a network of appropriate consultants in key centers, knowledgeable in the technicalities of infant nutrition in developing countries and with appropriate contacts to get articles placed.

The top secret memo exposed by *Washington Post* revealed the extent and expense of Nestlé's battle against the Boycott. The report detailed the company strategy to disarm the Boycott through a paid network of "third-party organisations" and red-baiting. A successful press program exposing that stratagem coinciding with the passage of the code put the Boycott back on the political map at the end of phase 3.

on action groups. The attack was part of corporate strategic thinking, which by now was focusing on winning the Boycott in the US.

### ***Tweedledum and Tweedledee - Nestlé's NCCN and NIFAC***

Dr. Carl Angst, Nestlé's executive vice-president, established a new operations center, the *Nestlé Coordination Center for Nutrition* (NCCN) in Washington, D.C., which reported directly to him. President Rafael Pagan (1982) of the NCCN argued that the link of U.S. churches to the Boycott was crucial to its effectiveness and proposed to "strip the activists of the moral authority that they received from their alliances with religious organisation." As part of this "divide and rule strategy," backed by an annual budget estimated at more than \$20 million. Nestlé bypassed church representatives on the INBC in favor of direct contacts with the heads of organisations.

The heads of religious organisations demanded concrete responses from Nestlé to the Code, however. To gain legitimacy, Nestlé began a series of announcements through which the company recognised and implemented an increasing number of the provisions of the Code as corporate policy; but Nestlé did not recognise or meet with the Boycott leadership. Each change brought Nestlé policy closer to the Boycott demands, while still not fulfilling them.

Nestlé set up the *Nestlé Infant Formula Audit Commission* (NIFAC), chaired by former Senator and U.S. Secretary of State Edmund Muskie, to monitor its fulfillment of the Code. The members of NIFAC felt personally attacked by boycott forces, and demanded top-level involvement from Nestlé officials with regard to the issue and the Code, sanctioning some lax interpretations of the

international Code by Nestlé, but also pressing for revisions of Nestlé's instructions to field personnel (Post, 1985).

As a discrediting mechanism. Nestlé promoted the idea that its changes of policy were not being "recognised" by activist leadership, advancing the notion that intransigent, "ideological" leadership of the Boycott was at odds with "reasonable, humanely committed" Boycott supporters.

### ***Liar! Liar! Nestlé's false "commitment" to follow the Code***

The reason for the Boycott's defensive posture was a critical change in Nestlé's strategy. Nestlé announced that it would abide by its own definition of the Code in developing countries, and issued a set of instructions to its field staff on how that was to be accomplished. This announcement confused the public, even though the instructions were condemned by UNICEF and others as inaccurate and inadequate.

The announcement of instructions to its marketers was also backed by a sophisticated divide-and-rule counterboycott strategy that took the Boycott leadership by surprise. With no clear offensive of its own, the Boycott fell into a defensive posture. Valuable leadership time was absorbed with endorsing organisations to hold them in the Boycott coalition. New information indicated that an effective Boycott needed a strong grass-roots component to have economic effect; but internal conflicts prevented a full consensus from supporting this view. INFACT pushed ahead with a poorly conceived organizing drive to fill an emergency need; it failed, leaving the organisation demoralised and heavily in debt. Support from international colleagues helped regain flexibility while INFACT re-positioned for a new offensive.

### ***Understanding Nestlé's strategy***

The Nestlé Boycott was concerned with three levels of Nestlé strategy, and had to develop a mechanism for monitoring all three in order to be effective. Nestlé's *corporate strategy* determined what its plans were for overall organisational growth: products lines, targeted customers, countries or areas, and so forth. Understanding changes in corporate strategy provided clues for uncovering vulnerabilities of the corporation and for applying pressure. Nestlé's *marketing strategy* for infant formula and baby foods determined its approach to marketing its products. Changing that marketing was the Boycott's strategic objective. It was critical to monitor Nestlé's field practices, both for "ammunition" to maintain the public pressure and to measure the campaign's objective progress. Nestlé's *anti-boycott strategy* guided its attempts to counter the Boycott. Keeping track of that counter-campaign was essential to prevent its effectiveness.

