Corporate Involvement in Disaster Response and Recovery: An Analysis of the Gujarat Earthquake

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Submitted to the Department of Urban Studies and Planning
in partial fulfillment of the requirements for the degree of

Master in City Planning

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

June 2004

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ABSTRACT:

Disaster vulnerability is a serious issue in developing countries where globalization, development patterns, poverty and environmental degradation are placing more people at risk to natural disasters. Recent appeals for greater multi-sectoral collaboration to tackle complex disaster situations have raised the need for private sector participation in disaster management. The private sector is already beginning to play more engaged roles in disaster response and recovery on a voluntary basis, yet limited understanding currently exists about their activities in this area. Given the problem of rising vulnerability to natural disasters and the emergence of increased private sector involvement in disaster activities, this thesis seeks to understand: 1) why firms become involved in disaster response and recovery on voluntary (i.e. philanthropic) terms; and 2) the nature and implementation of corporate initiatives in this context.

To illustrate private sector motivations and roles in the disaster response and recovery, the study focused on corporate responses to the Gujarat Earthquake in India in 2001. The research was informed by concepts of corporate social responsibility (CSR). The analysis produced three sets of findings, based on in-depth interviews with national and multinational companies which responded to the Gujarat Earthquake. The research indicates that corporations are motivated to become involved in disaster response and recovery based on six organizational factors: social values, disaster sensitivity, internal organization, external pressures, and perceived benefits. These dimensions expand our prior understanding of corporate motivations which focuses primarily on organizational benefits and stakeholder expectations, and introduces the critical influences of social values, commitment to philanthropy, and resource availability and relevancy.

The research also identifies differences in the nature of *response* versus *recovery* initiatives. In terms of disaster response, companies pursued unilateral disaster response activities, often implementing large-scale, top-down relief and infrastructure-oriented initiatives. Corporations coordinate with the government and leverage their internal resources for response, but do not emphasize community participation in their approach. In contrast, recovery initiatives were focused on participatory, community-oriented reconstruction and livelihood-generating programs. Recovery efforts tended to be structured as formal, collaborative partnerships with NGOs, wherein both parties play complementary roles in implementation. The analysis further reveals the differences between national and multinational corporate efforts in disaster response and recovery.

Contributing to practice, the findings help guide the formation of policies that enable and enhance private sector participation in disasters in order to achieve more effective operations that alleviate suffering and reduce vulnerability. Theoretically, the thesis reveals the extent to which existing notions of corporate social responsibility account for corporate activity in disaster response and recovery and presents an expanded framework for interpreting organizational behavior in this context.

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Acknowledgements

This thesis would not have been possible without the invaluable guidance and support of many individuals.

As a Research Assistant to Professor Fred Moavenzadeh for the past two years, I would like to thank him for introducing me to this topic, providing an environment for independent thought, offering interesting insights, and supporting my research in India. I would also like to extend my sincere gratitude to Professor JoAnn Carmin, for proving a tremendous mentor and thesis advisor. Our many conversations and her dedicated attention helped me organize my ideas in ways that elevated the quality of my thinking and writing.

Many thanks to the DRN and its Executive Director, Bob Bellhouse, for the ongoing dialogue about the potential avenues for corporate involvement in disasters and for his pioneering work in getting this important organization started. I also want to highlight the generous support and guidance of the management and staff of the Hindustan Construction Company (HCC) in Mumbai. Their assistance was central to making my limited timeframe for conducting interviews a success.

I would also like to acknowledge Professor Alice Amsden, my academic advisor, who provided rich learning experiences in the classroom, as well as valuable direction for navigating DUSP.

My love and appreciation to my Mom and Dad, for always believing in me and knowing how to help me keep things in perspective in difficult times. I am also grateful for the support of my fabulous brothers. And to Christian, for his continuous encouragement, love and understanding on our path together - we made it.

Of course, my friends were essential for making sure that I continued to laugh and enjoy the finer things. Thanks to Bonnie for delivering when I needed it most and providing emotional support, Meghan for commiserating about the process during necessary breaks, Mandy for offering regular encouragement and positive feedback, and Tell for inspiring me both to catch up and to enjoy China.

Thank you.

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Chapter 1

Introduction

On January 26, 2001, a major earthquake rocked the far reaches of the state of Gujarat in India. It left over 20,000 people dead and caused massive destruction of infrastructure, housing and livelihoods. Near the epicenter, in the city of Bhuj, over 90% of the structures collapsed from the impact of the quake, highlighting how inappropriate development patterns can turn natural events into devastating calamities. As one of the worst natural disasters in recent Indian history, the magnitude of the social and economic impacts of the Gujarat Earthquake illustrates the growing vulnerability to disasters in disaster-prone developing countries and the potential development crisis it poses for vulnerable communities. Responses to this earthquake also highlight ways in which the private sector can play a more engaged role in addressing disaster vulnerability.

The forces of globalization, unplanned urbanization, poverty and environmental degradation are placing more people at risk to natural disaster in developing countries. Rising disaster vulnerability is occurring amid a global trend of increasing frequency and intensity of natural disasters, with exponential growth taking place in the last decade. The vulnerability situation is an alarming one since disasters directly threaten development, undermining social and economic advancements and disrupting education, infrastructure and health services. Furthermore, disasters disproportionately impact the poor, yielding greater relative losses in developing countries.

To address growing vulnerability in developing countries, many states and humanitarian organizations have begun to call for greater multi-sectoral collaboration in disaster initiatives. The state has tended to be the dominant actor in disaster management, although international and local humanitarian NGOs have a long history of activity in this arena. In response, it appears that corporations are increasing their voluntary (i.e. non-commercial or philanthropic) involvement in disaster management. This voluntary participation suggests some private sector actors may be

reinterpreting their relationship with society and local community, in line with conceptions of corporate social responsibility and recent demands for greater corporate accountability that have arisen from perceptions of globalization and unfettered corporate power. Since scholars and practitioners are heralding multi-sectoral involvement in disaster management as a more viable model for intervention, it is important to gain an understanding of the roles and rationales for private sector involvement in disaster management.

A natural disaster is defined as an occurrence triggered by a natural hazard (e.g. an earthquake, cyclone, or hurricane) that disrupts normal conditions and causes a level of suffering that exceeds the capacity of adjustment for the affected community (WHO/EHA 2002). The impact of a natural disaster depends on the level of vulnerability of a community (Twigg 2001). Many man-made factors, such as housing, infrastructure, and planning, can influence the degree to which to community is vulnerable to a natural disaster. To tackle vulnerability to natural disasters in developing countries, a deservedly strong emphasis in policy and research has been placed on mitigation and disaster reduction approaches since they are less costly than post-disaster efforts and can avert substantial social, economic and human losses. Although mitigation is important, this research focuses on the role of corporations in disaster *response* and *recovery*. The primary reason for limiting the scope to this area is the fact that the thrust of existing private sector efforts have been response and recovery interventions. Though corporations have been criticized for their response focus, policymakers also continue to concentrate resources in this area (Twigg 2001). Plus, there is an opportunity to link recovery activities to mitigation through progressive policies and programs. Nationally-owned companies in developing countries often have a vested interest in supporting national development, a concern that can be channeled through hazard-mitigating rehabilitation programs. Another reason to focus on the area of response and recovery is the fact that even the

most aggressive mitigation strategies will not eliminate the need for effective preparedness, response and recovery to deal with the impact of disasters when they do occur (Mileti 1999).

The private sector is emerging as an actor in disaster response and recovery and may prove instrumental in addressing rising vulnerability in developing countries. Given the gap in our knowledge about the roles corporations are playing in disaster situations and the need to consider other aspects of the disaster management cycle beyond mitigation, this research addresses two questions: 1) Why do firms participate in response and recovery to natural disasters on voluntary (i.e. philanthropic) terms; and 2) What is the nature and implementation of corporate initiatives in disaster response and recovery? Understanding corporate motivations and roles in disasters can enable the formulation of policies and programs that support and nurture a constructive role for corporations in disaster response and recovery in developing countries, in order to achieve more collaborative and effective disaster operations. Additionally, the findings from this thesis should help direct the operation of the Disaster Resource Network (DRN), a newly formed NGO whose mission is to mobilize private sector resources –personnel, supplies and technology- for disaster management.

The research was informed by concepts of corporate social responsibility (CSR), which, in general, seek to explain business relations with society. This body of scholarship was selected because it provides an analytical basis for understanding organizational practices in corporate disaster response and recovery. Although a multidimensional theory, elements of CSR such as stakeholder analysis (Carroll 1999), commitment to community (Woodward 2001; Waddock 2002), organizational benefits behind social behavior (Hopkins 2003), and ethical obligations to use business resources in ways that have a positive impact on society (Moir 2001) are useful for understanding corporate disaster initiatives. The findings of other studies that focus on private sector involvement in disasters also serve as a critical guide for comparison (e.g. Twigg 2002; Bhatt

2002). From a theoretical standpoint, this thesis considers the extent to which existing notions of corporate social responsibility account for corporate activity in disaster response and recovery and presents an expanded framework for interpreting organizational behavior in this context.

To answer the central research questions posed in this thesis, a qualitative evaluation of corporate responses to the Gujarat Earthquake in India was carried out through in-person, semi-structured interviews with twelve companies (six national and six multinational companies), all of which played a significant role in response and/or recovery following the Gujarat Earthquake. The interviewees were senior managers in business operations, corporate communications, and community development who were directly involved with their company's disaster initiatives in Gujarat. The interviews were transcribed and then analyzed using a grounded theory approach. This analysis allowed for new dynamics to emerge beyond those that the theoretical framework proposes.

The Gujarat Earthquake demonstrates disaster vulnerability in a large, disaster-prone developing country with characteristics that may be likened to other contexts. In particular, the magnitude of destruction, the considerable corporate response, the developing country setting, the existence of disaster research institutes, and the linkages to the global economy in the state of Gujarat were factors supporting the choice of this disaster/location for a case study. Since the earthquake occurred three years prior to the research, this distance allowed for a perspective on the completion and success of corporate disaster initiatives while being recent enough to support accurate recollections.

The analysis of national and multinational responses to the Gujarat earthquake revealed a number of key findings on corporate motivations and roles in disaster response and recovery. In general, natural disasters emerged as an important arena for corporate action. First, it appears that there are six factors that motivate corporations to participate in disaster response and recovery activities: social values, disaster sensitivity, internal organization, external pressures, and perceived

benefits. In terms of motivations, the desire to fill needs/gaps in the system and the importance of internal resources and external expectations were unique influences on corporate involvement in this arena. Second, the assessment of roles that corporations are pursuing revealed differences in the nature of implementation activities in the response versus recovery phases. This investigation suggests that corporations are playing an engaged role in disaster *response*, with a focus on relief activities and infrastructure. It appears that they are relying on a unilateral, top-down approach, while cooperating with the government and leveraging their vast internal resources for response activities. The efforts of national companies appear more comparable to those of state or NGO humanitarian actors, pursuing large-scale, comprehensive relief operations. In contrast, the analysis of corporate *recovery* efforts indicates that these initiatives tend to be community-level reconstruction and livelihood-generating programs. National and multinational companies uniformly appear to be implementing recovery programs through formal, collaborative partnerships with NGOs, wherein parties play complementary roles and incorporate community participation. Finally, unlike their national counterparts, a number of national companies decided to formalize their response or recovery efforts into long-term programs or replicable models following the earthquake, with the intention of making their future involvement in disasters less ad-hoc and more strategic.

Since a multi-sectoral approach to disaster management has emerged as the new paradigm for addressing increased vulnerability, it is important to understand the factors that promote corporations as sustained actors in this field. Although corporate involvement in disaster management has the potential to provide strategic resources and assets to increasingly complex disaster situations, private sector roles in disasters remain an understudied topic. Therefore, this research is not only important for determining the viability of corporations as social actors in disasters, but also for elucidating the conditions and factors that weigh into corporate participation in disasters. The findings can inform the formation of policies that enable and enhance private

sector participation in disasters in order to achieve more effective operations that alleviate suffering and reduce vulnerability. In particular, they can help guide the policies of national/local governments and intermediate organizations (i.e. business-member NGOs) dedicated to disasters in the following areas: bridging the learning barrier to corporate involvement, capitalizing on corporate core competencies, differentiating approaches for response and recovery engagement, supporting best-practices in disaster management and fostering a dialogue between sectors.

Furthermore, CSR studies have tended to focus on western, industrialized countries, leaving out corporate behavior and social policy in developing countries, where the bulk of the backlash against corporations regarding globalization and privatization has occurred. Thus, the research focus on CSR in multinational and national companies in a developing country, India, is a valuable contribution as it provides an application of the theory to an important context. The research also provides an understanding of how organizations formalize or institutionalize new aspects of CSR into new or existing programs.

The following chapters seek to clarify corporate motivations and roles in disaster response and recovery. Chapter two frames the problem of growing disaster vulnerability, builds the need for corporate involvement and examines what is currently known about corporate participation in disasters. Chapter three synthesizes the elements of corporate social responsibility that are relevant to corporate participation in disasters and the findings of existing studies on this topic to build a theoretical foundation for the analysis of the data. Chapter four presents the methodology for the qualitative study of the Gujarat Earthquake, the approach for data analysis and the limitations of the research design. Chapter five provides an overview the Gujarat Earthquake, exploring the local context and the activities of government and civil society actors in disaster response and recovery. The analysis is divided into two chapters. Chapter six presents the findings on corporate rationale and motivations behind involvement in disaster response and recovery in the Gujarat Earthquake,

while chapter seven focuses on corporate roles and the implementation of initiatives in disaster response and recovery. Chapter eight, the conclusion, summarizes the findings, provides a comparison to the theoretical framework, and introduces key policy implications and suggestions for next steps.

Chapter 2

Corporate Involvement in Disaster Response and Recovery

The private sector has not figured prominently in the discourse on disaster management. Instead, the field has tended to focus on strategies involving traditional actors in disaster management such as governments, international organizations, NGOs, communities and the media. The exclusion of corporations from the disaster management system reflects a missed opportunity to capitalize on the strengths and resources of the private sector to alleviate human suffering and lessen property loss associated with large-scale natural disasters. As increased globalization is being matched with demands for corporate responsibility, there exists a unique potential for the emergence of broader social roles for corporations (Yamamoto 1999; Margolis & Walsh 2001). Specifically, the retraction of the state and the expansion of the private sector worldwide has "created an opportunity for new institutions and networks to deal with disaster vulnerability, preparedness, response and recovery" (Pelling 2003b: 63). Since different actors offer different bundles of skills and resources, engaging a range of private sector industries would mean tapping into varied collections of resources and expertise that can complement existing actors and approaches.

Although the private sector has been active commercially in disaster management, the need for stronger voluntary participation of corporations is becoming apparent. Accordingly, the private sector is playing a role in the areas of disaster response and recovery in a philanthropic, yet engaged, capacity. There is an increasing demand and interest within the disaster management community in fostering greater cooperation across sectors through the building of inter-sectoral partnerships. In fact, the World Health Organization acknowledges that the "new paradigm for emergency management...[is] based on formal partnerships between all parts of society", including public, private, and voluntary sectors (WHO as quoted in Twigg 2001: 17). Corporations can help build

social capital through such partnerships and initiatives in disaster management. As experts assert that structural change in disaster management is possible, gaining a more complete understanding of private sector participation in disasters appears key to shaping a more inclusive and comprehensive system in the future (Pelling 2003: 64).

In order to evaluate the role that corporations are playing in disaster response and recovery, it is imperative to first gain an understanding of disaster vulnerability in developing countries, the cycle of disaster management, the existing actors and response system, and emerging models and examples of corporate participation. Focusing on natural disasters, or those humanitarian crises triggered by natural hazards such as earthquakes, landslides, cyclones, flooding and hurricanes, the following analysis aims to underscore the urgency of the disaster vulnerability situation and why corporate participation is integral to developing a sustainable and effective disaster management strategy. Central to this discussion is uncovering the gap in our knowledge about corporate involvement in disasters in order to guide subsequent inquiry into private sector activities in high vulnerability communities (HVC) in developing countries.

Disaster Vulnerability in Developing Countries

The outlook for disaster vulnerability worldwide is an alarming one, which requires critical attention and comprehensive response. Disasters are increasing in frequency and severity, with exponential growth in the past decade (UNDP 2004). In 1999 alone, the UN estimates that there were 700 large-scale disasters which left 100,000 dead and $100 billion in economic losses (SGR 2001). Human losses have been decreasing, but remain high. For those surviving victims, the social impacts of disasters continue long after official responses cease. Economic losses from natural disasters in the past decade are estimated at $700 billion and are expected to grow to as much as $10 trillion in the next 20 years (Zimerell 2003). The profound social and economic consequences of these events disproportionately affect developing countries, where 90% of disaster victims live

(IFRC 2003). Thus, increased disaster vulnerability in developing countries poses a major challenge to development, often setting back considerable strides made in infrastructure, health, economic development, and education. It is also likely that responses to an increasing number of natural disasters will divert funds that would otherwise be allocated for development.

Although economic losses tend to be higher in developed countries, developing countries typically face a greater relative effect which impacts their economic horizon (Benson 1998). Besides inflicting significant costs associated with physical destruction and rebuilding, disasters often weaken the global competitiveness of vulnerable countries. Uncertainties following disasters can hinder investment in long-term commercial relationships (Anderson 2002: 67). On the other hand, some types of economic activity and poor regulatory environments can increase a country's economic vulnerability to natural disasters (Anderson 2002: 67). While losses in developed countries are largely covered by insurance, developing countries usually lack widely available insurance policies and risk-management instruments. Additionally, the reliance on foreign aid and assistance after disasters also serves as a disincentive for government to support greater risk management policies. Overall, disaster vulnerability in developing countries also reflects the exposure of vital economic assets as evidenced in the increase in economic losses per hazard (Anderson 2002; UNDP 2004).

There are several factors that are contributing to the rise in vulnerability to disaster situations in developing countries. Population growth, demographic pressure, inadequate shelter, unplanned urbanization, and environmental degradation are creating increased disaster vulnerability as these conditions place populations in environments where there is greater likelihood that a natural hazard such as a heavy rainfall will escalate to an actual disaster state. Augmenting this trend is the fact that migration, poverty, unemployment, and AIDS are driving more people to settle on marginal lands in disaster-prone areas. Sub-standard structures and poor infrastructure stemming from (cheap) designs that do not factor in seismic and other risks also remain potential liabilities (UNISDR 2002; SGR

2001). For example, in both El Salvador and India, recent earthquakes had devastating impacts on the physical environment and economy; whereas, an earthquake of similar magnitude in Seattle did not nearly have the same consequences based on the quality of construction (SGR 2001). There is also growing acceptance that the forces of globalization have compounded the exposure to environmental hazards by fostering conditions that indirectly increase disaster vulnerability, suggesting that global change processes are linked to local disasters (Pelling 2003b). Some have also argued that globalized societies have a greater risk because of the increased dependency on infrastructure as vital "life-lines" in both urban and rural areas.

Disaster vulnerability and severity has the potential to create a development crisis in disaster-prone developing countries (Ozerdam 2003; Pelling 2003b; UNDP 2004), with economic and social ramifications that also impact corporations and their working environments, operations and markets. Although generally localized, disasters can destroy the economic and social capital necessary for a healthy economy and society. As already mentioned, disasters can undermine global competitiveness. This situation suggests that even from a strictly business-objective standpoint, the private sector can derive value from mitigating against disasters and ensuring quick and effective responses when they do happen. Furthermore, as companies are expanding their presence and rights throughout the world, many scholars have suggested that they have a concomitant responsibility to use their robust assets in ways that benefit society (Pelling 2003a; Roberts 2003; Waddock 2002; Yamamoto 1999). Corporate involvement in the formation of more comprehensive disaster response and recovery that lessens human suffering within HVCs is one illustration of the expanded roles and responsibilities of corporations in a globalizing world. Thus, given the environment of increasing vulnerability of populations and assets in disaster-prone developing countries, corporate interventions reflect one dimension of the effort to address this alarming situation.

The Cycle of Disaster Management

High vulnerability communities face the need for policy and action in all stages of the disaster management cycle. The disaster management field has tended to break down its activities into phases expressed as a cycle that includes prevention, mitigation, preparedness, disaster impact (event), response, recovery, and development, as summarized in Figure 2.1 (Carter 1992). This depiction serves only as a schematic guide and is not intended to suggest that disaster-related activities fall into discreet categories that do not overlap programmatically or temporally. In fact, segments often tend to merge, for example, when recovery activities are linked to mitigation measures. This cycle is introduced to provide a platform for discussing where the disaster field is currently placing its strongest emphasis and for identifying where corporations have been active.

