This week The Guardian published a long-form profile by veteran journalist Gideon Haigh of Dr Bronwyn King.

I wrote a column about her last October when her efforts to persuade the Australian superannuation industry to divest itself of tobacco stocks had been followed by a dozen companies selling off more than A$1 billion worth of tobacco stock.

Smoke Signals: Meet the Melbourne oncologist now at the centre of Big Tobacco’s dartboard

Haigh’s report details the recent decision of AXA, the world’s second biggest insurance company to sell €200m of tobacco shares and to start divesting €1.6 billion worth of tobacco bonds after interaction with King. She now heads an International Union Against Cancer project to spread it globally, and her work has all the momentum of a brakeless train.

In Haigh’s article, Dr Alan Blum – a long time tobacco-control advocate who was once editor of the Medical Journal of Australia – tried to pour cold water on the project:
As long as another investor buys what a university, pension fund, or a health insurer sells there’s no net loss of investor confidence in the stock or capital in the company’s coffers.

This is a profoundly myopic view of why King’s work will instead be of great concern to the global tobacco industry. It’s true that every time an owner sells tobacco stock, it is bought by another, and often at a higher price (tobacco stocks are mostly still highly valued). The net value of the industry may go up as a result.

But when the reasons for such transactions are publicised in terms of the seller wanting no further part in assisting the tobacco business (or profiting from it) there is an additional externality or “price” in the transaction that is of absolute importance.

If we try to answer the question “why do some governments enact tough legislation and policy that we know impacts hard on tobacco sales?” we cannot avoid considerations about the values that drive such decisions.

When I interviewed former Labor health minister and attorney general Nicola Roxon for our book (with Becky Freeman) on plain packs, she was emphatic that the decision to go down that path was seen as a political no brainer. She told me:

> everyone hates the tobacco industry. So any government hitting them hard will be seen as doing good work.

It’s not hard to find evidence that the tobacco industry is widely reviled. A 2011 survey of 85,000 international respondents (including an Australian sample of 5,611) conducted by the independent Reputation Institute and AMR Australia rated all major industries in 25 categories for reputation.

The top categories were consumer products (73.8), electrical and electronics (73.2) and computers (70.3). By far the worst performing category was tobacco which scored only 50.1 – well behind the next lowest category (utilities – 59). Few love their gouging power companies, but even fewer apparently love tobacco companies.

A 2005 Australian study found 79% of Australians thought tobacco companies either never or mostly did not tell the truth and another from 1999 found tobacco executives were rated the lowest of all occupational groups, including used car salesmen, traditionally the populist low-water mark of ethical business conduct.

This enduring stench didn’t happen capriciously or by fairy dust being cast about. It happened because over the years arc lights turned on the industry’s conduct and the unparalleled health consequences of its sales success stripped it of legitimacy and turned it into a pariah industry.

This is the key to why Bronwyn King’s work is so important. Each time she gets to argue for the reasons for divestment, and each time an investor repeats those reasons in making the
announcement, the public and political narrative against tobacco consolidates an imperceptible, but cumulatively undeniable extra few steps forward.

As this inexorable momentum proceeds, people in power emerge, like Nicola Roxon, who translate that narrative into policy action which hammers the industry by reducing smoking.

With the narrative now rapidly percolating though the global finance community, King’s mission is now turbo-charging that narrative in a community which has always responded by reflecting Milton Friedman’s dictum from *Capitalism and Freedom* that:

> Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible.

The tobacco industry goes to great pains to paint itself as just another perfectly legal, legitimate industry selling products that fully informed customers choose to smoke, addiction notwithstanding.

But in the 19th century, other similarly perfectly legal industries like the slave, opium, and child labour trades, began to see their legitimate status eroded by the social revulsion that their activities caused. These industries also richly rewarded their owners and investors, but those considerations were pushed aside by other values.

This is what is now happening with the tobacco divestment momentum.

Share price is a very poor proxy for the goals of tobacco control which are to reduce tobacco use and therefore the massive disease burden being caused. As Big Tobacco’s share prices have risen around the world, smoking has often gone back the other way.

The negative value to the industry of the divestment argument is so much larger in the long term than any short term profit. Bronwyn King is doing historic work.