– Douglas Johnson, INFACT (USA)

By slowly changing its baby food marketing practices to conform with the Code Nestlé nonetheless made its marketing strategy responsive to its corporate strategy of ending the Nestlé Boycott. These changes were used as a tool to split the Boycott forces and reduce its strength, in order to protect the corporation from further concessions in its baby food marketing strategy. At the same time Nestlé could still move toward its fundamental goal of reclaiming the U.S. market for its long-term corporate growth. By October 1983 Nestlé thought it had succeeded sufficiently in this arena to announce its victory over the activists and to proclaim the end of the Nestlé Boycott (Pagan, 1983).

### ***Tasters' Choice: not to people's taste***

While Nestlé concentrated its attention on church leadership, INFACT launched an intensive organizing drive in its original constituency at the grass-roots level,

emerging at the end of October with two new organizing centers and hundreds of volunteers pushing to remove Nestlé's most important product (Taster's Choice coffee) from supermarket shelves. INFACT launched two campaign centers (Chicago and Boston), with an investment of national staff on local organizing level. A 30-day house-meeting campaign in Boston recruited 450 new volunteers for a weekly petition drive in front of supermarkets, busy street corners, and the like, which secured 60,000 signatures of Tasters' Choice boycotters in one city during a three-month collection. Supermarket managers were pressured with demands to remove Tasters' Choice from the shelves; thus the boycotters used the larger influence and leverage supermarkets had with Nestlé.

Norway and Finland joined the Nestlé Boycott and became part of the first international petition drive. Thus, after spending tens of millions of dollars on a strategy that identified church support as the fundamental source

of the Boycott's longevity and power and after making significant concessions to the Code, Nestlé was faced with a new crisis, which threatened to develop across the United States and into other national Boycott efforts. A certain victory, in Nestlé's eyes, had suddenly become the opening of yet another battle.

To focus this renewed pressure directly on Nestlé's decision makers, INBC and IBFAN called for an international conference, with the potential of globalizing INFACT's new organizing model and evaluating concessions made by Nestlé. It represented both a threat and an incentive to Nestlé management. The INBC publicly recognised previous concessions made by Nestlé, and challenged Nestlé to make four additional changes needed for its marketing instructions to conform to the Code. The four final demands were:

1. Include health hazard warnings on the labels of all breast milk substitutes;
2. Revise literature to doctors and mothers to include all information required by the code;
3. Stop personal gifts to health workers;
4. Limit free supplies to infants who have a medical need for them.

### ***In sight of victory***

In December 1983, Nestlé began negotiations with its critics, with the objectives of settling the Boycott and applying the Code equally to its competitors. Nestlé decided to attempt direct negotiations with the INBC, with UNICEF's participation to clarify the meaning of the disputed

### ***Finding Nestlé's Achilles' Heel***

The Nestlé Boycott began as an educational campaign about the issues of infant-feeding and the role of transnational corporations. Although the demands were conceived as potentially gainable, the organisers did not at first believe they would be achieved "in our lifetimes."

Mesmerised by the tremendous size of Nestlé's baby food market and by its potential power as the world's largest food company, the Boycott leaders conceived the action as an act of witness against a global atrocity. A net-work organizing model was developed in the initial stages of the campaign, because it was appropriate to the available resources and to the conception of what could be won, that is, greater consciousness.

With experience and more information, the campaign leadership realised it did not have to succeed against the entire Nestlé Corporation, but merely had to offset what it was worth to Nestlé to continue violating the demands of the Boycott - an estimated \$40 million. As the analysis became more precise, it became clear how little the Boycott had to accomplish in order to succeed. This meant that the Boycott could be won. This understanding changed the objectives for the Boycott, the strategies and tactics adopted, and the method of organisation employed to ensure success.<sup>v</sup>

The Boycott task became to cost Nestlé the \$40 million in profits it made each year because the company ignored the demands of the Boycott. There were four methods of reducing those profits:

1. Directly reduce Nestlé's sales, the traditional measurement of a Boycott;

2. Increase Nestlé's costs for making the same sales, through additional advertising, promotion, and other costs;
3. Increase the nonproductive administrative costs, such as those used to fight the Boycott, which are paid directly from corporate profits;
4. Produce long-term costs of the Boycott, such as damaging a historically elaborated corporate image, or distracting top management from the tasks of planning, direction, and acquisition.