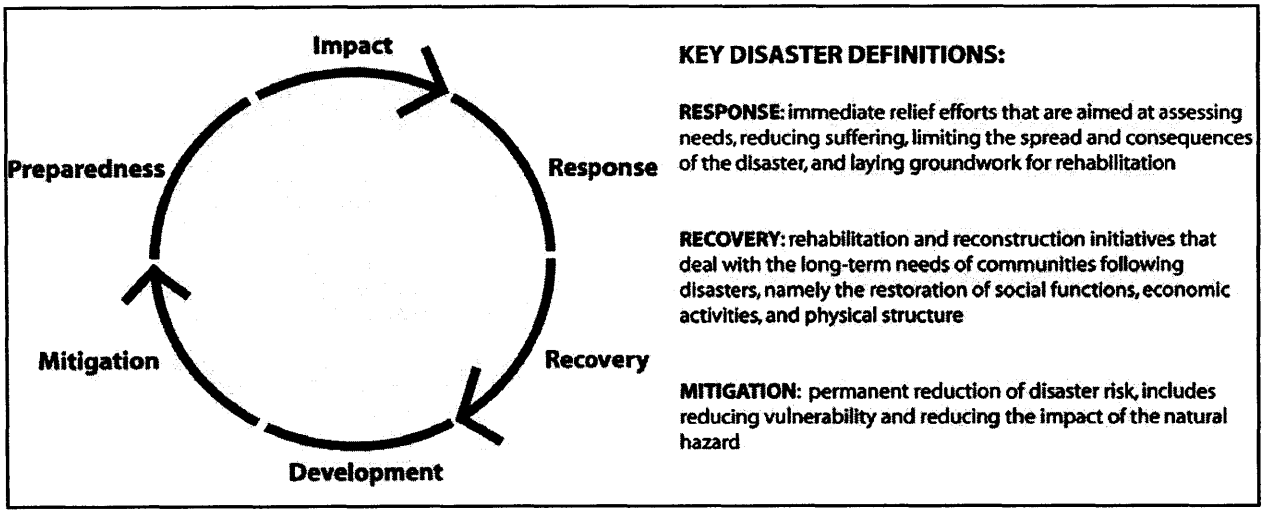

Figure 2.1: **Disaster Management Cycle and Definitions**
Adapted from: Carter (1992) and WHO/EHA (2002)

The greatest majority of resources, including materials and expertise, are mobilized in the immediate wake of a disaster, during the relief or response period. It is also the point at which there is concerted coordination between a variety of actors including the government, international organizations and humanitarian NGOs. Until recently, most national governments and international donors directed the bulk of their funding and programs toward relief and recovery. There has been a growing interest in mitigation and prevention measures among disaster actors since the 1970's and in

the last decade it has started to become a priority on many of their agendas (Maskrey 1989; Below and Guha-Sahir 2002). Increasing vulnerability and severity of disaster impacts pose a challenge to development that has helped to stimulate this policy shift.

Disaster reduction policies aim to increase the resiliency of societies to natural hazards (UNISDR 2002). The current vision which is emerging is that natural hazard mitigation is essential to achieving sustainable development. Mileti (1999: 2) builds on this idea, defining sustainable hazard mitigation as fusing "wise management of natural resources with local economic and social resiliency...part of a much larger context". In this respect, there is a growing call for greater private sector involvement in mitigation and prevention through partnerships and direct activities. In particular, several advocates have suggested unique opportunities in insurance and construction industries to foster better building codes and construction techniques (Mileti 1999; SGR 2001).

Disaster vulnerability has predominately been addressed in the scholarly discourse on disasters within the realm of mitigation policies and strategies. The proactive/preventative nature of disaster mitigation makes it the justifiably preferred approach that is in line with demands for sustainable development. Accordingly, there has been a declining emphasis on response and recovery in the literature on disaster vulnerability. However, vulnerability within communities is something that requires attention across all components of the disaster cycle. Thus, current trends in disaster vulnerability fall short in that they lose sight of several key areas of disaster management. In particular, since communities need to be able to respond to a disaster when it does occur and recovery can serve as a platform for mitigation and sustainable development (Pelling, 2003a), disaster response and recovery remain important, if understudied, components of disaster vulnerability. Additionally, the private sector has tended to concentrate its efforts in HVCs in the areas of post-impact response and recovery. In sum, disaster vulnerability is an issue that cuts across

the entire disaster management cycle and requires greater exploration in terms of response and recovery.

Governmental and Civil Society Actors in Disaster Response

Disaster response and emergency management occur within complex political, social, and economic environments (Waugh 1990). Since these broader social, political, economic, cultural and institutional factors impact the shape of preparedness, response and mitigation practices, the face of the disaster management process will vary greatly in different contexts. Generally, in a large-scale natural disaster in a developing country for which the government allows for foreign aid and humanitarian support, the disaster response often includes the participation of national, state and local governments, international organizations (intergovernmental), bilateral government teams, international NGOs, national and local NGOs, private companies, and affected communities. It should be noted that the international disaster relief system is a "non-system", since there are many different actors coordinating to meet needs as they are assessed (Brown 1979).

In a major disaster, the national government typically bears primary responsibility for response operations in the initial stages, selecting the appropriate ministries and government agencies to engage. Depending on its capacity, the government will be involved in needs assessment, coordination, and execution of relief operations. If the scale of a disaster exceeds the government's ability to respond independently, they will generally initiate requests for international assistance and will continue to play a role in monitoring requirements and coordinating/directing resources. Methods and activities will vary by government since much depends on the institutional and policy framework in place. Many countries have designated specific national disaster relief/emergency management agencies. There is a growing trend toward deployment of military and civil defense assets such as aircraft, helicopters, boats and logistics capabilities in disaster situations (Ozerdem 2003).

In natural disasters that involve an international response, UN agencies and major international relief organizations (such as the IFRC) play a central role (see Appendix A for an Acronym List). Under the auspices of OCHA, the UNDAC team will mobilize, direct and coordinate the relief activities of UN agencies and work to coordinate efforts with other intergovernmental bodies and NGOs. The involvement of non-governmental organizations is growing in humanitarian assistance. Increasing funding is being channeled directly to them and their activities and reach are expanding (SGR 2001, Ozerdem 2003). Civil society organizations, particularly those at the grassroots level with local knowledge, serve an important function in delivering relief to community members and tend to play an important role in recovery and mitigation because of their long-term development commitment. With the number of actors increasing in the response field, greater synergy in terms of collaboration and coordination becomes imperative (SGR 2001).

Effective preparedness and response are instrumental to saving lives, reducing injuries and minimizing property loss (Mileti 1999: p.239). The deployment of resources and personnel in disaster relief operations has been faster and more effective than in the past, due to advancements in information technology, increased coordination, mobilization of a variety of actors with broad-ranging expertise, better early warning systems and growing expertise in disaster relief (SGR). Despite improvements in relief operations over the past decade and in light of exponential growth in disasters amid declining funding (Benthall 3), the system continues to face pressure to improve operations in ways that produce more effective action and help reduce the consequences of disasters on affected populations.

In this regard, the UN, national governments and civil society organizations are beginning to acknowledge that there is a role to be played by the private sector in response and recovery. The growing number of humanitarian actors has meant more effective consolidated efforts but gaps that

remain in the system could be met in part by corporations. Essentially, a wealth of private assets remains untapped. Private companies have access to many relevant resources not available within community organizations – machinery, technology, expertise and funding – which could be used to complement efforts in both the response and recovery phases. Existing disaster actors are expressing the need to begin a dialogue to gain a better understanding of how corporations feel they can actually contribute to disaster response, depending on their organization size and industry. To improve disaster response and coordination, the UN has recommended engaging the private sector "to develop more widespread corporate responsibility and suggest avenues for positive support" (SGR, 2001). These ideas are based on the emerging premise that targeted engagement of the private sector could serve to strengthen the existing system.

Increased mobilization of private sector resources also serves to increase local and national capacity to respond to disasters. Foreign aid in disaster relief ideally aims to lessen the need for international assistance in future disasters by building local capacity, supporting decentralized response, and strengthening indigenous prevention and response capabilities (SRG 2001: 26). In strengthening these capabilities, government, NGO and community responses receive the thrust of the attention while capacity-building through the private sector is uniformly overlooked. Since private sector assets are essentially localized within a country– whether derived from local, national or multinational companies – taking advantage of these internal resources and expertise builds greater local and national ownership of disaster response. In a way, establishing the private sector as a valid disaster actor has the potential to build new endogenous response mechanisms within developing countries, eventually becoming part of society's in-built institutional processes (Albala – Bertrand 1993: p.88).

Corporate Participation in Response and Recovery

There have been few systematic studies on private-sector involvement in disaster situations (Mileti 1999: p.224), with most information available in the form of newspaper articles, press releases, newsletters, or websites. Although we know that corporations have focused their disaster initiatives in the response and recovery phases, it remains difficult to discern a comprehensive picture of private sector efforts since we have limited knowledge of the role they are playing and their motivations for philanthropic involvement.

Corporations have been involved in disasters on both commercial and philanthropic terms. Commercially, national or state governments procure materials, services and technologies (such as construction or logistics) from the private sector as needed in the emergency response phase for a contracted fee. From a philanthropic or voluntary standpoint (which is the focus of this analysis), corporate participation has often come in the form of monetary aid and in-kind material donations, although corporations are making new substantive contributions by utilizing technology, supporting secondment of expertise (employees) and building programmatic partnerships. The portrait of corporations in response and recovery is still evolving. Many companies have tended to satisfy unmet requirements unique to a particular disaster situation/location, often identified by government or civil society partners. From what is known, it seems that corporations are augmenting existing efforts of government and NGOs to create more robust initiatives. Emerging examples of voluntary or philanthropic private sector participation in disaster response and recovery can be categorized into corporate donation schemes, communications and technologies for relief, medical donations, and formalized relief organizations. Exploring these activities yields an emerging position for corporations in disasters.

Many corporations have developed and institutionalized donation strategies for disaster relief. Such donation schemes consist of donation partnerships with specific NGOs or the creation

of employee donation programs. Although donation schemes are important in light of funding issues for humanitarian organizations, it is possible to envision the private sector playing a deeper and more engaged role than monetary contribution in disaster relief and recovery. More in-depth engagement is already occurring in areas such as information and communications. Hence, participation in both fund-raising and direct action seem possible and desirable.

Certain industries have clear synergies with disaster management and have thus played a more prominent role to date in relief operations. The UN has pointed to industries such as communications, transportation and infrastructure as areas of greater public-private collaboration in disasters (SGR 2001). With reliable and effective information and communication being essential in emergency management situations, several information technology companies have been involved in recent crises (CSR Forum 2004: http://www.iblf.org). This private sector engagement has mostly taken the form of partnerships between corporations and UN or government agencies. Similarly, demand for heavy machinery, logistics and construction/engineering expertise is high during large-scale disaster responses and as such, philanthropic mobilization in this area is emerging. Experts also see the potential to link business imperatives with socially constructed works, particularly in insurance and construction (Pelling 2003a: 75).

Medicine and pharmaceuticals represent another disaster-relevant industry. Medical donations have long-been a component of private sector contributions to disaster relief. Although there is often a high demand for medical supplies and medicines in the wake of a disaster, corporate donations in this area have been infamous for being inappropriate, expired or donated for the wrong reasons (CSR Forum 2004). Despite this critical shortcoming, medical donations have the possibility of being very beneficial to government and humanitarian organizations operating in the disaster field, if the appropriate protocols are followed.

On a country and even global level, individual or groups of companies have been developing partnerships with the public sector and community organizations to offer philanthropic response and recovery to communities (CSR Forum 2004). These more formalized responses allow for higher impact through dedicated resources and field collaboration as compared to unilateral, ad-hoc efforts. They also allow for greater local capacity building because of the institutionalization of corporations as disaster actors. Examples of such private sector organizations, which are coordinating with humanitarian organizations for more effective disaster response, are the Corporate Network for Disaster Response (CNDR), a coalition of businesses established in 1990 in the Philippines, and the Disaster Resource Network (DRN), a global organization of companies with regional affiliates formed 2001 (Lim 2003; http://www.weforum.org 2004). Both groups aim to operate as intermediate organizations to facilitate the dedication of private sector resources to match government and NGO needs in disaster situations.

The foregoing analysis of existing private sector participation implies the emerging form of corporate participation is collaborative partnerships with public and civil society actors. Collaboration ensures that corporations are actually filling perceived gaps, gaining disaster expertise, building trust, sharing learning and knowledge, creating formalized responses and dedicating resources (often in advance). Private sector participation in partnerships also deals with humanitarian funding shortfalls (SGR 2001) . Since corporations usually not expected to be community-facing organizations, partnerships provide them an intermediary that has disaster expertise and closer relationships to beneficiaries (Yamamoto 1999). Current corporate activities in disaster response and recovery also suggest that corporations can and do contribute in the areas of their core competency like information technology, communications, or construction, if they are relevant to a particular disaster situation.

Conclusion

The potential exponential growth and increased impact of disasters have stimulated a call for multi-sectoral cooperation in disaster response and recovery to achieve a more comprehensive approach to vulnerability challenges. The private sector is an important, yet understudied, partner in disaster collaboration. Corporations are already actively participating in disaster management both commercially and philanthropically. Although there is knowledge that corporations involved in disaster management have tended to focus their initiatives in disaster response and recovery, there remains limited understanding of their voluntary efforts, particularly with regard to why they participate in disasters on a voluntary basis and the nature of their response and recovery programs. Additionally, the disaster vulnerability literature's concentration on mitigation to address vulnerability in developing countries, although important, overlooks the fact that the entire disaster cycle needs to be addressed in vulnerable communities, including the more reactive phases following a hazard event where corporations have concentrated their contributions.

These gaps in our knowledge about the fundamental behavior of corporations in disaster situations, and the need to consider other aspects of the disaster management cycle beyond mitigation, give rise to the two central questions being addressed in this research: 1) Why do firms participate in disaster response and recovery on voluntary (i.e. philanthropic) terms; and 2) What is the nature and implementation of these corporate initiatives in disaster response and recovery? Knowledge about the motivations and activities that define corporate involvement in response and recovery is essential to the development of a more complete portrait of the disaster relief system and invaluable to guiding recommendations for future corporate involvement in disaster response and recovery within high vulnerability communities in developing countries.

Chapter 3

Linking CSR to Disaster Response and Recovery

As vulnerability of populations in disaster-prone developing countries increases, the private sector is beginning to play a more involved, voluntary/philanthropic role in disaster response and recovery. Corporate participation has been highlighted as instrumental for achieving the level of multi-sectoral collaboration that is necessary to meet the challenges of disaster vulnerability, yet little understanding exists about why corporations would want to play such a role and the nature of their interventions. Thus, a conceptual framework for evaluating corporate behavior is essential for assessing why firms participate in disaster response and recovery on voluntary terms and for understanding the characteristics of program implementation. The literature on Corporate Social Responsibility (CSR), which attempts to explain business relations with society, provides an analytical lens for understanding organizational practices in corporate disaster relief and recovery. Since the subsequent analysis will illustrate the emerging roles of corporations in disaster response and recovery through an in-depth evaluation of private sector participation following the Gujarat Earthquake, the framework employed draws on the conclusions of previous studies in CSR and disasters, as well as both relevant CSR theories and practice, to facilitate interpretation of the case.

Corporate Social Responsibility

Although corporate social responsibility is a broad concept with multiple interpretations, it is possible to gain a general understanding of this body of research while revealing dimensions of particular relevance to corporate participation in disasters. Corporate social responsibility has emerged as a discourse within organizational research over the past few decades to describe the relationship between business and the larger society (McAdam and Leonard 2003: 36). Neoclassical theorists, like Milton Friedman, propound that the responsibilities of the firm do not go beyond

maximizing shareholder wealth generation (Litz 1996; Silver 2001). However, this approach does not adequately explain the breadth of corporate behavior and business's relationship with society (Waddock 2002, Quazi and O'Brien 2000). In effect, several notions of corporate social responsibility have evolved which assert that companies exist to serve both direct stakeholders and the greater community (as a means for responding to public expectations). The CSR construct does not imply a singular definition or general agreement, and conceptions of it vary with context and across cultures (Snider, Hill and Martin 2003; Hill, Stephens and Smith 2003; Ibrahim and Abdul-Rashid 2002; Boehm 2002). One definition often cited is that introduced by Wood (1991: 695):

> The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes.

To a degree, then, social responsibility can be understood as a response to societal expectation, as well as a potential motivation behind some corporate actions that engage and benefit the larger society.

There appears to be two major components of CSR, with definitions focusing on either ethically-driven behavior or on activities that enhance corporate image and organizational benefits. Kok et al. (Kok, Weile, McKenna and Brown 2001: 288) offer a notion of the ethical obligation of companies to society, describing CSR as:

> The obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large and improving the welfare of society at large independent of direct gains to the company.

Similarly, Moir (2001: 17) elaborates on CSR as from an ethical perspective based on resources, noting that social responsibility can be understood as a:

> moral or ethical imperative that because business has resources, it is part of the role of business to assist in solving social problems [and because business has resources and skills that] there is a quasi-moral obligation to be involved [in society and societal problems].

From an organizational benefit approach, CSR is understood as a public relations tool for corporations to project their corporate image and enhance reputation. In this respect,

corporations might also become involved in disaster initiatives as a way to display a positive image to community, government and customers; therefore, benefiting from improved relations with these groups.

In practice, CSR activities tend to reflect a mix of both motivations, with companies stimulated by ethical concerns and indirect organizational benefits. Although CSR is a normative theoretical discourse more than an empirical one, it does provide a valuable foundation for understanding corporations' roles and motivations in natural disasters. Corporate disaster initiatives appear to emerge from this logic of the obligation to utilize accumulated skills and resources in meaningful ways for society, as relevant assets are drawn on to significantly contribute to disaster management in the field.

Whether driven by ethics or benefits or both, it appears that CSR includes four dimensions: economic, legal, ethical, and philanthropic – all of which can be evaluated in terms of relationships with stakeholders (Carroll 1999). Of particular relevance to corporate participation in disaster response is the philanthropic angle of CSR. Unlike traditional charitable giving, CSR can be viewed as pursuing "comprehensive philanthropic response" to social problems or issues that engage stakeholders, particularly the community (Silver 2001: 233). As CSR activities, the emerging role of corporations in this field is manifest in disaster initiatives that are voluntary, unpaid and altruistic, which may also be driven by or result in organizational benefits such as image enhancement and employee skill-building. Therefore, although some theorists suggest that the notions of mutual gain and perceived long-term benefit to the company are integral to CSR (Hopkins 2003), a broader reading of the existing literature suggests that altruistic and philanthropic activities can in fact fall within the rubric of CSR, particularly when corporations define their activities as expressions of social accountability and state a sense of responsibility to beneficiaries. This situation highlights the debate about whether CSR is strictly a business strategy or whether it refers to business

contributions to the welfare of society, with responsibilities that go beyond profit-maximizing behavior.

As mentioned, CSR introduces an expanded notion of the stakeholders to which corporations are accountable. Traditionally, corporations have only been legally accountable to their shareholders. In contrast, CSR recognizes employees, investors, customers, the environment, and the broader community as valid stakeholders whose interests companies should consider (Carroll 1999). Thus, stakeholder theory frames CSR as the "ethical behavior of business towards constituencies and stakeholders" (Hopkins 2003: 9). Most corporate social responsibility literature deals with company self-regulation with respect to their environmental record, workplace conditions, and human rights performance. In this regard, CSR refers to both a company's internal practices as well as its impact on the world around it (Reder 1994). Additionally, CSR can be applied to the actions corporations take beyond their operations, such as the commitment they make to improve the communities in which they operate.

There is growing consensus that strong businesses require "healthy" communities and that businesses should have a hand in community development. Corporate involvement in communities is increasing (Hopkins 2003). The community dimension of CSR is particularly relevant since it directly relates to the form of private sector participation witnessed in disaster response and recovery, as corporate initiatives usually target affected communities as beneficiaries.

As corporations increase their awareness of their role in their communities, they are moving away from charitable giving and are becoming more engaged and involved in working within their locales to address social problems. Activities within communities often attempt to reinforce positive images of the firm to both the community and the government. Working with community organizations can grant legitimacy to corporate efforts and reinforce a positive identity (Silver 2001). Looking at CSR on the community level, a study by Snider et al. (2003) reveals global corporations

tend to view communities as being comprised of different stakeholder groups: local community, nation states in which they operate, and the world in general. Interest in natural disasters often reflects companies' concerns about national interests (Snider et al. 2003). For example, companies express the responsibility to "advance important national interests of particular countries, especially in times of great urgency or need" like natural disasters (Snider et al. 2003: 185). Thus, although corporate disaster efforts tend to be implemented on a local community scale, they may be driven by national interest and humanitarian concern associated with the urgency of the extraordinary circumstances.

CSR and Disasters

Since voluntary/philanthropic corporate actions in disaster response and recovery reflect a benefit to society and at times, a commitment to serving community, it is possible to evaluate these initiatives as expressions of CSR. Corporate involvement in disaster management has not received much attention in scholarly discourse on corporate social responsibility. A recent study led by John Twigg of the Benfield Greig Hazard Research Centre is one of the first attempts at evaluating CSR and private sector participation in disasters (2001). In particular, his global overview and summary findings for the affiliated country level reports completed by local scholars center on CSR in disaster *reduction.* Hence, Twigg's study reflects the general focus on addressing vulnerability through mitigation within the disaster management field.

Although directed towards mitigation, not response and recovery, Twigg's analysis applies the components of CSR to disaster activities. He breaks down CSR and corporate disaster activities into four major categories: *Vision*, *Decision-making*, *Implementation* and *Impact.* These categories actually resonate with the research questions regarding the how and why of corporate activities in disaster response and recovery. The vision and decision-making elements facilitate comprehending the

motivations and process behind corporate participation, while the implementation and impact dimensions help explain what corporate activities look like on the ground and how to evaluate them.

Vision

Vision has been defined as a key driver behind CSR activities in disasters. It provides a picture of the motivations for private sector involvement in disaster interventions and implications for the nature and extent of support provided (Twigg 2001). Under the category of vision, the findings of Twigg's study deduce that disaster activities are motivated by business interests, altruism and philanthropy, although he concludes that only activities motivated by business interests, however long-term, are actually valid expressions of CSR. The study pinpoints some indirect benefits to business of disaster involvement such as image building and staff morale. He notes CSR is just emerging in developing countries and therefore, recognition of the concept is often limited in those countries. A tradition of philanthropy within a company tends to encourage CSR behavior. Important elements under vision that explain motivation include the company's general attitude towards social responsibility, anticipated benefits, and under whom the vision is being crafted.

The CSR literature further elaborates on the notion of vision and underlying motivations more generally. Waddock (2002: 4) notes that good corporate citizens uphold "clear constructive visions and core values", and that these values will guide their CSR activities. Motivations behind CSR often fall within two competing fronts, one emanating from altruism and the other from self-interest. For simplification, motivations can be understood in three fundamental ways: as business strategy surrounding organizational benefits; as responsibility to community; and as altruistic behavior that is ethically driven.

Theory asserts that CSR activities are motivated by the vision that being socially responsible is "good for business", even if indirect (Hopkins 2003; Reder 1994). The idea of mutual gain is embedded in this logic, with companies viewing CSR as an essential component of business strategy

(Yamamoto 1999). Thus, the literature on CSR motivations focuses on the desire of corporations to achieve potential indirect benefits such as: improve corporate acceptability by stakeholders (Hopkins 2003); ameliorate corporate industrial relations (Hopkins 2003); enhance ability to attract new investors (Hopkins 2003; Willmott); improve corporate reputation (Hopkins 2003; Woodward 2001; Ibrahim and Abdul-Rashid 2002); elevate the company brand (Hilton and Gibbons 2002; Yamamoto 1999); achieve greater trust (Boehm 2002; Woodward 2001); increase employee allegiance, morale, pride and competency (Willmott 2001; Reder 1994; Boehm 2002; Yamamoto 1999); gain insights into customers and expand markets (Boehm 2002); and obtain positive responses from political leaders and press, i.e., receive good PR (Boehm 2002). Overall, anticipated indirect organizational benefits are important motivations behind CSR activity.

The literature also distinguishes a sense of responsibility to community as a motivation for CSR activity. Companies may seek to build positive relationships with community (Woodward 2001; Waddock 2002). This approach is related to stakeholder analysis and accountability, as there is an emerging idea that business vitality and stability depends on the health of the communities and societies within which they operate (Yamamoto 1999). Socially responsible businesses work to preserve and expand social capital (Hopkins 2003), suggesting that companies may have a "welfare responsibility" to communities in the form of social development initiatives and the like. It should be noted that several scholars suggest that improving community quality and being responsible members of the community may also improve long-run profitability for companies, making indirect benefits also linked to increased stakeholder responsiveness (Ibrahim and Abdul-Rashid 2002; Margolis and Walsh 2001).

Another rationale found in the literature for socially responsible activities is a more traditional philanthropic one, although not outside the scope of CSR. Some theorists have suggested that CSR activities may also be driven by altruistic or ethical feelings to do good for society (Quazi

and O'Brien 2000). This sentiment would also include the moral obligation to use the productive resources of companies in ways that benefit society. As mentioned before, urgent situations of national magnitude (like major natural disasters) can draw in companies based on an overriding concern for national interests and development. In a sense, this type of motivation may be explained as "doing the right thing." The various motivations that emerge in CSR theory and practice suggest a way to evaluate the rationales of companies involved in disaster response and recovery on a voluntary (non-commercial) basis.

Decision-making

Decision-making is a fundamental dimension of the process leading to corporate involvement in disaster response and recovery. Twigg looks in-depth at decision-making in the corporate mitigation context and concludes that expert and committed leadership are essential. He notes that leadership is often top-down, with decisions being championed by the boards of directors, senior managers or owners. It is not unusual for the primary supporter to be a single, high-level individual within the organization. The study found that the importance of leadership in driving decision-making does not seem to differ with organization size. Although Twigg includes the formation of partnerships under decision-making, it appears more appropriate to address this component within implementation.

CSR theory seems to echo the significance of leadership in the decision-making process that leads to socially responsible action. CSR-oriented decision-making requires leaders within a company to have personal vision and awareness, with "progressive, aware, and effective" managerial styles (Waddock 2002: 15). Commitment from senior officers to achieve stated objectives is key, although individual leadership will not replace the need for written value statements (Yamamoto 1999). Boston College's Center for Corporate Leadership underscores in its standards of excellence the need for senior executives to demonstrate their support, commitment and participation in

community and to build relationships with the community. Leadership plays such a central role in decision-making for CSR because firms allow for individual managerial discretion (Carroll 1979). Thus, the philosophy of top management remains a primary factor in contributing to corporate social awareness and action (Ibrahim and Abdul-Rashid 2002).

Implementation

Twigg also explores implementation of corporate initiatives to uncover the nature and extent of interventions. He looks at operational issues that companies face in their disaster mitigation efforts and how these are approached and resolved. In the realm of mitigation, he discovers that companies are engaged in activities such as providing information materials, lending in-kind support, sponsoring research, and creating committees and discussion groups. Additionally, he concludes that funding for initiatives tend to be once-off.

In the structure of initiatives, partnerships receive critical attention since they are portrayed as the new paradigm in disaster management. In his research, Twigg finds that NGOs and government tend to be the initiator of partnerships with the private sector. He discovers that government support in creating enabling environments is essential for inter-sectoral partnerships. Collective initiatives among the private sector, such as business associations or dedicated organizations, are also influential in facilitating collaboration. Although partnerships with NGOs are viewed as a viable model for private sector participation in disasters, Twigg concludes that companies prefer unilateral action to partnership and allow for only minimal community participation.

The CSR literature addresses implementation to a lesser degree than the principles surrounding CSR behavior. However, some theorists do emphasize CSR as responsiveness, in the sense that CSR is about actually implementing activities and proving values through action, not just musing about obligation and responsibility (Bauer and Ackerman 1976; Hilton and Gibbons 2002).

CSR has been described as "collaboration" and as an "economic, social or psychological contract between corporate leaders and community leaders" (Boehm 2002: 173). Corporate involvement in community initiatives reflects "new patterns of philanthropy" that suggest a deeper engagement in society. In terms of taking action in community, Hopkins (2003) defines four types of business relationships with community: charity; social investment in educational and social initiatives; partnerships with local organizations including lending of equipment or human resources for a specific time; and ethical production of goods that society needs. Thus, there are a range of ways businesses may implement CSR activities in communities although there is a lack of writing on the actual structure and nature of interventions. Unilateral initiatives and collaborative partnerships in community-based operations appear to reflect the types of corporate engagement in disaster response and recovery that is occurring.

As corporations move away from traditional charitable giving and towards more community involvement, partnerships with NGOs are becoming an increasing form of intervention (Waddock 2002). Yamamoto notes that while writing on corporate responsibility has been prolific, there has been little in-depth analysis on the pattern of NGO-corporate partnership. She attempts to expound on the nature of emerging corporate-NGO partnerships in the social development context. Corporations appear to partner with NGOs for community initiatives because NGOs tend to understand local needs, language, and culture, and have development expertise and acceptance within the community (Yamamoto 1999). NGOs chose to partner with corporations to diversify funding sources, to gain professional skills, to benefit from the expertise of seconded employees, and to expand political influence. Since mutual suspicion still exists between the two sectors, use of intermediary organizations has also been a successful approach (Yamamoto 1999).

Impact

Building on implementation, an understanding of the impact that corporate disaster initiatives are having on beneficiaries and the overall response and recovery system is important for measuring the effectiveness and contribution of the private sector's voluntary efforts. Twigg defines impact as the outcomes and effectiveness of corporate interventions, lessons learned and implications for future involvement. Impact can be broken down into: a) monitoring and evaluation - assessing the success of project and the extent to which goals were met; and b) replicability and sustainability - the capacity to do similar activities in the future. A limitation surrounding Twigg's study and many other CSR evaluations is that impact is assessed from the firm's perspective as opposed to the direct and indirect beneficiaries and collaborators. Understanding impact is important since outcomes will generally influence how the corporate disaster initiative is valued by other sectors and the community, as well as whether corporations will be likely to repeat their efforts in future disasters.

Along the lines of impact analysis, the literature reports increased weight being placed on social reporting of CSR measures (Hopkins 2003), since companies are finding it necessary to establish a process for evaluating their activities (Waddock 2002). Social reporting is also perceived as a method of self-presentation and impression management (Snider et al. 2003). In general, little is understood about evaluating impacts and how to interpret results even though it is considered crucial for greater sustainability of the private sector as an actor in disaster response.

Twigg on Relief

Although the Benfield Report focuses on disaster mitigation, Twigg (2002) does make some key observations from his data as it relates to corporate involvement in disaster relief. He found that companies were "often very willing to respond to disasters through donations of money to emergency appeals and in-kind support such as provision of relief goods, transport and communication facilities" (2001: 10). His data suggest altruism as the motivation behind corporate

initiatives. He classifies corporate efforts in disaster response as mostly ad-hoc, once-off and short-term although occasionally there is more strategic support. Despite the de-emphasis on response, relief is highlighted as a "foundation for mitigation" (Twigg 2001: 12).

Conclusion

Corporate social responsibility (CSR), which attempts to explain business relations with society offers a lens with which to view corporate participation in disasters. In particular, stakeholder analysis, commitment to community, and ethical obligations to use company resources in ways that have a positive impact on society are dimensions of CSR which have particular relevance for understanding corporate disaster initiatives. Twigg's study and other reports from Benfield Greig Hazard Research Centre which look at CSR and disaster reduction identify four aspects of CSR in disasters: vision, decision-making, implementation and impact. These categories provide a basic framework for assessing why corporations voluntarily participate in disaster response and recovery and what roles they are playing in the field. However, there are still gaps in our understanding of corporate disaster participation since CSR has never been researched in terms of response and recovery. In particular, we lack an understanding of implementation and how partnerships are actually working in practice. Thus, using the existing CSR literature and Twigg's studies in corporate disaster mitigation to guide the subsequent analysis, it is likely that the findings will suggest that additional elements and an expanded framework for understanding corporate participation in disasters.

Chapter 4

Research Methodology

A significant role for the private sector is beginning to emerge in disaster response and recovery. Although mitigation has become the predominant policy emphasis in disaster management, response and recovery remain important areas for addressing disaster vulnerability in developing countries. Thus, a greater understanding of the motivations and execution of corporate disaster efforts is necessary to strengthen and guide future corporate involvement. Concepts drawn from the literature on corporate social responsibility provide a framework for understanding corporate rationale and activities in the disaster context. In order to answer the central questions posed in this thesis regarding why companies participate in disaster response and what the implementation of disaster management initiatives looks like, corporate responses to the Gujarat Earthquake in India in 2001 were studied.

The primary factors for selecting the Gujarat Earthquake as a case/location for comprehensive investigation were the severe magnitude of destruction, the high level of corporate response, the developing country context, the existence of disaster research institutes, and the linkages to the global economy in the state of Gujarat. The timing and distance of the event, which occurred three years ago, was recent enough to anticipate accurate recollections, yet sufficiently distant to determine whether program goals were completed and whether company commitment was ongoing. Although the Gujarat earthquake has been the subject of many reports, including an investigation of corporate social responsibility and disaster mitigation in Gujarat generally (Bhatt 2002), these studies were completed in a more descriptive, fact-finding manner and do not provide in-depth qualitative analysis regarding corporate motivations and program implementation.

The companies studied in this research had several commonalities, which include: an articulated commitment to CSR that was incorporated in some form into their operations, ongoing

social programs/initiatives, large-scale firm size measured as significant sales within India, and a major response effort to the Gujarat earthquake (all but one having a broader intervention than a monetary donation). A differentiating factor within the sample was that half the companies are multinational corporations, with the remainder being major national (Indian) companies. The sample represented a diverse range of industries, from insurance, banking, automobile, cement, engineering, agribusiness, pharmaceuticals and IT/Communications to diversified business groups (see Table 3.1). This comparative case design allows an analysis of the similarities and differences in motivations and implementation of corporate sector initiatives in disaster management.

Company Name	**Scale**	**Industry**
Hindustan Construction Company (HCC)	National	Construction/Engineering
Reliance	National	Diversified Business
Ambuja Cement	National	Cement
TATA	National	Diversified Business
HDFC	National	Banking
IFFCO	National	Fertilizer
IBM	Multi-National	Information Technology
Ericsson	Multi-National	Communications
Citibank	Multi-National	Banking
General Motors	Multi-National	Automobiles
New York Life	Multi-National	Insurance
Pfizer	Multi-National	Pharmaceuticals

Table 3.1: Company Sample by Name, Scale, and Industry

Data for the examination of corporate responses to the Gujarat Earthquake were collected through semi-structured, in-depth interviews with 12 companies. Participants for company interviews were selected based on their role and position within the organization and their involvement in managing the company's disaster response efforts. Most interviewees were senior operational managers or directors of corporate affairs/communications, who were well-informed about the company's policies, decision-making, and disaster-related initiatives following the Gujarat earthquake. Interviews ranged from one to three individuals being interviewed simultaneously, with the number varying according to company preference. Key individuals were identified through press

releases, websites, telephone inquiries, and the assistance of my local contacts at Hindustan Construction Company. Potential interviewees were contacted via email and/or telephone. All organizations contacted chose to participate and the interviews were conducted over a three week period.

Informed consent of participants was received prior to conducting interviews. The interview was organized around 26 questions covering topics such as the role and motivations of disaster response efforts as well as general company social policies (see Appendix B). The questions served as launching points for in-depth probing of issues. In terms of timeframe, the discussion focused on the activities of participating companies regarding their disaster response and rehabilitation activities over the three year period from the earthquake event in 2001 to the present. Although only a limited number of interviews were conducted, the validity of the research design is based on the depth and length of these interviews. Interviews spanned from 40 minutes to two-hours, with an average interview lasting approximately 75 minutes. Interviews were conducted in-person, on-location in India, with the exception of three telephone interviews which were conducted from Mumbai. Conversations were tape-recorded and later transcribed for analysis.

Interviews were supplemented with data from additional sources. Some companies supplied substantiating materials such as annual reports and films on their disaster response efforts. Overall, newspaper articles, company documents, newsletters, reports, social audits, films and presentations provided further information on both corporate philosophies and participation following the Gujarat earthquake. A grounded theory approach, as explained later, was used to analyze interview transcripts and supplemental data.

Limitations of the Study

It is important to acknowledge the potential biases inherent in such a research design. In light of the analytical framework proposed in the preceding chapter, the key limitations of the

sample and methodology are explained below. Although these biases create boundaries for interpretation, the strength of the case structure and the thorough data analysis approach provide a foundation for rigorous examination of the issues and enhance the validity of the findings.

Exemplary companies/cases

The first limitation of this research is that the companies included in the sample might be exemplary in their class by virtue of the fact they have articulated CSR programs and their disaster management activities were viewed both internally and by beneficiaries as successful.[1] Thus, it may be fair to suggest that they do not reveal a complete picture of the types of corporate involvement in disaster response, the effectiveness of corporations as disaster actors, and motivations for participation, even for the Gujarat Earthquake case. For example, there was a government scheme supporting corporate adoption of villages in Gujarat which has been widely denounced as a failure because corporations did not live up to local expectations of their role in the community. The program became viewed as a publicity stunt because several participating companies received media coverage but then withdrew from these areas following the relief period. In general, companies that were solely involved in the relief phase and not rehabilitation have received harsher criticism.[2]

One disaster, one location

The research examines the responses to only one natural disaster, an earthquake, in one specific location, India. This design implies that some of the findings are likely to be heavy related to the specific context, such as, the institutional arrangements in India and the type and magnitude of the disaster. Therefore, the extent to which the data reveals information about the nature of corporate involvement in disasters that can be generalized to other contexts is limited.

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[1] Beneficiaries' perception of the success of these initiatives is only an assertion of the companies themselves and not substantiated by direct feedback from the beneficiaries.

[2] The *Gujarat Exhibit* at the World Social Forum (January 2004, Mumbai) was highly critical of the corporate responses to the Gujarat earthquake, particularly in terms of not meeting expectations beyond the relief phase. See Appendix C.

Country-specific understanding of CSR

Since the analysis utilizes the framework of corporate social responsibility to analyze Indian companies and MNCs operating in India, there is a major question about the degree to which their corporate disaster responses were rooted in uniquely Indian conceptions of philanthropy versus emerging notions of corporate social responsibility. Specifically, several industrial houses in India have a tradition of philanthropy which may now be fused to the emerging rhetoric of CSR. As a result, further probing on the companies' understanding of CSR was often pursued to mitigate for this bias.

Individual vs. company view

The research relies heavily on responses of individuals within the organizations. This limitation makes it difficult to distinguish to what extent the interviewees' responses reflect their personal ideologies and perspectives as compared to explaining their understanding of the company line. Several of the interviewees, particularly those working in corporate affairs/communication or community development, disclosed that they came from social development or social work backgrounds. Such a background is not likely to reflect average company employees in those institutions and indicates that they might be inclined to have higher social goals for the company than other decision-makers in their organization.

Lack of local company perspective

The study only focuses on large-scale national and multinational companies that responded to the Gujarat Earthquake, leaving out the important perspective and experience of local companies. Although local companies were part of the original research design, identifying companies and establishing contacts was very difficult and could not be accomplished within the research timeframe. Varying the levels of the companies (local, nation, multinational) would have provided greater room for comparison between corporate efforts.

Companies talking about themselves

Only corporations were interviewed about their experiences, while the beneficiaries of their projects or other actors in the field were not. This was a purposive decision to limit the scope of the analysis. Therefore the analysis only reflects the companies' perceptions of their own actions. Although it is beyond the scope of this analysis, a broader understanding of corporations as actors in disaster management requires data on the perspectives of direct beneficiaries, governmental agencies, and local and international NGOs.

Data Analysis

Utilizing a grounded theory approach (Strauss and Corbin 1990), the data analysis involved identifying themes/patterns and clustering components through an iterative process based on successive readings of the interview transcripts and completing comparisons/contrasts between company cases. An important feature of the grounded theory approach is that it facilitates recognition of new or unanticipated elements and dynamics. Consequently, some factors, not accounted for in the original framework, emerged in the analysis.