Further research revealed that Nestlé had announced a major new corporate strategy for increasing its size, importance, and power: rapid and unprecedented growth in the United States would be the primary basis for Nestlé's growth through the 1980s. From 1977 Nestlé planned to double its sales in the United States, increasing its market from 18 to 30 percent of its worldwide income in a five-year period, thus considerably shifting its center of gravity from Europe to the U.S. market. The Boycott was a direct head-to-head confrontation with that strategy. By slowing growth in the U.S. market, the Boycott would succeed.

The Boycott increased the costs and decreased the opportunities for Nestlé while the Third World campaign simultaneously reduced the benefits Nestlé would receive from violating the Code. The combination of these elements was important; only Nestlé can eventually separate them and indicate which was most important in the end.

– Douglas Johnson, INFACT (USA)

<sup>v</sup> Not all national boycott organisations made this transition, however, and some continued to view the boycott as an act of witness and a vehicle for raising consciousness in their countries. This would later lead to conflicting points of view about the appropriate definition of a "win" for the boycott.



passages of the Code. During the negotiations, Nestlé agreed to make policy changes in the four areas and to maintain a system of reporting to and accountability with the INBC; later the company agreed to begin discussions on the implementation of the Code in Western Europe.

After a series of intense, exhausting meetings, INBC and Nestlé signed a joint agreement on 25 January 1984. As a sign of good faith, INFACT immediately suspended the Boycott in the United States, and the INBC Steering Committee recommended to the international conference that the Boycott be suspended.

### ***The Nestlé Boycott ends...***

After extensive debate, the international conference in Mexico recommended suspension of the international Nestlé Boycott for six months, to be evaluated after an international monitoring effort coordinated by INFACT. The joint agreement covered Nestlé's marketing outside Western Europe. European Boycott organisations included universal application of the Code as part of their demands, and disagreed with the settlement. Though sharing the goal, North American organisations had started the Boycott over changes of marketing in the Third World, and believed they could not change those demands in relation to the Boycott tactic. The conference resolved to find new tactics appropriate to pressure Nestlé into universal application of the Code.

To accomplish rapid institutionalisation of the changes, these tactics were adopted: international vigilance and monitoring of the agreement; monthly accountability meetings between Nestlé and the INBC; and formal meetings with Nestlé competitors to assess their policies in light of the joint agreement. Meetings were held with

### ***Excerpts from the Statement of Patricia Young, Chair, INBC, on October 4, 1984, the occasion of the termination of the Nestlé Boycott***

This is an important day for the health of infants and young children around the world. The decision reached earlier this week by the International Nestlé Boycott Committee to recommend the termination of the current International Boycott of Nestlé marks the beginning of a new stage of cooperation with the company to resolve some remaining differences and to work together on a common agenda for future action.

The progress that has been made by Nestlé in being prepared to change marketing policies is one factor in INBC's decision. The new commitments Nestlé has made that it is prepared to change other policies were another major factor.

Nestlé has taken some risks. So, too, has the INBC. Nestlé has risked losing market share to some of its competitors because of its acceptance of the International Code as the minimum guideline for its operations in all countries. The INBC has taken the risk of losing credibility in some people's eyes by sitting down with Nestlé, first to work out the details of how to implement the code; and how - in what will be a tremendous opportunity - to work together to insure that other parties involved in the subject of infant and young child feeding - WHO, UNICEF, governments, health professionals, other groups and organisations, and other companies - intensify their activities to make better infant and young child feeding a reality everywhere.

We think the risk is worth it. The result will be an example for other companies and organisations involved in this and similar issues.

Nestlé regarding implementation steps in Europe; Dr. Angst agreed to formal meetings with European INBC and IBFAN members, but not to unilateral implementation. INBC met in October to assess a ten nation monitoring survey. Although Nestlé was not yet in full compliance, its efforts were judged in good faith; the committee evaluated the Boycott as having accomplished its tactical mission, and recommended full termination of the international Boycott.