Chapter 5

The Gujarat Earthquake

Background

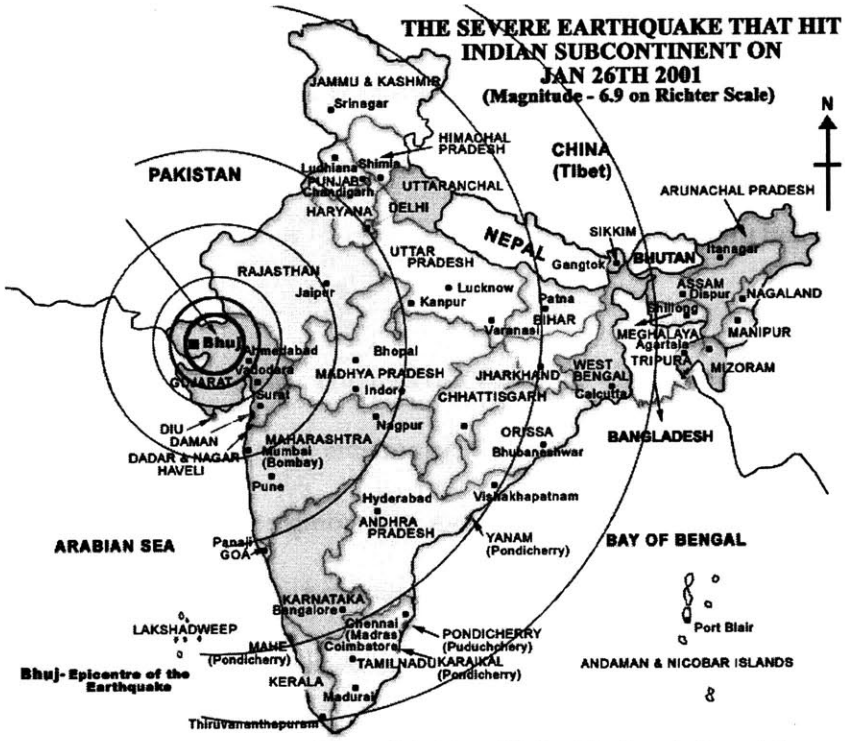


Figure 3.1: Map of Gujarat Earthquake Impact Area
source: http://www.mapsofindia.com

On January 26, 2001, the country's Republic Day, a severe earthquake measuring 7.7 (some estimate 6.9) on the Richter scale hit India just before 9:00 a.m. local time. The earthquake lasted around two minutes, during which time the vast majority of the destruction occurred, although numerous aftershocks followed. The epicenter was just outside the city of Bhuj in the northwestern state of Gujarat (see Figure 3.1 above). The initial tremor was felt throughout parts of India and as far way as the neighboring countries of Nepal and Pakistan. The earthquake was the second largest recorded in Indian history and the most severe in recent times.

The earthquake caused a massive disaster situation, leaving over 20,000 people dead and an estimated 146,000 injured (Bhatt, 2002: 3). In addition to this tremendous death toll, victims also

suffered the loss of personal property and livelihoods and faced major long-term social impacts. In Kutch, the most heavily damaged district of the state, there were some towns and villages where over 90% of the buildings were destroyed. As many as 16 to 20 million people were affected, with nearly 600,000 victims left homeless. Public infrastructure also took a major hit in the state with considerable damage to roads, bridges, water infrastructure and power systems. Approximately 11,600 schools, two district hospitals and thousands of health clinics were also ruined. Given the extent of the destruction, the economic losses were acute. In a joint assessment, the World Bank and the Asian Development Bank estimated asset losses at $2.1 billion with another expected $2.3 billion for reconstruction costs.

The State of Gujarat

Gujarat is the most northwesterly state in India and borders Pakistan to the north, the Arabian Sea to the west and south, and the Indian states of Rajasthan, Madhya Pradesh, and Maharashtra to the east. It is the tenth most populous state with 41 million residents. It is considered an industrial state that is well-off, although poverty and food insecurity still remain a problem in some areas. The capital of the state is Gandhinagar and the main city is Ahmedabad, the whole area being made up of 25 administrative districts. The earthquake in Bhuj primarily impacted the district of Kutch, which is an arid region, with a rugged terrain that is sparsely populated.

Gujarat is a disaster-prone state subject to a host of natural hazards including cyclones, floods, droughts, and earthquakes. In the past few years, Gujarat has experienced all of these major types of disasters. In 1996, a flood destroyed 54,575 dwellings and killed 117 people. Two years later, a cyclone struck the western coast, killing 3,500 people and damaging 200,000 houses. When the earthquake hit in 2001, the state had already been experiencing a drought for over two years, one of the worst the area had endured in recent history, which directly affected over 7,500 villages. In general, the western part of Gujarat is an area of significant seismic activity as numerous earthquakes

have occurred over the past century. Gujarat is also prone to man-made disasters in the form of political/civil strife. Only one year after the Gujarat Earthquake, massive riots erupted throughout the state, mostly Hindu attacks on Muslims following a controversial train bombing in Godhara. Thus, for Gujarat – like India as a whole – disasters are an ongoing threat to human lives and property, posing a direct challenge to development.

Despite its high vulnerability to disasters, the state remains an economic powerhouse, considered the second most industrialized and urbanized in India. Its key industries are textiles, chemicals, petrochemicals, pharmaceuticals, dyes, fertilizers, cement, sugar and engineering (Bhatt 2002: 2). Several entrepreneurial families come from Gujarat and there has been significant emigration of Gujaratis to locations all over world. As the state is a forerunner in investment inflow, there are many national and multinational corporations operating in Gujarat. The large industrial houses in this area tend to hold significant influence locally and nationally. Home to the emergence of the philosophies of Mahatma Gandhi, Gujarat has a long history of businesses considering their relationships with society, as manifested in a tradition of charity and philanthropy. Mihir Bhatt, of the Disaster Management Institute, asserts that the Gandhiji's concept of trusteeship is a popular view of corporate relations with society, which essentially suggests that as trustees of knowledge, skills, and wealth, each person is required to use these assets for their own needs, those of their company, and the social/public good (2002: 12). Although the private sector has consistently been involved in social development programs in this area, viewpoints and expressions of CSR among companies operating in Gujarat or responding to crises there are likely to be varied and evolving in the face of new and emerging business and social contexts.

Who Responded? Looking at the Response Phase

The magnitude of death and destruction of this natural disaster attracted substantial national, international, and local responses from a variety of actors. As with most responses to natural

disasters in India, the government assumed a leading role in the relief efforts in Gujarat. Immediately following the earthquake, the national government sent in the Defense Services to the area including 22,000 troops, 32 transport aircraft, 19 helicopters, and navy ships. Several companies of paramilitary troops were also deployed for search and rescue. The Ministry of Agriculture, responsible for relief operations at the national level, launched the National Disaster Control room in the Department of Agriculture and Cooperation in Delhi. Government provision of resources also included rescue workers, medical staff, heavy machinery and donations from neighboring Indian states.

The state government, although directly impacted by the quake in the capital and other areas, also moved in on the relief effort. The state set up a control room in the capital and an external Aid Co-ordination Cell in Ahmedabad. The Chief Relief Coordinator was located on-site in Bhuj. Following their work in search and rescue (SAR) activities, the state began clearing roads and debris and restoring water and electricity. They utilized police forces as well for 'manpower', positioning them in Bhuj and surrounding areas. Local government also played a role, but their involvement came slower since their facilities were damaged and administrators were directly impacted. Like the state, local government was involved in coordinating relief supplies from national and international sources. Daily meetings were often held between local and state authorities and humanitarian NGOs and UN agencies operating on the ground to determine priorities, identify resource needs, and coordinate actions.

The international response was considerable in size. International NGOs and UN agencies were involved in SAR and traditional relief activities, such as providing temporary shelter, medical assistance, food, counseling and other necessary supplies. The international relief organizations came from 38 countries. UNDAC recorded over 245 organizations and agencies during the relief period: 99 international NGOs, 55 national NGOs, 20 donor government teams, 10 UN agencies and 10

Red Cross organizations. The government actively supported partnerships between international and national NGOs, which led to substantial cooperation. The UNDAC team under OCHA established an on-site operations coordination center in Bhuj to manage international relief activities (UNDAC 2001).

As the numbers suggest, national and local NGOs were also quite active. Many strong, active NGOs operating in Gujarat mobilized to participate in the relief activities. They had the advantage of local knowledge, grassroots support, and existing development programs in those areas. Among these organizations, Self-Employed Women's Association (SEWA) and a local network of NGOs, Kutch Navnirman Abhiyan (known as Abhiyan), worked hard to foster a self-help approach to reconstruction. These local organizations were integral to diffusing information and assistance to local residents. Many international NGOs had existing relationships with some of the Indian NGOs active in the response, allowing for greater cooperation (ADB/WB 2001: p.3).

Corporate involvement received little media coverage and documentation during the disaster relief phase, aside from the adopt-a-village program that was highly publicized and then later criticized on several levels. The private sector was not given mention in the many field reports written by relief organizations beyond the acknowledgement that local industries donated equipment and personnel for SAR and relief operations. The lack of information on this sector's participation is further basis for pursuing research that provides a clearer understanding of what role corporations are playing, their motivations, and the nature of implementation.

Recovery efforts present an opportunity for sustainable development and disaster mitigation to take place. Following the relief phase, which lasted just over a month in most communities in Gujarat, recovery efforts began to follow. A variety of actors were involved in these long-term disaster rehabilitation initiatives that ranged from home-building and construction to livelihood training and job creation. Many of these projects were primarily driven and implemented by local

and national NGOs, sometimes in collaboration with international organizations or corporate donors. Among the corporations interviewed for this study, nearly all participated in disaster relief in some form, while half of them took a two-phase approach and also carried out a rehabilitation program.

The government also had numerous schemes for redevelopment of damaged areas and compensation of victims. The state government set up the Gujarat State Disaster Management Authority (GSDMA), headed by the Chief Minister, to handle longer-term relief and construction. According to the GSDMA's film, "Making a Difference", the key components of the government's rehabilitation program have been earthquake resistant reconstruction, empowerment of women, livelihood development, agriculture restoration, public infrastructure repair, and urban planning for disasters. Capacity-building and mitigation were new emphases of the government in rehabilitation, as they proclaimed to embrace "preparedness as the new mantra." The agency confirms having completed the construction of 10,000 houses in an earthquake resistant manner, the restoration of 2,000 health facilities, and the development a new district hospital in Bhuj.

Conclusion

The foregoing discussion of the responses to the Gujarat Earthquake is not intended to function as a comprehensive assessment of the disaster but rather offer an overview of the nature of the response and the key actors. It provides the background and broader context for evaluating the actions of corporations responding to this particular disaster. There were many actors involved in responding to the Gujarat earthquake, yet it is still unclear about what role the corporate sector played and why they decided to voluntarily participate.

This gap in our knowledge of corporate actions was the basis for in-depth interviews with companies involved in response and recovery following the earthquake. The broader context of the other disaster actors, location and local philosophies and traditions is worth keeping in mind when

exploring these corporate actions as they were not isolated but rather part of the greater disaster effort. The magnitude of the earthquake and the disaster prone nature of the state make the Gujarat case a good example of corporate responses to high vulnerability communities in developing countries.

Chapter 6

Corporate Rationale for Involvement in Response and Recovery following the Gujarat Earthquake

Many corporations – local, national and multinational – participated in the disaster response and/or recovery efforts following the Gujarat Earthquake in 2001, often on philanthropic or voluntary terms. Although numerous reports on the management of this large-scale natural disaster have emerged, there remains insufficient knowledge about why the private sector companies participated in a non-commercial capacity. The data from in-depth interviews with 12 corporations (six national and six multi-national) that played a significant voluntary role in disaster initiatives in Gujarat offer a picture of the motivations of the private sector in disaster response and recovery, as well as the enabling factors that influence the decision to participate. The comments of corporations to some extent reflect Twigg's findings on vision and decision-making in CSR and disasters, as well as the related ideas of CSR theorists. However, analysis of the interview data suggests a broader set of factors underlying corporate involvement in disasters. Thus, this evaluation of corporate rationale for participation in disaster response and recovery in the case of the Gujarat Earthquake suggests the need for an expanded framework for understanding motivations.

Companies nearly unanimously conceded that articulating the primary motivations for their disaster involvement was very difficult; however, there are discernible reasons why some companies chose to participate following the Gujarat Earthquake. Outside of the hesitancy associated with directly defining motivations, several comments emerged in the dialogue that revealed a few key motivations for disaster involvement among companies. These corporate motivations fit within six major categories: social values, disaster sensitivity, internal organization, external pressures, and perceived benefits.

Social Values

The social values that a company espouses appears central to the decision to participate in disaster response and recovery. Stated policies and articulated commitments to social and economic development, with a view to the community as stakeholders, served as a foundation for corporate involvement in these activities. Hence, corporate values and existing social programs facilitate a philanthropic outlook towards natural disasters which can be understood in terms of responsibility to community, national development interests, needs/gaps in the system, humanitarian concern, and the social commitment of top management.

Responsibility to Community

A sense of social responsibility to community is a major motivation for corporate disaster participation, emanating from conceptions about the role of a good corporate citizen. Acknowledging community as stakeholders like the CSR literature proposes, companies often expressed a particular commitment to local population. This focus appears linked to creating a feeling of "goodwill" with the immediate community. As noted by an HCC representative (2004), the idea of giving back to the community where you do business seems to be integrated into many of the companies' philosophies, driving decisions about disaster participation:

> When we participated in the Gujarat earthquake it was more out of social responsibility that the company was working in the area of the quake...
>
> HCC feels a responsibility to communities within which we operate, but presuming we were not operating a project in Gujarat at the time we would have participated in one way or another. We wouldn't have been able to rush in the equipment like we had done if we were not in that region, but we could have done some sort of an initiative like raising funds or sending some experts.
>
> Certainly, we feel that if we are operating in an area, if we can give back or contribute in some way, it has an effect.

Additionally, as summed up by Pfizer representative (2004), disaster involvement emanates from a desire to project the company's commitment to community by having a positive impact through intervention:

> We are reminded in so many things about our commitment to community. Disaster relief is one offering and we hope it remains that way. It is not one thing that one wants to happen ever but it's more like rising to the occasion. It's about how quickly we respond and more importantly, how we respond and in what manner we respond. It's about whether the impact of what we did was truly beneficial to those it was intended for.

Clearly, stakeholder theory (Carroll 1999), which suggests that community is a stakeholder, is a driving concept in practice.

The comments of national and multinational companies also alluded to a moral responsibility for intervention in communities in disaster situations. This sense of moral responsibility did not appear as an exclusive motivation but rather often complemented other notions of community commitment and organizational benefit.

> Principles led our decision [to participate in the disaster relief and recovery]– a responsibility to local population, mutual benefit, and moral responsibility. (IFFCO 2004)

The moral or ethical obligation to use company resources in ways that benefit society is a perspective also present in the CSR literature to explain the drivers of social responsiveness (Moir 2001). The responsibility, commitment, and obligation to communities that companies cited as part of their motivations in pursuing disaster response and recovery for the Gujarat Earthquake suggest that an underlying desire to build their relationship with community and society is central to corporate disaster initiatives.

National Development Interests

Corporations also participated in the Gujarat Earthquake as part of the concern expressed for national development. This finding reflects the assertion by Snider et al. (2003) that companies feel responsible for national interests in times of great urgency or crisis. Companies tended to frame their involvement as a response to a situation that threatened national vitality because of the social, economic and human costs of a large-scale natural disaster such as the

Gujarat Earthquake. Furthermore, companies viewed national health as affecting business climate and performance, as noted by a representative of HCC (2004):

> The number of disasters in India show that the country is highly vulnerable to a variety of disasters – and their impacts are manifold on the economy of the country and socially. Disasters, therefore, indirectly impact the vitality of the company.

Corporations viewed response and recovery as a national effort and therefore felt obliged to contribute. They described their role in supporting national development through their business operations and linked participation as an outgrowth of this perceived responsibility. A representative from Ericsson (2004) commented on this point:

> Ericsson is totally committed to India. Ericsson has been here for almost a hundred years and now the company is a major player in the market for modernizing communication systems across the country. To that extent, we definitely feel responsible as partners in India's telecom advancement and definitely that motivates us to participate and provide support for any such disaster.

Therefore, although corporate interventions in disasters generally happen at the community-scale, they seem to be motivated in part by national-level concerns.

Needs/Gaps in the System

The company comments suggested that perceived needs/gaps in the response and recovery system further stimulated them to pursue these types of disaster initiatives. The logic was based on the idea that government and NGOs cannot meet all requirements in the wake of a disaster and that the robust assets and resources of the private sector ought to be mobilized. A representative from IFFCO (2004) expressed this position:

> Disasters occur without notice and relief needs to be provided to the victims immediately without any delay. Relief efforts will be effective only if provided at the right time, which is not comparable with aid or other monetary help extended subsequently. Assistance required in times of disasters are of great magnitude and the government alone or the non-governmental organizations can not cope up with the requirement. It is hence necessary that corporates who can mobilize money, men, and materials easily respond on such occasions and that is why IFFCO preferred to involve itself in disaster relief in a big way though it has its own involvement in other areas of aid or development in a limited but continuous manner.

This idea of meeting gaps is not really addressed in the CSR literature although it appears an important motivation in the disaster context.

Tied to this outlook are company comments on the potential and desire to have a meaningful impact on the system. The implication is that companies see themselves as playing a valuable complementary role in disaster response and relief. They participate because their services, technology, machinery or expertise can make a positive contribution in the disaster effort.

> I think (our contribution) was unique because we were just trying to make sense of how we could play a *meaningful* role there. And what we only did was leverage on an existing experience (in masonry). In that sense, we drew on what we had and what we had been doing (in development) for our disaster program. (Ambuja 2004)

Firms' perceived obligation to use resources in beneficial ways to serve society is not a new concept (Kok et al. 2001). However, it suggests that companies see space in the disaster response and recovery system where they can make a difference through a unique contribution or augmenting existing activities.

Humanitarian Concern

Corporate involvement in disaster response and recovery also appears to be driven by humanitarian concern. Companies mentioned a desire to "help the needy" victims, using their capabilities as a gesture of "compassion." Since the Gujarat Earthquake was perceived as a national tragedy (20,000 lives were lost), several companies commented on the increased desire to contribute because of the crisis state that prevailed. Similarly, corporate initiatives were "driven by the immediacy and urgency of the situation," particularly in the relief or response phase. Company comments underscored the idea that natural calamities warrant a corporate response, viewing it as a natural progression for socially responsible organizations to get involved during disaster situations. This finding appears to corroborate Twigg's (2002) conclusion that corporations are motivated by altruism in the wake of disaster, showing a strong willingness to respond in a variety of ways to *emergency* type circumstances.

Social Commitment of Top Management

The decision to participate in disaster also stems from senior management's leadership in principles and social values, just as Twigg's study concludes. Most companies in the Gujarat Earthquake case suggested that senior management set the tone for social responsibility generally, as well as in the specific case of disasters, as noted by HDFC (2004):

> We have always been conscious about social responsibility. Our Chairman really believes that once you are established and all, you owe it and must give back to the society. ..
>
> Leadership in principles has come from top management but the philosophy really permeates the entire organization. Even employees have contributed in some way (to disasters), whether it's a portion of their salary – whatever it is.
>
> Nothing is imposed.

Senior company management, as arbiters of disaster policy and decision-making, are integral to creating a corporate culture that demands a higher commitment of business to society, such as in the case of corporate involvement in disaster response and recovery.

Disaster Sensitivity

The level of sensitivity to disasters that companies have appears to weigh into their decisions to respond to disasters. In particular, concern about natural disasters among management, the perceived magnitude of the disaster, a philanthropic tradition of disaster participation, the existence of disaster policies, and the extent of the disaster's impact on business operations contribute to a company's outlook on natural disasters. These factors impact corporate commitment to involvement in disaster response and recovery, as demonstrated in the responses to the Gujarat Earthquake.

Concern about Natural Disasters

Similar to leadership in corporate social commitment, the decision for corporate participation in disasters tends to emanate from a concern and sensitivity to disasters at high-level in the company. As the CSR theory suggests, company leaders may even have a personal commitment to the relevant issue, in this case disasters. For example, Reliance's Chairman is on the board of the

Red Cross. Other companies' leaders also exude a similar concern for natural disasters in particular, as underscored by Ambuja and Max New York Life representatives:

> We do have senior management that is extremely sensitive to natural disasters. I mean we have always participated – whether it was the cyclone in Orissa or the plague in Surat, we have been a part of it. And more so here where Gujarat is our first area – we grew from Gujarat. (Ambuja 2004)

> We have a board of directors who decide these sorts of things. We have representatives from Max India. The Chief Executive Officer - Tony Singh – personally very committed to this cause. He's serious about the company's commitment to SOS. Even the NY contingent usually makes time to check out the offices of SOS in Delhi. It's a fairly deep relationship. (Max NY Life 2004)

Companies cited senior management support for the cause as building morale for employees who are actually deployed in the field for disaster operations.

> In the field, we felt we were supported by the board and the members of the senior management team. We were having personal problems – sleeping outside for days. We felt comforted and motivated knowing that our company was behind us, that our bosses are behind us. (Ericsson 2004)

Clearly, top management commitment was instrumental to decision-making for corporate disaster participation in the Gujarat Earthquake.

Magnitude of the Disaster

Directly related to management's concern about disasters is the relative magnitude of the disaster. If a disaster is perceived as being of a national magnitude, such as in the Gujarat Earthquake case, companies believe that it is not appropriate or sufficient for the government to tackle response and recovery without corporate intervention. Thus, the scale of the disaster is what warrants intervention and elevates it to a nation-wide issue, as noted by a Max New York Life Insurance representative (2004):

> [The company] did not actually begin doing business until April 2001. However, looking at the magnitude of the disaster we just had to help in the national effort at bringing relief to the stricken people of Gujarat.

The comments of both national companies and MNCs revealed an emphasis on disaster magnitude in their motivations.

Philanthropic Tradition of Disaster Participation

Corporate tradition in philanthropy and disasters is another feature that affects the corporate rationale in the disaster context. Twigg's study suggests that a philanthropic tradition is an enabling factor for corporate disaster participation. As noted by a representative from TATA (2004), a philanthropic tradition and a history of disaster participation go hand-in-hand, strongly influencing why corporations decided to get involved in the Gujarat Earthquake response and recovery.

> Our activities come from the long-standing tradition of TATA responding to disasters and other philanthropic efforts. There is one clear understanding – that we cannot be seen as mere funders of a rehabilitative program. The position of the House of TATA is to connect to issues that are important in that moment of time – important for learning. That is the motivation. TATA has a deep commitment to society and people are aware of this.

For those companies with strong philanthropic traditions, many described participation in the Gujarat Earthquake disaster efforts as an embedded response or "second nature." Company comments also revealed that the learning curve for disaster participation is rather steep and therefore, prior experience eases the ability and increases the likelihood of a company to pursue an engaged role in response and recovery.

Existence of Disaster Policies

Company policy also seems to play a role in decision-making about disaster participation. Articulated disaster policies help guide management when companies are faced with decision-making about disaster participation. As a Citigroup representative highlighted (2004):

> When the earthquake was struck in Gujarat on January 26th, we were faced with the question: What can we do there? And what I discovered as a policy is a two-pronged approach we take to any kind of disaster relief. Aside from the community development initiatives, we have a very clear disaster support policy globally, which I was really happy to find. It was useful for me sitting here in this country. I didn't need to spend a lot of time in trying to structure and figure out many things on the basic principle that we can do these kinds of things. ..that I would be permitted to do this.

For other organizations where the policies for disaster participation are not in place, decisions about involvement tend to be determined on an ad-hoc basis.

> That's something that's not detailed in terms of corporate guidelines as far as disaster relief is concerned. We take it on as it comes along – for example, in India for Gujarat, in New York on September 11th. These are positions that are taken at that point in time. There are no set policies in that we respond to all disaster relief activities. (IBM 2004)

Twigg (2002) generalized corporate efforts as predominately ad-hoc, yet this situation appears to be changing to degree based on company comments regarding program formalization that will be discussed later. For some companies interviewed, a history of disaster engagement seemed to serve as a de facto disaster participation policy to guide decision-making.

Disaster Impact on Business Operations

Lastly, the extent to which companies are directly impacted by the disaster itself may also affect their outlook on corporate involvement in response. In fact, it appears there may be connection between corporations being directly impacted by the disaster and their decision to launch a voluntary initiative. This influence is illustrated by IFFCO's acknowledgement that the company commenced its relief effort while "horrifying memories of that day [were] too vivid in our minds." Their operations were based in Kutch, near the epicenter, and suffered significant damage. In fact, several of the companies interviewed had facilities and/or employees that were impacted by the earthquake. Companies attended to those needs first or in parallel to their broader scale societal efforts. Thus, direct disaster impacts on the business become a foundation for greater involvement, although it should be noted that several companies had no direct operations in the affected area yet also felt compelled to be involved.

Internal Organization

In their comments, companies' responses indicated that a number of internal organizational factors directly and indirectly influenced their decisions to participate following the Gujarat Earthquake. As Greening and Gray (1994) point out, internal organizational dynamics (as well as external institutional pressures) help explain why corporations respond the way they do to social and political issues. The internal organizational factors that emerged from this analysis as influential

forces in corporate decision-making and responsiveness in the disaster context are company size, availability of resources, relevancy of business to disasters, and internal stakeholder expectations.

Company Size

One organizational factor influencing corporate decisions in disasters is company structure/size. As Barney's resource-based view of the firm suggests, an organization's size and capabilities will influence its social initiatives (1991). The centrality of resources emerged as an important determinant in corporate responses to the Gujarat Earthquake. For example, TATA and Reliance as large diversified business groups with extensive national reach, commanded a size that enabled them to harness and source a range of resources for disaster initiatives. Other large companies in industrial sectors that were involved in the relief operations had everything from heavy machinery to medical services in-house to lend to the efforts. An Ambuja representative (2004) acknowledged size as a factor, noting:

> So apart from the relief distribution, we did a lot of debris clearance. We had actually commissioned some of our large machines – our excavators. Also, being a large corporate house we were in position to hire them out and pay for operation. So throughout the month of February and March, this is what we did.

Thus, large-scale organizations, like all the companies researched, are able to scale and utilize their resources in flexible ways. An understanding of what the company can offer the disaster situation evidently influences their initial decision to get involved.

Availability of Resources

Another organizational factor is the availability of relevant resources within a company. The presence of technical expertise, equipment and other capabilities within an organization impacts why and how companies participate in response and recovery. For example, HCC noted that one of the guiding principles of involvement was the availability of resources, namely construction and demolition machinery and engineering expertise which are highly relevant to relief operations.

Companies had the ability to leverage internal resources to respond to site-specific needs. In talking about the relief phase, a representative from Reliance (2004) noted:

> Back in Bombay, we had opened a quick purchase department (in-house) which was working around the clock. We gave them a general order to get tents, blankets, clothes, masks. It was very cold. They worked around the clock and the supplies started flowing.

In general, companies noted having significant technical expertise within their organizations as an asset in their interventions.

Relevancy of Business to Disasters

Certain industries appear to have a particular synergy with disaster-related efforts by virtue of their relevant resources. Most company comments confirmed that an engaged role in the response phase often reflected the nature of the business. For example, Max New York Life suggested that their involvement stemmed from the natural connection of being in the insurance business and participating in disasters. Similarly, several companies from construction to pharmaceuticals confirmed a synergistic link to disasters.

> Being a pharmaceutical company, we have the ability to make an immediate impact through medicines. Usually in natural disasters, people need medical assistance and we can offer medicines... But more importantly, we look at ourselves as a healthcare company. Our concern and interest is healthcare – so anywhere that health becomes a major issue, we feel we can contribute [as in disasters]. (Pfizer 2004)

> Communications is really so important – it is an essential building block which could change the (disaster) scenario from a chaotic scenario to a manageable mini-chaos...Communications is key in any disaster. (Ericsson 2004)

So to a degree, one might conclude that in many cases corporate involvement tends to be self-selecting based on relevancy of business.

Proximity of business and access to the affected site are other organizational factors that can drive corporate involvement in disaster initiatives. As for proximity to site, companies working either temporarily or permanently in the vicinity of the disaster expressed an obligation to respond because they had resources nearby. HCC (2004) notes that among its guiding principles for

involvement was "easy access to the affected area" because although they had relevant resources internally it would not be possible to make a positive contribution unless those assets could easily be brought to bear in the situation.

Internal Stakeholder Expectations

Corporate participation also arises from the demands of internal stakeholders. In particular, companies cited disaster participation as a social expectation of employees.

> Within our company, every one of our colleagues also wanted to do something for it (the Gujarat Earthquake) at the time. They wanted the company to quickly respond and do its share of good work. (Pfizer 2004)

Thus, internal pressures from employees can steer companies in a particular direction about disaster involvement. Employees in most companies in the Gujarat Earthquake case set a strong example by donating at least one day's salary to the company disaster relief and recovery funds and initiatives.

External Pressures

Institutional and external pressures, which often are viewed as influences on corporate decision-making, seem relevant to corporate participation in disasters. Responses to the Gujarat Earthquake revealed that government influence and customer expectations were substantial external forces on companies to become involved in response and recovery.

Government Influence

In the case of the Gujarat Earthquake, the government used its influence to stimulate private sector actors in disaster response. Government officials directly contacted some of the companies interviewed in the immediate aftermath of the event. The government requested assistance from some companies, particularly those with operations based in the state of Gujarat. The comments of an Ambuja representative (2004) illustrate the role of government influence:

> The immediate role we played was when we heard from the district administration. You see, Ambuja's first plant was in Gujarat but it's miles and miles away from Kutch. Knowing that we are a large corporate house based in Gujarat, the Collector and other District administrators got in touch with us on the day of the earthquake, telling us the volume of the disaster and that a lot of assistance was

> needed. So, in fact the beginning of our effort occurred within 24 hours of the earthquake. We had truckloads of relief material, a huge bunch of volunteers, and our medical ambulances and vans and our medical doctors from our locations immediately moved into Kutch for rescue operations.

It is unclear whether companies were committed to participation before being approached by the government. Either way, government requests are likely to exert some pressure on companies to become involved. Ambuja, Reliance, and IFFCO were among those contacted by the government before initiating their operations, suggesting that the Indian government may feel more comfortable leaning on national companies in times of disaster.

Customer Expectations

Another external pressure is the need to respond to customer expectations. Some of the corporate disaster efforts stemmed from customer support demands because their operations or facilities were directly affected. Ericsson's experience highlights the influence of customer obligations on disaster participation:

> In India, our customer was the one who had a network in Gujarat – we did a disaster-recovery of the system and restored the communications network so that was one major impact to the customers. [This] shows not just our commitment to disaster relief but also to our customer. Customers also have a stake in restoring order in the affected areas, being the main communication providers of mobility – which is the right kind of technology/technique to use in these situations. So it was a multi-pronged commitment – not just to the authorities which were involved in relief operations but also our customer who was providing communication. (2004)

In sum, direct impacts of the disaster on customers may encourage companies to expand their commitment to a broader-based initiative.

Organizational Benefits

Perceived organizational benefits contribute to the overall desirability of disaster participation for companies. They are only a contributing factor because even though corporations in the Gujarat Earthquake case acknowledged these benefits, they did not cite them as primary motivations for disaster involvement. For some companies, organizational benefits were not completely understood or recognized until after the company's experience in disaster response or

recovery. Although organizational benefits may not be central to company rationale in their initial disaster response or recovery effort, they may actually serve to influence motivations for future participation. Companies frequently cited these benefits to the organization as being intangible and difficult to measure..."something you feel." Overall, companies viewed these positive impacts as *indirect* results of disaster participation, likened to secondary spillover effects. The CSR literature focuses heavily on these organizational aspects such as image, reputation, publicity, and trust viewing them as fundamental to the mutual benefit that corporations perceive when they undertake socially responsible activities or behavior. The discussion of these benefits in the Gujarat both echoes the literature and offers insights that may apply uniquely to the India context.

Employee Benefits

Several indirect benefits to company employees are seen as emerging from corporate participation in disaster response and recovery. Companies view employee satisfaction, loyalty to the organization, and pride in the company as increasing as a result of corporate disaster initiatives. Disaster participation apparently produces a "feel-good factor," because employees are proud that the company is making an important societal contribution. The comments from IBM representative (2004) reflect impact of disaster participation on employee morale:

> We were very proud about going there. This is a normal employee's perspective. This is the first time the country has seen such a massive calamity in our society. The whole country was moved.
>
> Internally, a lot of people are proud to be a part of IBM because IBM did this kind of work for the Indian community.

Additionally, companies look at disaster participation that entails employee involvement in field operations or secondment to NGOs as building the skills and enhancing the productivity of those employees actively involved. An HCC representative(2004) highlighted this competency-building dimension:

> The benefits – these are emotional, the feeling you get. There is an immense satisfaction level for those who participate directly. The character of an employee

> changes – he becomes more socially aware and understands the nuances of working at the community level. This is important because when working in more difficult terrains, it is important to operate with sensitivity and mobilize people. This is probably the only way you can induce this type of learning in the company.
>
> Indirect benefits are the employee is loyal to the company. Exposure to well-rounded development improves an employee's productivity.

Overall, companies concur on the human resource benefits that disaster initiatives achieve as good CSR activities.

Learning and Internal Capacity-Building

Most companies saw learning and internal capacity-building benefits as emerging from disaster involvement. Managers actively involved in developing the company's role and overseeing their activities pointed out that they had learned a lot and that it was valuable for shaping future disaster efforts.

> It was a great learning experience for us in terms of capacity building and what we should do in the future. Sometime we would like to document this. (HDFC 2004)

For some companies, the learning angle was actually a secondary objective of their programs, as suggested by a TATA representative (2004):

> "It was (an opportunity for) learning for us also, even though the program was administered through NGO. The intention was not solely to monitor but to learn about these processes. For example, we learned that if we undertake another rehabilitation program in the future that we should not be using different techniques than adjacent villages because of local perceptions of different types."

Thus, companies feel knowledge gained through the implementation of corporate disaster initiatives is both valuable for shaping future disaster activities and for internal capacity-building and coordination more generally. Although important in the Gujarat Earthquake case, learning as an organizational benefit for improving corporate social development programs has not been strongly emphasized in the CSR literature.

External Image, Reputation and Trust

CSR activities have been directly associated with the enhancement of company reputation, brand and image. Twigg also discovers perceived image-building benefits to corporate participation in disaster mitigation activities. Similarly, the companies who responded to the Gujarat Earthquake felt there were indirect advantages for company image in their disaster activities. As noted by an IFFCO representative (2004):

> In this particular case of disaster relief work, we feel that it would have created a place in the minds of the people for the work done by IFFCO KSF at a time of natural calamity and would have definitely enhanced our reputation.
>
> (In addition to our good rapport with customers and the public) the disaster relief work would have improved our image amongst the public further.

Another dimension of image and reputation that companies emphasized was building trust, to have the company acknowledged as a trust-worthy brand by a range of stakeholders: customers, government and community. A Max New York Life Insurance representative (2004) emphasized the importance of building trust as follows:

> What did the company hope to gain from its participation in disaster response? A company benefits immensely from the manner in which it operates in a community. If it is seen as an ethical and responsible company, the positive rub off that has on the company's overall image is immense. In the life insurance business, trust is the key. Our policyholders commit their money to us because they see us as financially secure and strong. Being a socially responsible company, you add to that trust that your customers have in you.

Therefore, trust, brand and image are indirect benefits of disaster involvement that are desirable to corporations although they do not appear to be the predominant motivation for intervention.

Business Legitimacy

Building on the trust aspect, disaster participation is also viewed as generating "good will" to stakeholders that enhances a company's ability to do business.

> We feel the returns outdo what we put in. Because we are then able to develop a rapport, a relationship with the community which then allows us or gives us our license- so to speak - to function and do our business in a focused manner without bothering about the other problems. And a healthier, better quality of life right around where we are. (Ambuja 2004)

Thus, there is a degree to which socially responsible activities such as participation in disaster response and recovery builds public legitimacy for an organization.

Downplaying Publicity

CSR as publicity is one dimension discussed in significant depth in CSR theory. Although company image and public perception are seen as enhanced by participation in disaster activities, nearly all companies interviewed were adamant about not being motivated in their disaster activities by the opportunity for publicity. In fact, most companies shunned the idea of publicizing their effort, asserting that their actions were "not for publicity" or "marketing purposes." Most companies "shy away from it (publicity)" (HDFC 2004), preferring to let their actions speak for themselves. An IBM representative's (2004) comments reflected this sentiment:

> Externally, we didn't publicize this – and weren't looking to reap these types of benefits. We did it because we had the expertise. We didn't do it for publicity.

While companies conceded that "matching (external) PR with community work just doesn't feel right" (Pfizer 2004), publicizing in internal communication materials for employee benefit was considered important. Those companies that did not think they publicized enough cited altruistic concerns. They noted publicity as important for motivating others (Ambuja 2004) and sharing the learning (TATA 2004). Most publicity on the disaster initiatives that did occur for the companies interviewed was reportedly prompted by the media outlets themselves. Several corporations (not interviewed) were criticized in the Gujarat Earthquake for overly publicizing their intentions while actually falling short in their delivery. Therefore, publicity may have been viewed as an avenue with potential backlash, at least in these retrospective interview conversations.

Response vs. Recovery

Some companies participated in the response phase only, other in both response and recovery phases. What drove their decisions to become involved at particular stages? The comments of those companies that only actively participated in the response phase focused on competency

arguments and the perceived roles of different actors in explaining their position. A representative from Reliance (2004) explained their position as follows:

> We are not in the business of rehabilitation, just rescue and relief. We were very clear that we were not going to be in the rehab business, at least not as a part of this exercise. If we were, it would be a separate effort. We feel this is the government's job not ours.
>
> We did not want to get involved in the prefabrication of housing, figuring out which house is good and the like. We did not want to get involved in the commercial problems in this area. Our goal was to quickly provide relief.
>
> In addition to our direct actions, we gave the government a $1.25m check for rehabilitation - our corporate donation to the government to help rehabilitation because rehabilitation is not our cup of tea. (It's) not the company's core competency.

Additionally, companies who chose to focus solely on relief activities felt that their stated goals had been accomplished after the initial period and that what they had to offer was most relevant to the response phase.

Companies who focused solely on recovery or on both response and recovery initiatives felt that it was important to be involved in recovery based on the idea they could have a more "meaningful impact" or "role". Companies expressed an awareness and concern that participation was very high during the response period but then drastically reduces as the affected area moves into recovery mode. Pfizer reflected this concern, stating:

> Sympathy for victims is highest right after the event occurs but a week later, a month later, people have gone back to their normal lives and they don't get media attention anymore. That's the time that the reality hits them very bad. When they are shell-shocked in the first few days they may not even feel hunger only grief and shock, but it's later they will be cold, homeless, hungry and desolate. And that's usually the point where relief tapers off and people who feel they have done their bit by rushing in blankets. But what happens to these people? Unfortunately... the ability of the government to step in and provide shelters and homes and sustainable rehab work is not really high. And hence, we feel that this is an area where we can have more of a meaningful impact on their lives in getting them back as normal productive citizens. This is not a unique thing. Many organizations have similar thoughts in this area. (Pfizer)

An interest in pursuing more sustainable development policies also made recovery programs attractive to companies. Companies made the link between how their disaster recovery programs

served as mitigation strategies as well, building the capacity of the affected population to deal with future calamities.

Conclusion

The companies interviewed for this research defined their initiatives in disaster response and recovery following the Gujarat Earthquake as flowing from a sense of corporate social responsibility. Understanding why corporations participate in disasters involves not only looking at the direct company motivations but also the more indirect factors that influence the capacity of companies to respond, the organizational benefits of participating, and how disaster decisions are reached. Thus, corporate rationale for participation in disaster response and recovery can be understood in terms of social values, disaster sensitivity, internal organization, external pressures, and perceived benefits.