<sup>8</sup> Leah Margulies, "The International Code of Marketing of Breastmilk Substitutes: A model for assuring children's nutrition rights under the law", which first appeared in *The International Journal of Children's Rights*, Vol 5, No 4, 1997, Kluwer Law International Publishers, The Hague, The Netherlands, pp 419-438.

<sup>9</sup> The entire information on the status of the code in various countries has been taken from *State of the Code by Country: A survey of measures taken by governments to implement the provisions of the International Code of Marketing of Breastmilk Substitutes*, 2004, IBFAN/ICDC, 2004

<sup>10</sup> See Leah Margulies, "Implementation and Monitoring under the International Code of Marketing of Breastmilk Substitutes", *NU News on Health Care in Developing Countries*, 1/96, vol. 1, ICH, Uppsala, Sweden.

<sup>11</sup> See *International Code of Marketing of Breastmilk Substitutes*, Article 11.3.

<sup>12</sup> "Nestlé gate: Secret Memo Reveals Corporate Cover-Up", *Baby Milk Action*, 1981



## **Joint Statement issued on October 4, 1984, by INBC and Nestlé at the termination of the Boycott**

On January 25, 1984, Dr. Carl Angst, Executive Vice President of Nestlé, S.A., and William Thompson, representing the International Nestlé Boycott Committee (INBC), signed a Joint Statement.

In this agreement, both Nestlé and the INBC stated their firm commitment to see the WHO International Code of Marketing of Breast-milk Substitutes implemented by governments and all parties concerned. INBC and Nestlé identified four major areas related to the Code where additional efforts were agreed to. On the basis of this agreement, the INBC suspended the boycott of Nestlé products and stated that in the fall of 1984, progress would be evaluated and a final decision would be made regarding the termination of the Boycott.

Since January, Nestlé and INBC representatives have met regularly to consult regarding progress in these four areas. A number of these meetings were held with representatives of WHO and/or UNICEF. The Nestlé Infant Formula Audit Commission (NIFAC) was kept informed of these proceedings. The subjects of labels, educational materials, gifts to health professionals, and free supplies of formula to hospitals were discussed in great detail.

Through these meetings Nestlé and INBC reached a satisfactory agreement that their first three subjects of the *Statement of Understanding* were being appropriately addressed. The fourth area of concern to Nestlé and INBC, the donation of infant formula supplies to hospitals for infants who have to be fed on

breastmilk substitutes requires a definition of "have to be fed", i.e., the criteria by which infants fed on infant formula or other breastmilk substitutes could qualify for free supplies.

WHO developed a plan, presented by Dr. David Tejada de Rivero, Assistant Director General of WHO, whereby WHO and UNICEF can give technical advice to governments which will develop definitions based on that advice, with input from industry and consumer groups. Nestlé and INBC pledge to cooperate fully in the implementation of the Tejada Plan around the world.

Nestlé and INBC offer their full cooperation to WHO, UNICEF and governments to work jointly in developing definitions and implementation procedures for hospitals and health professionals for the limited use of free supplies within hospitals. INBC welcomes Nestlé's policy goal that "... in order to remove even the slightest risk of discouraging breastfeeding and to prevent any possibility of even unwillingly promoting routinisation of bottlefeeding, discharge packs should be stopped." However, INBC is aware of Nestlé's statement that a single member of industry cannot bring about this change in isolation, and that therefore a cooperative effort is required.

Nestlé and INBC recognise that throughout the resolution of this issue honest differences between both parties frequently arose and that, while these may occur as our consultations continue, the basic commitment to the WHO International Code by both sides will prevail.

INBC shall continue to observe carefully Nestlé's marketing practices and cooperate with NIFAC in the investigation of allegations of violations of the WHO International code. Nestlé shall continue to rely upon the Nestlé Infant Formula Audit Commission to

investigate allegations of deviations from established infant formula marketing policy.

Nestlé and INBC welcome WHO and UNICEF's advice in providing clarifications and definitions which would aid in expediting effective implementation of the WHO International code. Nestlé and INBC will continue to urge national governments to bring about measures which will ensure compliance by all with the WHO International code in all countries and pledge their cooperation these efforts.

Recognising the substantial progress Nestlé has made in implementing the WHO International Code, INBC has voted to recommend full termination of the international Boycott of the company.