A summary of the factors influencing corporate participation in disaster response and recovery in the case of the Gujarat Earthquake is provided in Table 6.1. Both national and

Corporate Rationale for Disaster Response and Recovery				
Social Values	**Disaster Sensitivity**	**Internal Organization**	**External Pressures**	**Perceived Benefits**
Responsibility to Community	High-level Concern for Natural Disasters	Company Size	Government Influence	Positive External Image and Reputation
Concern for National Development	Magnitude of Disaster (national-scale)	Availability of Resources	Customer Expectations	Trust in Brand/Company
Needs/Gaps in the System	Philanthropic Tradition in Disaster Participation	Relevancy of Business to Disasters		Benefits to Employee Morale, Productivity, Loyalty, and Skills
Humanitarian Concern	Company Disaster Policy	Employee Expectations		Internal Learning and Capacity-building
Social Commitment of Top-Management	Direct Disaster Impact on Business			Business Legitimacy

Table 6.1: Summary of the Factors behind why Corporations Participate in Disaster Response and Recovery

multinational corporations expressed similar sentiments and as such, the table summarizes overall factors without differentiating by company type. One major difference between national and multinational corporations that did surface was the extent of government influence on corporate involvement in disaster response and recovery, as it was a more significant pressure on national companies. The extent and efficacy of this pressure is likely to vary according to the institutional context of a country and the type of company (national vs. multinational) involved.

In general, natural disasters emerged as an important arena for corporate action due to corporate sensitivity to this issue. It appears that social values were critical to driving corporate involvement in response and recovery. Among the principal social values, the desire to fill needs/gaps in the system is one that has not been generally recognized among CSR theorists. CSR theorists focus predominately on internal organizational benefits as driving forces for socially responsible behavior, but for the companies interviewed these benefits were considered influential, but secondary to their efforts. These motivating factors and influences help explain what CSR means in the context of disaster participation, albeit from an Indian perspective. Since the ultimate goal of disaster management is to reduce suffering and vulnerability, as discussed in Chapter 8, can be used to guide the formulation of policy and incentives to direct and nurture a corporate role in disaster participation.

Chapter 7

Corporate Roles and Implementation in Response and Recovery following the Gujarat Earthquake

The previous chapter looked at corporate motivations for voluntary or philanthropic participation in disaster response and recovery. To gain a complete picture it is also important to consider corporate roles and implementation in response and recovery. Traditionally, private sector roles in disaster management were limited to charitable donations to emergency funds and in-kind donations during the relief phase. Even Twigg's (2002) study notes that corporate activity in disaster relief is often short-term and revolves around financial contributions or in-kind donations of relief goods, provision of transport and communication facilities. However, investigating the nature and implementation of corporate disaster initiatives is important because as the Gujarat Earthquake case indicates some corporations appear to actually be doing more, and on philanthropic or non-commercial terms. They are actively engaged in the field in both response and recovery and they are deploying their employees, expertise and machinery in ways they believe are providing a meaningful impact on disaster-affected populations. Thus, the corporate responses to the Gujarat Earthquake provide insight into the innovative roles that corporations are playing and an understanding of how they are being implemented.

Implementation Philosophy

Before looking at the specific roles that companies played in disaster response and recovery initiatives following the Gujarat Earthquake, it is first necessary to explore companies' implementation philosophy in disaster initiatives regarding their approaches to determining type of participation and meeting resource needs and field demands. Thus, implementation philosophy can be understood in terms of community engagement, leveraging and provisioning of resources, and implementation context.

Community Engagement

Community engagement emerged as the preferred way to approach disaster initiatives, at least in company rhetoric. Comments regarding the company's role in disaster response and recovery appeared to be grounded in the principle that they wanted to provide more than monetary contributions, and favored playing a direct, applied role. The majority of the companies interviewed viewed their company's role as going beyond charity. Companies related their preference for an engaged role with the opportunity to ensure that the materials and services being provided actually reach the intended beneficiaries. Therefore, companies take an active role in response and recovery to guarantee that things happen as envisioned, as suggested by a Reliance representative (2004):

> We had our own rules. Our rules were that we are not here for charity but for relief and rescue– not to give a few million dollars and go. Don't tell me give me some blankets and leave. No, I want to make sure the blankets reach the right guys. You tell me who the right people are. So, they (the government) would tell me where to target. In these kinds of situations, without coordination there is a lot of duplication.

Companies acknowledged that "checkbook philanthropy" is an easier response to disasters but they would rather play a role that allows them to see the project through to completion. Companies feel they can also gain from the process of more active engagement with beneficiaries, by achieving some indirect organizational benefits like enhanced image, reputation and learning. An HDFC representative (2004) highlighted this view as follows:

> What our company has done is not just provide funding although just giving a check would be easier. We want our own involvement - the reason being it gives us an opportunity to ensure that the funds have been utilized for the purposes stated, that is, reaching out to the beneficiaries. And you learn something in the process.

Another reason most companies were "keen to play not just a donor role" (TATA 2004) and preferred to undertake their own programs was an awareness that the company has assets to offer response or recovery initiatives that can complement other actors or partners in the field. As a Pfizer representative (2004) noted:

> You're more engaged because you've got skills to offer that complement other actors in the field. In fact, what we did and what we usually do when we get involved in community initiatives, we just don't just identify a project and then give away money. We work with the NGO in designing the project intervention because very often we have some skills in-house because we have a very strong medical team and fortunately they are as oriented towards community initiatives as the rest of us, more specifically those who have some responsibility for that. So in designing what this hospital would do, we worked with Help Age so it wasn't as if there was a plan somebody brought to us but we actually developed a plan for what this institution should be when it is set up.

In addition to the outlook that corporations should play a more active role was the related expectation of greater engagement for partners and beneficiaries. Particularly for recovery initiatives, companies expressed the desire to involve beneficiaries in capacity-building, with a "philosophy of hand-up, not hand-out" (Citigroup 2004).

Leveraging and Provisioning of Resources

Disaster relief and recovery efforts require extensive procurement of relevant resources. The corporations involved in the Gujarat Earthquake were able to leverage their internal resources to meet demands in the field in terms of expertise, machinery, technology, materials, and labor. As large-scale organizations, many companies commented on their abilities to tap into a wide range of resources, particularly in response efforts where activities spanned debris removal to ration distribution. The diversified business groups interviewed, TATA and Reliance, illustrated the rich variety of assets that they had the ability to source in the emergency response period by leveraging a range of resources across companies.

> TATA has over 82 companies – an over 50,000 crore (an Indian currency measure) empire. There's a TATA Steel, TATA Motors, TATA Power and several other companies, each specializing in a separate area. The second donation in-kind which is possible is a central policy whereby each of these companies will give some equipment which will help in the rehabilitation program. For example, immediately if the power infrastructure is devastated, you'll need generators and vital assistance. Through TATA Power and our cellular outfits, delivering this equipment and installing it is possible. If vehicles are required, we can look to TATA Motors. If cooks are necessary, we look to TATA's hotel chains.
>
> At the company level, resources are donated in terms of machinery and employees volunteer their expertise. We draw on the core capabilities to provide immediate relief. (TATA 2004)

In some cases, existing technical expertise helps drive the shape and type of recovery intervention or program. For example, Ambuja cement drew on their masonry knowledge to develop a livelihood-training recovery program with mitigation implications.

> We as a company have a lot of technical expertise within and we've tried that out in the larger cities like Bombay and Ahmedabad where we've actually been doing Mason training conference, that is getting masons together and giving them better technical inputs on how to build, how to construct houses. And we thought we could leverage on that experience that we had and get on with reconstruction in Kutch. So, with that part in mind we actually put together a module. (Ambuja 2004)

In general, company activities suggest the tendency to develop interventions that reflect core capabilities. Construction companies (HCC, Reliance has one) utilized not only their heavy equipment but also brought operators and engineers on site to manage activities. Similarly, interventions drew on industry strengths: IBM focused on IT capabilities, Ericsson on communications issues, and Pfizer on healthcare. By focusing on core competencies, companies were able to offer their skills and not just in-kind donations.

In addition to in-house assets, companies were able to utilize resources channeled to them through their affiliates, subsidiaries, partners, and international counterparts. Companies with prior disaster experience felt they had earned recognition as trusted sources for distribution of such external resources. TATA and HDFC representatives highlighted the role that they played as a conduit for outside resources as follows:

> Most companies have international collaborators during the relief phase. Now most of these collaborators - TATA has a reputation among industrial houses for being a very honest one – so many players who wanted to contribute found it appropriate to route their resources through the House of TATA. They would send us clothes, toys, bags. These were from international donors- those companies who collaborate with the companies of the House of TATA. They wanted to do something and decided to do it through us. (TATA 2004)

> At the same time, KFW which had been our partner in these types of (disaster) initiatives had a special grant. They said, "we would like you to guide us" and put that amount at our disposal. (HDFC 2004)

Some multinational companies also received technical assistance from their existing global disaster programs (Ericsson, GM, and IBM).

> We had our disaster management competency team from the US. There were two gentlemen who had come to help us. Our team from the US had brought the software that could develop a whole inventory management system but our team had made some modifications on that. So, we got help from outside but also utilized local skills. (IBM 2004)

Overall, the ability to leverage internal and international resources was integral to corporate initiatives, particularly in the response phase.

Funding for corporate disaster initiatives appears to be derived from a number of sources. In the Gujarat Earthquake case, funding tended to be a mix of company-level contributions, foundation grants and employee donations, as well as special disaster funds and donations from international counterparts. Partnership-schemes, such as those with the government, also offered matching contributions. Customers as donors seemed a fairly untapped funding market, as one could imagine, for example, the creation of affinity products where a percentage of proceeds would go to company disaster efforts. Employee donations, however, were a notable portion of funding for Gujarat disaster initiatives. In most companies, at least one day's salary was donated voluntarily by all employees and in some cases, as many as 3-5 days' salary. Employee contributions appeared standardized, suggesting it is likely to be an Indian norm in disaster situations. Employee funds were nearly always matched or doubled with company funds.

In general, corporations pointed out that their efforts were not significantly hindered by resource/funding constraints. Because of organization size and commitment, some companies suggested that ample funding was available for disasters. As a Reliance representative (2004) noted:

> The community respected us – they saw us as saviors. We were delivering. We have deep pockets and we allowed them to run deep. This was one project in my corporate experience were there was no budget. We were just told to do what needs to be done. That's it.

Companies like Citigroup also claimed that they "had money pouring in" from different sources. Since funding was not perceived as a major limitation for most organizations, it may imply that private sector disaster initiatives have greater flexibility in approach and timeline.

Implementation Context

The implementation context that corporations encounter in disaster situations seems to impact the nature of the programs they pursue. Obviously, the type of disaster affects the character of a corporate initiative and in the case of the companies responding to the Gujarat Earthquake, the range of possible avenues should be similar to other post-earthquake disaster situations. Additionally, the magnitude of the disaster was something that corporations cited as affecting both the amount of resources mobilized and the approach that they took. In fact, A representative from General Motors (2004) noted that the company "decide(s) strategy based on magnitude of the disaster." According to the comments of companies, resource mobilization and the nature of an initiative also seem to depend on what other actors are doing and what the perceived needs are.

The situation in the field influences the character of a corporate disaster effort and where the initiative is carried out. Government and civil society actors tend to be in communication with private sector actors on the ground to help ensure that relief gets to the locations where it may be lacking. Like other companies, Pfizer emphasized that circumstances in the field "shaped our decision" about how to move forward.

Response Roles and Implementation

Disaster response refers to the actions taken after the disaster, particularly the immediate relief efforts which are aimed at assessing needs, reduce, suffering, limiting the spread and consequences of the disaster, and laying groundwork for rehabilitation (WHO, 2002). Unlike recovery, response deals with the emergency aspects of the disaster in the first days and weeks following the disaster, with response interventions typically being temporary in nature. An analysis of the roles corporations are playing is essential to understand what relief actions companies are taking on a voluntary basis and how they are being implemented.

Types of Response Intervention

All but one national company included in this research, five out of six, carried out large-scale relief efforts in the disaster response phase and only national companies (no multinational companies) had relief efforts of such a substantial size. Their activities included search and rescue operations, debris clearance, distribution of relief materials, food and temporary shelters, provision of emergency medical services, transportation of goods, and setting up relief camps. In this capacity, companies mobilized significant resources for their response effort such as heavy machinery for construction and demolition, vehicles for transport, communications equipment and relevant relief materials such as tents, blankets, and masks. They also deployed employees in the field - technical experts, skilled operators, and medical staff. The lists drawn out by IFFCO and HCC regarding their contributions during the response phase, as displayed in Appendix D, illustrate some of the roles that these national companies played in terms of resource mobilization and executing standard relief functions.

Site selection for intervention varied from concentration on one village to a focus on several; however, companies tended to decide on location based on guidance from the government and other actors about where the gaps and needs were geographically. Most companies created ad-hoc field offices to use as a base to coordinate and manage their operations. Their engagement in response activities lasted in the range of just under one month to six months, averaging closer to the former.

To an extent, the ability to undertake a sizeable response initiative may be reflective of the capabilities of these companies as industrial players with technical know-how and capital (construction, cement, fertilizer and diversified businesses). Although companies did not cite major resource constraints, some companies noted that diverting machinery, services or personnel from a

project for disaster response efforts did require getting permission or an extension from clients and partners.

In addition to the large scale relief efforts of national companies, the private sector also played other roles during the response period. Some companies focused on interventions that solely reflected their core technical capabilities such as building an IT infrastructure for disaster response logistics (IBM) and improving the communications network – restoring cellular and radio outlets and distributing communications devices to NGOs (Ericsson). Another organization was involved in collecting in-kind donations and relief distribution, but without the deployment of heavy machinery on which national companies focused (Pfizer). Other companies viewed their role during the response period as mobilizer of funds, donating to the government relief fund or an NGO with whom they had an existing relationship (Citigroup, Max New York Life, and General Motors).

Employee Participation

Employee participation was noteworthy in corporate disaster response efforts, diverting personnel from traditional business operations. Workers deployed in the field for emergency response varied from skilled laborers and operators to regular workers doing relief distribution. Particularly relevant to the response initiatives were personnel specializing in logistics, engineering, construction, and medicine. There appeared to be a significant degree of autonomy for managers in the field although they usually provided frequent feedback to the company. In some cases, large numbers of people were mobilized. Reliance had some 700 employees deployed at one point, although other corporate initiatives generally appeared to be in the 25-95 person range. Employees usually carried out this role in place of their regular job but remained fully paid, working in the disaster context on voluntary/optional basis. Employees were sourced from all over the country and reflected the full spectrum of management levels, as Ambuja's experience illustrates:

> The 90-95 (employee) volunteers from Gujarat were there (in the field) for the entire month and they were all employees of the company at all levels. We had

> people who were officers. We had people who were directing the show. We had a company director, workers from the packing plant, (and workers) from our canteens. Anybody who volunteered to go, went.
>
> In terms of skilled labor, the machinery would require an operator, a supervisor, and an engineer to oversee debris clearing. In the community kitchens, it was mostly the workers cooking and serving. Also, distribution of the tents and blankets. (Ambuja 2004)

Many companies rotated employee groups in the field because of the severe conditions, keeping the number of people deployed constant but changing actual employees.

Government Role in Response

All corporate efforts in disaster response in the Gujarat Earthquake case were implemented unilaterally although each company acknowledged having a close working relationship with the government during that period. Although they had not "partnered" with the government, they did have significant communication with and guidance from the authorities. Both national and multinational companies were in close contact with the government if they were executing operations in the field. Given the pervasiveness of this relationship, it appears fair to conclude from company comments that this interaction is a matter of protocol in the India context. As HCC notes:

> My understanding is that the Project Manager on-site was coordinating with the Administrator Officer from the Government side. It's normally the block development officer and the Collector (district). You have to report to the collector who then deploys you to the necessary spot. The collector in fact has the authority to take over any equipment, any machine, any land, any property with the understanding that help must be given to the necessary people. So, we basically informed them of the machinery and expertise we had available so that they could direct us to a site. (HCC)

Government communication appears to have been regularized to some extent through regular meeting times or designated liaisons. Companies suggested that the government was able to influence the nature of their initiatives based on any requests they might make.

> There was a lot of communication with the government. There was a specific group handling that – a core liaison group who would do all the interacting in Ahmedabad. We had a system in place – our communication had failed at least for the first few days. So we had stationed at our campsite a few mobile phones. Converge a few times of day. To report back to Ahmedabad, Bombay, and Gujarat headquarters because this was the only communication available for a while. So if the government wanted something specific, or if the site people thought something

> was required – the liaison officers in Ahmedabad had to work that out. (Ambuja 2004)

Furthermore, active corporate response programs appear to have been adapted according to government requirements, as suggested by the comments of an IBM representative (2004):

> So what we did initially was create a plan on how we could get the whole (logistics) system to work. When we were doing this, we were keeping the person who was in charge of the whole relief operation in Gujarat in close links with them (government officials) to understand what their needs are and basically adapting solutions to their needs.

Although direction predominately came from the government, companies did coordinate with other actors in the field during the response period. As an HCC representative (2004) highlighted:

> Our effort was a coordinated activity though – worked with local level NGOs, volunteers, and villagers as well as the Collectorate.

Despite the government's role in directing corporate response initiatives, several comments from companies suggested that the government was not entirely competent in their emergency management role and lacked leadership and coordination in the early stages. Companies noted the "chaos" during the response period. One positive aspect of government guidance was that participating companies were acting unilaterally and as such, it was important to have a body centrally keeping track, preventing duplication, and sending resources in the needed direction. Based on the central role of government in Indian disaster response operations, it appears they have the potential to play an oversight role to make sure corporations are behaving in an appropriate manner, since they are not disaster professionals and may not be aware of the sensitivities and protocols in emergency circumstances.

Committee Formation

Some companies chose to design and implement programs through committee formation. Committees were volunteer management groups that cut across areas (or companies) to handle corporate disaster activities. In the case of TATA, this committee saw through the initiative from the response period to the end of the recovery phase nearly 2.5 years later. Committees such as this

serve as a decision-making and oversight body for field activities. Employees on these committees tended to play dual roles, attending to regular job functions in addition to disaster-oriented responsibilities. Twigg (2002) also commented on the phenomenon of committee-formation in the corporate efforts in disaster mitigation and suggests it is an organizational behavior that corporations employ as an adaptation to handle philanthropic efforts with regular business staff.

> There is a central group which actually coordinates all the initiatives. It requires two kinds of people. One which can regularly run to the field to represent TATA in providing relief such as blankets, tarpaulin, etc.; After the initial relief period is over, then whether or not things like housing or other livelihood issues, or things like livestock and agriculture are a problem, a long-term rehabilitation program is devised. So it has two responsibilities: one is immediately administering a relief effort and two is being there on a long-term basis. (TATA 2004)

This finding ties into the types of employee participation occurring in disaster initiatives which is explained in both the relief and recovery contexts.

Recovery Roles and Implementation

Companies interviewed for this research also played a role during the recovery phase of the Gujarat Earthquake. Unlike the emergency activities of disaster response, recovery refers to rehabilitation and reconstruction initiatives that deal with the long-term needs of communities following disasters, namely the restoration of social functions, economic activities, and physical structures (WHO, 2002). Recovery also implies the introduction of prevention or mitigation measures that reduce the vulnerability of the affected population to future disasters. An analysis of corporate recovery roles in the case of the Gujarat Earthquake reveals the priorities and approaches of companies to long-term disaster rehabilitation in vulnerable communities.

Types of Recovery Initiatives

Half of the companies interviewed designed and implemented some form of recovery

"program" for the affected population, focused on the community-scale.[3] These recovery initiatives were viewed as entirely separate from relief efforts, beginning after the recovery phase was completed. Some organizations did, however, use their relief activities as an opportunity to gather information about potential beneficiaries, assess what needs existed and design recovery programs that would be most relevant and meaningful.

The nature of programs was diverse and reflected both the long-term needs in earthquake-stricken communities and often the competencies and concerns of companies. Housing reconstruction was the most common type of program wherein companies built housing units for disaster victims that would meet their needs for shelter while decreasing disaster vulnerability through more seismic-resistant construction (TATA, HDFC, IFFCO). These housing programs also involved the community in learning about safer construction methods, suggesting that recovery projects really can serve mitigation objectives. Another mitigation-oriented recovery program was a mason training and certification module that Ambuja carried out in numerous villages. In line with their interest in healthcare issues, Pfizer's recovery program surrounded construction of a community hospital in Kutch (Pfizer), while Citigroup supported micro-credit schemes and the construction of a community center (Citigroup).

Unlike the uniformly unilateral approach to disaster response work, companies systematically engaged in formal partnerships with NGOs or the government to carry out recovery plans. Recovery programs were longer-term with engagement generally lasting an average of two years. Even where the government was not a formal partner, they tried to push corporate resources in specific directions and influence program design with varying degrees of success. It appears that companies learned from past experiences in recovery initiatives which helped to shape and influence

[3] In addition, there was also one company which did not pursue their own recovery initiative in the field but instead gave a large monetary donation to the government's rehabilitation fund. The decision reflected their core competency was not in social initiatives, stating that recovery was the role of government not corporations.

the roles they decided to pursue in the recovery phase for the Gujarat Earthquake. Employee participation was also vital to recovery programs, with those volunteers commonly playing dual roles between their regular job duties and their responsibilities for recovery programs, although sometimes employees were seconded to field operations for periods.

Partnerships

Partnership formation was fundamental to recovery initiatives. This collaborative model is what Twigg (2002) and others suggest is the new paradigm in disaster management. Partnerships were absent even from the relief initiatives of the companies engaged in collaborative recovery programs, suggesting that the nature of recovery being longer-term, less top-down and more grassroots-based in its implementation better lends itself to partnerships. However, very little is understood about how these partnerships actually work in practice. Analyzing the partnerships for recovery programs in the Gujarat Earthquake case provides some insight into why corporations engage in partnerships, the criteria used for evaluating partners, and what roles companies and their partners are each playing within these collaborative efforts.

There are several reasons why corporations sought partnerships with NGOs for recovery efforts. Since recovery programs were implemented at the community-level, connecting with an NGO provides a liaison to community. Corporations do not view themselves as having the expertise in community development and social initiatives whereas that tends to be a core competency of NGOs engaged in disaster management work. Representatives of TATA and Ambuja commented on the complementary strengths of NGOS, stating:

> The Trust was emphatic in saying (to the disaster committee) "you must associate with a local non-governmental organization. They will give you valuable advice. They will give you genuine data and they will also give you a system whereby you can interconnect with the community." (TATA 2004)

> Frankly, in our case I don't think we could have done it any other way because we had the technical expertise to do the mason training but we didn't have the person-power to get the 20-30 people together, to motivate them to take the course, we definitely needed people there at the grassroots doing things for us and I don't

> think there is any other way we could have offered so many perspective trainees together. I think that partnerships are essential and there really isn't any other way of doing it. (Ambuja 2004)

NGOs are perceived as valuable partners because they have information and knowledge on the community and issues at hand so that they can help guide the design and development of a recovery program.

> The principles we wanted to work with were not narrow, we had faith in their (our NGO partner's) assessment. That's how we approach partnerships – we don't have the expertise in judging the grassroots requirements, but they do. So we actively adopted it (their suggested approach). (Citigroup 2004)

On another level, given the long-term nature of recovery programs corporations do face business constraints on the employees' time and deliverables. Therefore, they cannot support going into a recovery program. NGO partners can provide the needed resources and personnel to successfully administer a program. As a Pfizer representative (2004) suggested:

> Corporates, even those like us focused on social initiatives, do not have an organizational structure that supports social initiatives as it does its business activities. We could put more resources into social responsibility but we know that is not what we do best. That is not the main objective behind which this whole organization was set up. So while we try to stay focused on our objectives, social initiatives are an integral part of the conscience of that business. We are good at raising resources internally and tapping into resources from the foundation, or resources in terms of networking with other organizations which we can do. If it's for a specific service, we can call in that specific expertise. Beyond that, we don't have the people, the hands to work on it – that is where we need an NGO.

Except for IFFCO which did partner with the government, most companies felt that partnering with the government was more bureaucratic, less flexible and required greater action on the part of the corporation. Given the way government collaboration was perceived, NGOs presented the "only viable partnership option" (Pfizer 2004).

The corporations engaged in disaster recovery programs had clear conceptions about what characteristics were necessary in an NGO partner They needed to feel comfortable with how the NGO operated, often from the perspective of past experience working together. In fact, most companies chose partners with whom they had an existing relationship. Working knowledge of the

affected area and earned credibility were also considered essential. An HDFC representative (2004) pointed out these aspects:

> And the comfort with the NGOs was important to us because if we had gone in directly, we couldn't have done much. Not on the scale of 7,000-10,000 (housing) units. We had developed relationships with these NGOS – they had developed credibility, for us credibility was very important. Therefore, there is one NGO (you must have heard of it) SEWA that we were working with. We have been working with them for a long time. So for this earthquake, SEWA and HDFC came together. SEWA other funding also – they have a number of programs but the major one was with HDFC. The comfort level was very high – they have reach, they had been working there, most of them are women, many of them had been their members.

Other characteristics that were frequently mentioned as being important for NGO partners was the prominence of the organization, their commitment to the cause, reliability, good governance, and professionalism.

> We know that Help Age is a very reliable and credible organization, something essential to establish at times like these. You have mushrooming organizations, all claiming to do a good job, but how do you measure this. They all probably have good intentions. So, we had had confidence in Help Age. They are organized and have systems in place to ensure that whatever intended assistance will actually get there. (Pfizer 2004)

Partnership Roles

Companies were quick to point out that their role in the partnership for the recovery programs exceeded financing. Their key activities were described as designing the recovery program, monitor activity and progress, lending technical expertise, providing training, adapting program and capturing the learning process, many of these functions being done in conjunction with their NGO partners. Companies also commented on the assistance in skills and capacity-building they provided for their NGO partners where relevant. An HDFC representative (2004) described these dimensions as follows:

> They (NGOs) can take us there – we participate, we monitor, we do a lot of things. We help the NGOs in capacity building when it is IT –related and computer-related. Not just technical skills but try to assist in whatever is required beyond finance.

> Let us understand that the NGO's expertise is not as contractors. They don't have expertise in constructing houses but they have been there (in the community) and we need to support them. We need to help them get a good technical team in place,

> pay for good engineers, and look into their administrative capacity and what ways they can build up this.

In this regard, Citigroup actually had professional development sessions - skills seminars in leadership, persuasion, negotiation - for their NGO partners adapted from their internal training programs. This reciprocity is often based on the value to the long-term relationship between parties. Companies sometimes played a mediating role between partners when working with several NGOs at once. In one case, the company's role was to draw on the company's technical expertise and seconding company engineers to a mason-training program that was carried out in concert with different NGO partners.

The role for companies appeared most intensive partnering with the government in their reconstruction schemes. IFFCO, which chose this partnership path, noted that the company group or committee overseeing the initiative was essentially "acting almost as an NGO in the field," as they were directly involved in all facets of implementation. This dedicated group was made up of regular employees, who were working in addition to their regular jobs.

The partnering NGOs were predominately focused on implementation on the ground. The NGOs played a valuable role in information-gathering and identification of desired participants/beneficiaries. NGOs were instrumental in communicating to and mobilizing community members, as an Ambuja representative (2004) cites:

> We got NGOs to put together groups of 20-25 young people who would want to take training as masons. So, here we were not trying out people who had already worked as masons, we were trying out pure laborers or people who had lost everything and wanted to get on with some type of livelihood and train as masons and in turn, be a part of the reconstruction process.

These NGOs remained deployed in the field on an ongoing basis whereas company employees tended to make more intermittent visits to project sites. Sometimes, the actual partnership was with a national-level or international organization, which in turn, partnered with a local or affiliate NGO. In this case the direct NGO partner, like the company, played more of a governance and oversight

role. Although there is some mutual suspicion at first between corporation and NGOs, it appears that working relationships tend to dissolve this, underscoring the value of long-term relationships.

Community

There has been strong criticism of corporations as being top-down in their disaster efforts, a finding Twigg also confirmed in his study of CSR and disaster mitigation. The lack of community participation in corporate initiatives appears true for the role they are playing in disaster response but not in recovery. For the recovery programs following the Gujarat Earthquake, corporations essentially felt that community participation was important not only as a principle in social development initiatives generally but indispensable to achieving program success from a beneficiary perspective. Community participation was viewed as vital to ensuring that program deliverables actually met local needs and that communities felt a stake in the process. Some of the logic that companies expressed in their adoption of stakeholder participation stems from their past experiences where recovery programs without participation were less effective. In several instances, a participatory, bottom-up approach was part of the partnering NGO's philosophy. There was an acknowledgement, however, that a real, in-depth concentration on community participation did sometimes have its tradeoffs in efficiency.

Additionally, an understanding of the community was necessary for identification of beneficiaries. This is an area where NGOs were particularly helpful to companies who did not have the local knowledge to determine the appropriate beneficiaries. In their recovery programs, companies expressed a desire to target the "most needy" populations and to reach those individuals who would not be served through government schemes or other programs. In one case, an understanding of local dynamics in the community revealed that the Muslim population was being underserved by recovery programs in the area. In response, the company chose to deliberately designate half the housing units in the program for Muslims in the village. Thus, community

knowledge and participation is essential to recovery programs in terms of public perception, local relevancy of interventions, and targeting of the appropriate beneficiaries.

Formalization

Formalization of corporate disaster programs and initiatives arose in the aftermath of the Gujarat Earthquake. Formalization or institutionalization of disaster efforts only occurred among national companies (and nearly all of them: 5 out of 6) with four being relief-oriented programs and one recovery. Prompting the creation of formal, ongoing programs based on the corporate interventions in the Gujarat Earthquake was the idea that companies could tap into resources better if the resources are lined up or dedicated in advance, employees are trained and policies are articulated and well-known. Formalization can be understood as an organizational adaptation or institutional response to accommodate the emerging role that corporations are playing in disaster response and recovery. Although all the institutional responses were among national companies, they are pursuing formalization independently, generally led by the vision and commitment to disasters of top management. The impetus to formalize their responses is probably attributable in part to the fact the Gujarat Earthquake represented the largest scale disaster mobilization any of those companies had pursued. Formalization offers ways to improve mobilization and preparedness for future disasters, as TATA and Reliance representatives noted:

> There is a superb amount of resources available in house which unfortunately we were not able to tap completely. But now the inventory we are creating we will understand what resources each company has to offer. Then we will be able to match resources with specific requests so that technical and manpower resources that can be mobilized in case of disaster. (TATA 2004)

> The vision is very clear – we want to have a rapid task force. At that time we only operated in certain areas (like Gujarat) and now we are a pan-Indian company. We have come a long way.

> (There is) intent and assurance that the company will develop a rapid task force to respond to disasters and we are working very closely with the government organizations on shaping that vision. (Reliance 2004)

Another institutional mechanism created was an ongoing relief fund (IFFCO), contributed to by employees and the company, to ensure resources for major responses to future disasters.

> Kisan Sewa Fund has contributed significantly in the reconstruction and rehabilitation of earthquake affected villages of Gujarat. It will continue to strive hard in meeting its objective of providing assistance to the victims of natural calamity that may occur in future anywhere in the country. We reiterate our commitment to the cause of the people, and shall continue to do so, particularly at times of crisis. (IFFCO 2004)

Although most of these companies are taking independent steps to strengthen disaster response or recovery, HCC is looking to be an industry leader by promoting collaboration within the engineering, construction, logistics and transportation sectors through membership in the Disaster Resource Network (DRN) – India, aimed at improving the dedication and mobilization of resources in future disaster response situations.

> HCC only takes mid-sized contracts so a lot of the company's work is done in remote areas. There is an informal system or a trust that given about creating an awareness with these project teams about how to sustain yourself and the risks you must be aware of. We have a training department that provides a lot of input in this area - sustaining yourself, safety measures, these things. Which in turn have helped guide employees in disaster situations but in terms of - but in terms of procedures and formalities – there was none. But the knowledge was therewith people on how they should actually behave under the circumstances. Who do you report to? How do you work? How does each member of the team contribute? – that did not come until after and has become clearer even with the formation of the DRN. (HCC 2004)

Furthermore, the replicability and sustainability of disaster response and recovery models was perceived as an important stimulus for formalization of disaster programs and policies.

Conclusion

The private sector voluntarily participated in response and recovery following the Gujarat Earthquake in a significant way. This finding is suggestive of the fact that some corporations in general may be playing a more engaged role in disaster efforts in developing countries. An in-depth look at the actions and approaches of national and multinational corporations in Gujarat provides a sense of how these initiatives are actually being implemented in the field. It appears that companies approached their disaster activities with an implementation philosophy that surrounded the

principles of playing a more engaged role in community, leveraging company resources and expertise to meet on-site demands, and adapting to the implementation context in the field.

Corporations played a significant role in disaster response to the Gujarat Earthquake as summarized in Table 7.1, with examples of types of interventions and mobilization of core competencies. Response activities refer to those emergency activities that happen in the immediate wake of the disaster to alleviate suffering and address near-term emergency needs. National companies pursued more large-scale, comprehensive disaster relief efforts in which they deployed heavy machinery and significant numbers of employees to carry out a range of relief activities from search and rescue (SAR) to debris clearance and the setting up relief camps. In contrast, multinational companies tended to either carry out field interventions that reflected their technical expertise or not participate in field operations at all, instead opting to raise monetary donations for

Table 7.1: Summary of Corporate Interventions in Disaster Response following the Gujarat Earthquake

Corporate Interventions in Disaster Response		
RESPONSE	**National Companies**	**Multinational Companies**
Types of Intervention	-Large-scale relief efforts: SAR, debris clearance, distribution of relief materials, food and temporary shelters, provision of emergency medical services, transport, relief camps	*Varied:* -Interventions reflecting core capabilities (IT for logistics, Communications Network) -In-kind donations and relief distribution -Monetary donations to NGOs and Indian Government
Company Resources Employed	Heavy machinery, company employees deployed in field (engineers, skilled operators, management, laborers) , technical knowledge	Employees, technology and technical know-how employed in field operations.
Government Influence	Worked closely with government – regular communication; government leaned more heavily on national companies for participation in relief activities	Worked closely with government – regular communication in field operations.
Structure of Intervention	Unilateral	Unilateral (in terms of field activities)
Management	Directed by employees from regular business operations; some committee formation	Directed by employees from regular business operations; some committee formation (in the case of field operations)

government and NGO relief funds. These differences in national and multinational companies may be due to the types of companies interviewed, since national companies were concentrated in construction and heavier industries as compared to the multinational ones, which were predominately in service industries. Although relief initiatives were implemented unilaterally in the field, all corporations noted having a strong working relationship with the government.

The corporations interviewed for this research also played an important role in disaster recovery, with half of them engaging in rehabilitative initiatives in the disaster-affected communities.

Corporate Interventions in Disaster Recovery	
Why Recovery?	Have a more "meaningful impact" Potential for mitigation & sustainable development Concern that attention drops off after relief phase
Types of Intervention	*Varied community-level interventions* Housing reconstruction programs Mason training and certification modules Construction of a community hospital Construction of community center & micro- credit schemes
Structure of Intervention	*Collaborative partnerships* Partnering mainly with NGOs, also government
Partnership Rationale	Trusted liaison to community NGO expertise in community development Complementary skills Local knowledge Resource constraints - need for personnel to assist in implementation
Partnership Roles	*Companies:* Exceeded financing role Activities included: program design, monitoring, lending technical expertise, provide training, adapting programs, and capturing the learning process *NGOs:* Focused on on-the-ground implementation Role in information-gathering and identification of beneficiaries Communicating with and mobilizing community members
Community	Community participation considered essential to program success Desire to target the "most needy "populations within the community

Table 7.2: **Summary of the Corporate Disaster Recovery Initiatives following the Gujarat Earthquake**

The mix of national and multinational companies that engaged in recovery activities all carried out their programs as collaborative partnerships with (mostly) NGOs or the government. Thus, to understand implementation of recovery initiatives, an exploration of these partnerships was necessary, as summarized in Table 7.2. Whether pursuing housing construction or micro-financing initiatives, NGOs served as vital liaisons to the target communities. The long-term nature of recovery efforts made the complementary talents and field deployment of NGO staff essential to the success of these programs. Unlike the more top-down interventions in community that occurred in the response, corporate initiatives in recovery attempted to be make community participation a priority.

The response and recovery activities of both national and multinational corporations in the case if the Gujarat Earthquake reveals the nuances in the roles and implementation of corporate initiatives in disasters. For example, the research revealed that only national companies decided to formalize their disaster efforts as ongoing programs or policies. Because little understanding exists about the spectrum of private sector activities in response to disasters, uncovering what corporations are actually doing in the field on a voluntary basis is essential for policy formulation and the establishment of greater multi-sectoral cooperation and collaboration to tackle growing disaster vulnerability.

Chapter 8

Conclusion

Using the Gujarat Earthquake of 2001 as a focal point, this research looked at two elements of corporate participation in disaster response and recovery: motivations for voluntary involvement and corporate roles and activities. The analysis revealed that corporations are driven to participate in disaster response and recovery activities for more reasons than were previously identified in the scholarly and practitioner literatures. Based on this analysis, it appears that the categories of motivations, which presently are organizational benefits and stakeholder accountability, should be expanded to include social values, disaster sensitivity, internal organization, external pressures, and perceived benefits. Each of these dimensions not only serves as key motivations, but as enabling factors that promote corporate participation in response and recovery. Although motivations were similar between national and multi-national companies, a major difference that became clear was that government influence, as a form of external pressure, exercised greater power on national companies.

The analysis of corporate roles in response suggests that corporations are playing an engaged role, implementing short-term, unilateral, top-down relief and infrastructure-oriented initiatives in cooperation with the government. This role seems to be consistent with the emergency needs and crisis environment that often emerge in the immediate aftermath of a disaster.. Corporate relief operations tend to leverage the vast internal resources of these organizations. Overall, national companies appear to play a larger, more comprehensive role in relief activities than multinational ones, although MNCs are often strategic in their involvement, either drawing on core competencies for field operations or mobilizing relief funds.

It appears that the recovery efforts of corporations tend to focus on community-level reconstruction and livelihood-generating programs, implemented through formal, collaborative partnerships with NGOs. Compared to relief, recovery efforts are more long-term in scope and (relatively) grassroots in implementation. There were no discernable differences between the approaches and roles of national and multinational companies in disaster recovery. Within the corporate-NGO partnerships that emerged, it appears that the organizations play complementary roles, drawing on respective strengths and skills. A further difference from response is that recovery programs tend to be long-term and incorporate community participation as a central element. Only national companies acknowledged their interest and attempts to institutionalize their response or recovery efforts into formal programs and policies, to create sustainable models and proactively dedicate resources to address disaster vulnerability.

To some degree the findings from this research affirm the assertions of Twigg (2002) and Bhatt (2002) about the private sector's activities in disaster contexts. In particular, the emphasis on altruistic motivations such as humanitarian concern and a tradition of philanthropy were influences that Twigg (2002) pointed to in his global overview of findings on CSR and disaster reduction. Just as Twigg's study (2002) and the CSR theories propound, leadership from top-level management and their commitment to a social agenda (disasters in particular) appeared almost universally important in guiding corporate decisions to take action in response and/or recovery. The relevancy of the business sector to disasters, as Twigg (2002) suggests, also proved a contributing factor for participation. A concern for national development impacts given the scale of disaster emerged as a key motivation for participation, supporting the notion in the CSR literature that companies may be likely to engage in social actions in times of national crisis.

While affirming some of the existing ideas surrounding corporate participation in disaster response and recovery and corporate social responsibility, the findings also present new dynamics and aspects

for consideration in this field. CSR theories focus predominately on image-building, publicity, branding and image as benefits for socially responsible behavior, placing significant emphasis on these perceived organizational benefits as important drivers of corporate social action. The findings of this research suggest that CSR, as it is currently projected, misses the temporal aspects and robust motivations of corporate involvement in disaster response and recovery. In fact, this analysis of the Gujarat Earthquake suggests that these organizational benefits were viewed as secondary results arising as spillover effects. While they may have enhanced the overall attractiveness of participating in disaster response and recovery, they it does not appear that they were the primary factors driving involvement, particularly since benefits were often not fully understood until after the intervention.

The findings on corporate rationale for disaster intervention also expand existing knowledge of corporate motivations for disaster participation. Most of the internal organizational factors and external pressures that emerged as enabling factors for corporate participation in response and recovery are not addressed in the CSR literature, although some elements reflect concepts introduced in resource-based theory (Barney 1991; Greening and Gray 1994). As suggested in resource dependency theory, large organizations can scale and utilize their resources in flexible ways to respond to social issues (Greening and Gray 1994). Organizational factors emerged as central to corporate decision-making in the disaster context. Thus, internal factors such as company size, availability of resources, and employee expectations and external factors such as government influence, and customer expectations shed new light on the dynamics that promote corporate participation in disasters.