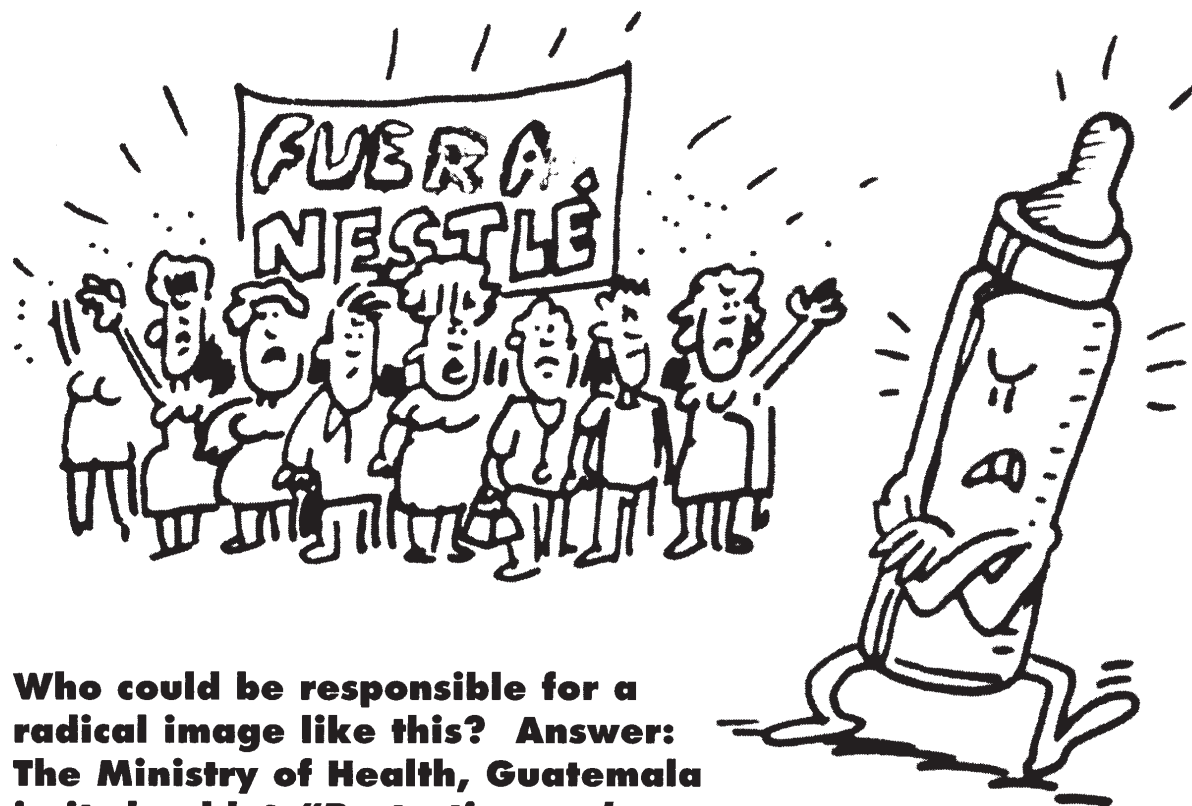
In addition, separate discussions were held in Europe about the application of the Code to European nations. Nestlé and the INBC have agreed to continue discussions about ways to expedite implementation of the code in all countries as appropriate to their social and legislative framework.

Nestlé and INBC are convinced that the steps they are committed to contribute to safe and adequate nutrition for infants, protect and promote breastfeeding and ensure the proper use of breastmilk substitutes, when these are necessary, on the basis of adequate information and through appropriate marketing and distribution.

Lastly, Nestlé and INBC call upon all concerned to join this process so that the application of the WHO International Code can be more quickly achieved in all countries, and our joint commitment to improved infant health more tangibly realised.

Dr. Carl Angst  
For Nestlé

Mrs. Patricia Young  
for INBC



**Who could be responsible for a radical image like this? Answer: The Ministry of Health, Guatemala in its booklet "Protecting and defending breastfeeding."**



**Boycott Nescafé to protest about unethical baby milk marketing and bottle-baby deaths. A design from a Baby Milk Action mug, now a collectors' item.**