Several CSR theorists have noted that CSR is not yet a prominent notion in developing countries and tends to vary significantly with context and culture (Hopkins 2003; Twigg 2002). Therefore, another finding that challenges the literature is that CSR was a well understood concept among both multinational and national companies interviewed. Interviewees invoked the term in their

explanations for participating, suggesting that the assumption that CSR is not well-known in developing countries did not hold true in this case.

As limited research has been conducted on corporate roles in disaster response and recovery, most of the findings of this research provide new insights into these dynamics. On the response phase, Twigg reports a willingness among corporations to respond to disasters in the terms of monetary donations to emergency funds and donations of in-kind relief materials, transport and communications infrastructure, with efforts being predominately ad-hoc, once-off and short-term. Indeed, the findings suggest that corporate efforts are ad-hoc and implemented unilaterally, however it appears that a working relationship and communication with the government during this phase was essential. The short-term nature of interventions in response is more indicative of the fact that relief activities are only relevant for some weeks after the disaster impact or event. One thing that was overlooked in other analyses that came to light in this study was the comprehensiveness and magnitude of corporate initiatives in disaster response since they scaled and adapted a significant amount of their resources – employees, technology, machinery, supplies – for deployment in the field, diverting them from regular business operations. Not only did corporations provide these resources as "in-kind donations" to victims, but they actually implemented relief activities in the field utilizing their own company staff.

This research sought to distinguish differences in the response initiatives of national and multinational companies. The findings suggest that influence from government served as a motivating factor for national companies. National companies also tended to pursue large-scale, comprehensive efforts in the relief phase, including the use of heavy machinery. In contrast, multinational companies either pursued field initiatives that reflected their technical expertise or focused on donation schemes, although it is possible that this difference is attributable to the industry types of the companies interviewed. Both national and multinational companies did,

however, rely on their core competencies for response. The trend towards formalization of disaster programs among national companies suggests that response efforts evolve from being ad-hoc in nature through standardized policies and programs. This finding implies that national companies may have a greater inclination to sustain and institutionalize their response efforts in vulnerable communities.

The findings also provided unique information about the nature of corporate interventions in disaster recovery as the literature contains limited details about this phase beyond the emerging trend of formal partnerships with NGOs for implementation. Thus, the findings offer a clearer picture of how these partnerships are working in practice – the rationale and criteria for partnering and the respective roles of different actors. Both national and multinational companies viewed the complementary talents and field deployment of NGO staff as essential to the success of these programs. The recovery programs reflected a concern for sustainable development, with disaster vulnerability reduction elements apparent in many of them, linking recovery to proactive mitigation measures. Corporate initiatives in recovery following the Gujarat Earthquake were less top-down than response efforts, viewing community participation as vital to the process.

Policy Implications

Since this research only looked at national and multinational corporate responses to one disaster, the Gujarat Earthquake, it is not possible to generalize the findings to the range of disaster types and developing country contexts. However, the results of the research are only valuable to the extent that they can guide policy for more effective disaster response and recovery that addresses growing disaster vulnerability in developing countries. Hence, flowing from the findings are a number of policy implications aimed at fostering and supporting a constructive role for corporations in disaster response and recovery. While specific to the Indian context, they may provide insights that can be adapted to other situations and countries.

The analysis yields policy recommendations for local and national governments in disaster-prone developing countries since they are central players in disaster management and are integral to institution-building in this area. The findings revealed that disasters are unique events that impact national development from the viewpoint of corporations, and that social values and sensitivity to disasters, in particular, are promoting their voluntary involvement in response and recovery. Therefore, a foundation of policy and institutional mechanisms is necessary to foster a constructive role and increased participation among corporations. The *core competencies* of corporations should be considered in the development of policies since corporate expertise and capabilities tended to shape the nature of interventions for both national and multinational companies.

The differences between the structure of response and recovery initiatives suggest that when developing disaster management programs, corporations should only be encouraged to pursue *unilateral* involvement in disasters if it is in discreet *relief* activities. Furthermore, national and local governments may benefit if they pursue policies that foster an enabling environment for corporate – NGO partnerships in disaster *recovery*. This can be accomplished through the creation of incentives, simplified procedures and formal programs for partnerships. Governments might also consider carrying out needs assessments in disaster-affected areas and facilitating field communication during disasters to ensure that corporate resources are being directed to the appropriate areas. Although policies should encourage corporate involvement in disasters, parallel regulations may prove necessary to ensure that corporate interventions are carried out in a proper, ethical way.

Since the corporations that participated in this study highlighted the steep learning curve associated with involvement in response and recovery, government decision-makers might consider developing disaster guidelines or a handbook for corporate involvement to help overcome the obstacles to participation. They should also consider aligning with proactive companies to encourage them to act as liaisons within their industries. This may facilitate peer learning and build positive

influence/pressure for involvement. National governments should aim to create country-level, broad-based disaster organizations or institutions to serve as forums to share best practices in disaster management. Given the increasing interest in multi-sectoral models, such an institution could serve as a vehicle for building relationships across sectors, including government agencies, educational institutions, civil society organizations, humanitarian NGOs, international organizations and private companies. Formation of this type of national institution is key because open dialogue among different actors, both before and after disasters, appears necessary to build the foundations for true multi-sectoral collaboration in disaster management.

The research findings also have relevance for the operations and activities of intermediary organizations (or business-member NGOs), such as the Disaster Resource Network (DRN), which aim to mobilize private sector assets- technology, materials, and expertise – to meet the needs of government and relief organizations engaged in disaster management. The findings suggest that the pledging and matching of corporate resources is suitable for the response phase, while facilitating the creation of corporate-NGO partnerships would be more appropriate for recovery work. Also, the analysis implies that there may be potential to encourage more direct action by corporations during the response phase as part of a coordinated response. These intermediary organizations might also consider playing a supervisory role in terms of oversight of corporate disaster operations to ensure that standards are met, building the reputation of corporations as trustworthy disaster actors.

The risk to corporations, particularly with respect to liabilities that can arise in disaster operations involving corporate personnel and equipment has been perceived as a major obstacle for corporate participation in intermediate organizations focused on disasters. Risk, however, did not appear to be central concern to the companies interviewed for this research. It may have emerged as a greater factor if the companies interviewed were deploying their resources from sources outside

the country. This finding, plus the tendency for national companies to formalize their efforts, suggests country-level models for the DRN and similar organizations are likely to be the most successful. Furthermore, country-level and regional structures for these organizations seem logical based on the prominence of corporate motivations related to national concerns and local community. This model also presents an opportunity to build greater local capacity. Furthermore, considering the bifurcation of disaster approaches between national and multinational companies, these organizations might consider engaging national and multinational companies on different terms.

Similar to the government, intermediary organizations should consider internalizing and addressing some of the obstacles to corporate involvement in order to reduce the learning curve for companies through formal training and peer-to-peer exchanges. Since corporate interventions in disaster response and recovery are generally shaped by the evaluation of past experience in disasters, organizations like the DRN should facilitate the establishment of best practices for corporations in response and recovery. These organizations can also serve as a vehicle for stimulating communication between companies involved in disaster initiatives, which does not happen when efforts are isolated. For example, the five companies in India looking to formalize their disaster programs were not collaborating or aware of each other's plan to institutionalize their programs. Lastly, since there is limited assessment of the impact of corporate involvement, these intermediary business organizations should consider developing indicators and measures for the evaluation of corporate interventions.

Next Steps

Although the research findings provide new insights, which help inform policy approaches, they only reveal part of the picture of corporate behavior in the context of disasters. The limitations of the research design and approach suggest further areas for action. The research focused on what

may be deemed 'exemplary cases', interviewing corporations which had active CSR programs and believed their involvement following the Gujarat Earthquake was successful. The research did not investigate those corporations involved in disaster activities in Gujarat which were criticized for failing to live up to social expectations of their stated role and for primarily seeking publicity from their activities. Research on these failed corporate attempts is also necessary. Were their motivations the same? What types of activities did they carry out and in what manner? An understanding of less successful or more negatively received initiatives is imperative in order to understand and mitigate for potential obstacles to corporate involvement in response and recovery.

The research also relied on company accounts of their own activities, omitting the valuable perspectives of beneficiaries and other disaster actors affected by corporate involvement in response and recovery. Overall, corporations were positive about their approaches and contribution but whether this sentiment is shared by other stakeholders remains unknown. How do other disaster actors perceive corporate involvement? Did corporations meet their stated goals from the point of view of the affected communities? What are the reflections of the NGO partners of corporations in recovery? Understanding how corporate interventions in the Gujarat Earthquake were perceived by other stakeholders allows for a broader interpretation of private sector efforts in response and recovery, illuminating the strengths and shortcomings of their involvement.

Several questions about corporate involvement in disasters in different countries and contexts still remain. The analysis of the Gujarat earthquake only provides a perspective on corporate efforts in response to *one* disaster in *one* developing country context. Therefore, some of the findings are likely to be either earthquake or India specific. To allow for the ability to generalize the findings to other contexts, more research needs to be done on private sector involvement in different types of disasters in other disaster-prone developing countries. Further research would

allow for comparison to the Gujarat Earthquake case in order to determine overall trends and themes in corporate involvement in disaster response and recovery.

Conclusion

Disaster vulnerability is a serious issue in developing countries where globalization, development patterns, poverty and environmental degradation are placing more people at risk to natural disasters. This rising vulnerability in developing countries is occurring as natural disasters in general are increasing frequency and intensity. Mitigation and disaster reduction policies have emerged as the predominant approach to dealing with disaster vulnerability. However, disaster response and recovery also provide important avenues for intervention in high vulnerability communities. Recent appeals for greater multi-sectoral collaboration to tackle complex disaster situations have raised the need for private sector participation in disaster management. The fact that corporate expansion and globalization have created forces that indirectly impact disaster vulnerability in developing countries further suggests corporate engagement in disaster response and recovery may be a matter of social responsibility. The private sector is already beginning to play more engaged roles in disaster response and recovery on philanthropic terms, yet limited understanding currently exists about corporate motivations and the actual roles they are playing in response and recovery.

This examination of national and multi-national corporate responses to the Gujarat Earthquake in 2001 explored corporate motivations and their roles in response and recovery. In regards to motivations, several factors appeared to be important including: social values, disaster sensitivity, internal organization, external pressures, and perceived benefits drove companies to participate in disaster situations. These dimensions expand our prior understanding of corporate motivations which focused primarily on organizational benefits and stakeholder expectations. In

terms of disaster response, companies pursued unilateral disaster relief activities, often implementing large-scale, top-down relief and infrastructure-oriented initiatives that leverage the internal resources of these companies. Collaborative partnerships, as the aspired new paradigm in disaster management, are emerging as the structure of corporate recovery programs, wherein the talents and resources of both corporations and NGOs are being utilized in community-oriented reconstruction and livelihood generation programs. The findings suggest that corporations can play a constructive role in response and recovery that complements the efforts of existing actors as they work to reduce suffering and increase the resiliency of vulnerable communities affected by disasters. Paramount to achieving effective private sector collaboration in response and recovery is the development of policies that encourage corporate participation in disasters while maintaining high expectations and standards for corporate initiatives in the field.

Corporate participation in disaster response and recovery is an important dimension and near-term goal for dealing with disaster vulnerability in developing countries. In the long-run, however, companies will also need to think systematically about how their products, operations and policies impact disaster vulnerability in indirect and direct ways and strive to have mitigation goals integrated into business operations. Only by both internalizing mitigation policies and dedicating resources to response and recovery initiatives will companies in disaster-prone areas achieve comprehensive social responsibility in the disaster context.

Appendix A: Acronym List

Acronyms Explained

HVC	High Vulnerability Community
IFRC	International Federation of the Red Cross and Crescent Societies
UNDAC	The United Nations Disaster Assessment and Coordination
OCHA	Office for the Coordination of Humanitarian Affairs (UN)
CSR	Corporate Social Responsibility
MNC	Multinational Corporation

Appendix B: Interview Questions

Semi-Structured Interview Questions

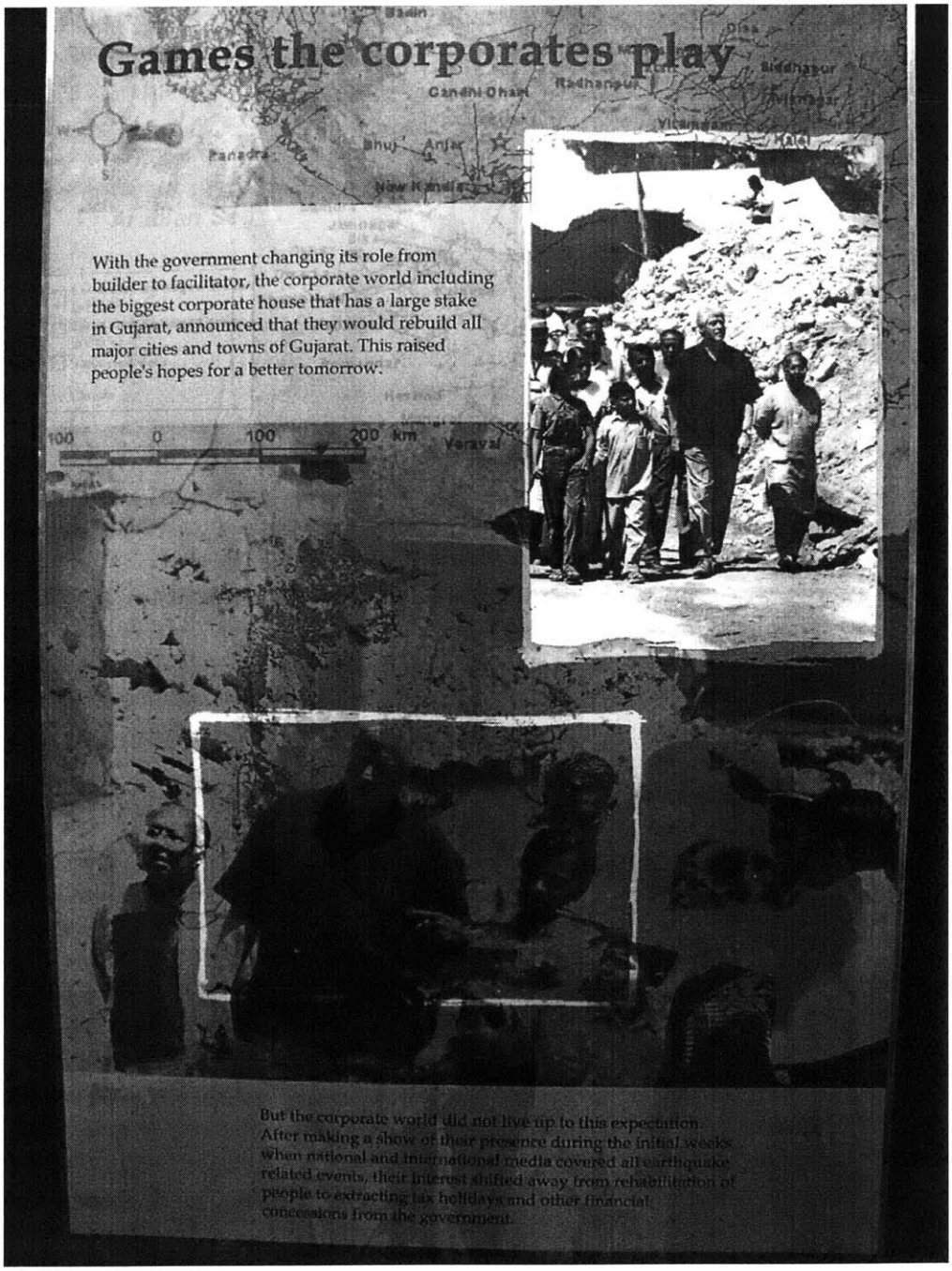
1. Please describe what activities the company carried out in response to the Gujarat Earthquake of January 2001.
    a. What role did the company play?
    b. Was the relief effort part of an existing system or program within the company?
    c. Is this the only natural disaster in which the company has participated?
    d. Were company employees involved? In what way? What other company resources (materials, technology, expertise, etc.) were employed for the effort?
    e. What were the goals of the project? The timeline? What have been the results of the project thus far? Were the stated goals achieved?
    f. Was the project completed, aborted or ongoing?
2. Who within your organization was involved in the decision-making that determined the company's involvement? At what level was the decision to participate made?
3. Who were the beneficiaries of your project?
4. How would you describe the company's responsibility to the beneficiaries as stakeholders? How does the company define corporate social responsibility?
5. How did you determine which beneficiaries to target and the nature of the effort?
6. Why was this an important group for the company to target?
7. Did the company partner with an NGO, government agency or other organizations? If so, how was cooperation initiated? What was the nature of the arrangement? What were the strengths and weaknesses of such an alliance?
8. What other disaster relief actors (government, NGOS, army, etc.) did you encounter or coordinate with and what was the nature of the interaction?
9. Did your relief activities augment existing activities or did it fill an unmet niche? How?
10. Was the company's business, its facilities or employees affected by the Gujarat earthquake? How?
11. Does the company have offices or operations within the impact area?
12. Did the type of response pursued reflect the company's core capabilities?
13. On what terms did your company participate (voluntary, commercial, etc.)?
14. What were the company's guiding principles for involvement?
15. Would the company be likely to participate in another disaster? Have you created or formalized any programs to handle future disasters?
16. What division of the company handled the disaster relief effort?
17. What was the company's primary reason for participating in disaster response? Secondary reasons?
18. What did the company hope to gain from its participation in disaster response?
19. What does the company perceive as the *benefits* and *costs* of participation in disaster response?
20. What relationship, if any, do you think your disaster relief participation has to each of the following: 1) Employees, 2) Investors, 3) Customers, 4) Community, 5) Reputation, 6) Image, 7) Bottom line 8) Sustainable Development?
21. How was the company's involvement in disaster relief publicized?
22. Why did the company get involved in disasters in particular over other areas of aid or development?

23. What is the company's vision (does it have a clearly articulated vision statement)? Does this viewpoint permeate the organization or is high- level management driving it?
24. How would you define the broader community in which the company operates? What relationship does the company have with its community?
25. Does the company have other social programs that it pursues? Do they relate to its work in disaster response? If so, how?
26. Does the company have a code of conduct? What other socially responsible practices and procedures does the company follow?

Appendix C: World Social Forum – Critique of Corporations as Disaster Actors

Gujarat Exhibit at the World Social Forum, Mumbai, India, January 2004

The poster display criticized corporate interventions following the Gujarat Earthquake, noting that "the corporate world did not live up to this (community) expectation."



Appendix D: Detailed Lists of Company Resources Deployed in Response Phase

IFFCO and Hindustan Construction Company(HCC) supplied the following details about their resource deployment in the response phase to the Gujarat Earthquake. Their efforts are illustrative of the massive relief initiatives that some national companies pursued.

IFFCO

Soon after the earthquake, wasting no time, IFFCO's men and machinery were deployed from day one, for massive relief and rescue operations as under:

- Removal of debris
- Providing pay-loaders, trucks, forklifts, gas-cutting machines, buses and ambulance
- Rescuing possible survivors
- Treating the injured
- Providing basic needs of food, water, clothes, and shelter through a relief camp
- Providing round-the-clock free medical service
- Coordinating with civic authorities for providing services, for distribution of relief material received from abroad and other places
- Supplying medicines, drinking water and other material to Hospitals and dispensaries at various places
- Supply of drinking water through tankers to affected areas
- Distribution of masks

Hindustan Construction Company

The company resources deployed for the efforts as follows:

Manpower:
The groups were formed consisting of operators, mechanics, engineers (Civil & Mechanical), a Doctor, a Compounder, and a Personnel Officer under the leadership of the Project Mechanical Engineer. HCC was the first company to reach the affected location with equipment. After getting the feedback from the first batch, we improvised our services / help / communication etc., considering the grassroots-level problems at the location.

Equipment:
The following equipments were deployed:
1 No. JCB
1 No. Hitachi Excavator
1 No. Water Tanker (10000 ltr capacity)
2 Nos. Gas Cutting Sets
1 No. Tata Truck

2 Nos. Mobile Lighting Towers
1 No. Crane (Capacity of 40 T)

Expertise:
Highly skilled crew for operation of equipment & machinery under the leadership of PME along with Civil Engineers were deployed ...for couple of months.

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