Chapter 16
Humanitarian Assistance and Corporate Social Responsibility

Lothar Rietb

This chapter addresses the potential for non-commercial business engagement in humanitarian assistance, with a particular focus on disaster relief. With only a few exceptions, the potential for corporate contribution to disaster relief operations has previously not been fully realized. There have only been a few partnership projects between corporations and the UN or corporations and civil society organizations. In addition, major donors such as the EU and national implementing agencies have been quite hesitant and disinterested in cooperating with business actors in the aftermath of natural disasters.

An examination of different types of non-commercial business engagement in the past and corresponding business motivations constitutes the starting point for the analysis. Motivations and conditions under which businesses engage in natural disaster response are identified. In conjunction with current donor policies, the potential of non-commercial business engagement and its major obstacles are discussed. General and detailed policy recommendations are formulated.

Owing to financial constraints this chapter is based primarily on desk research. Secondary sources, grey materials and interviews were used to gather information as field visits were not possible. Nevertheless, a thorough examination of the issues at hand was possible and the results of this study show that business contributions to disaster relief can constitute functional supplements to disaster recovery operations, but in the short and mid-term perspective will only complement, not replace, public sector and civil society efforts. The analysis underlines two aspects: by definition business contributions, be they commercial or non-commercial, do not fully comply with the fundamental humanitarian principles of impartiality, independence and humanity. Yet, if ground rules for non-commercial business engagement can be established, then the potential contribution of business can be realized in natural disaster recovery. If properly crafted, partnerships with corporate actors can significantly contribute to improved humanitarian aid operations on the ground by providing additional financial and non-financial resources, thus making humanitarian aid more effective and, at times, more efficient.

History of Disaster Response—An Overview

On the whole, states in western Europe, North America and most other OECD countries cope very well with the effects of medium-sized natural disasters. Local institutions, such as fire brigades, police, military, federal agencies for technical relief, the Red Cross and other civil society organizations, are able to provide sufficient humanitarian assistance such that state governments are not forced to call for international assistance. In the cases of Hurricane Lothar in
western Europe in 1999, the Oder river flood in Poland and Germany in 1997, or the heat wave in France in 2003, state agencies in cooperation with other national actors were more or less able to manage the major consequences of natural disasters. Yet non-OECD countries, such as those in regions with low or uneven levels of development, are often located in disaster-prone regions and are more often affected by natural disasters.¹

Owing to governance gaps, state agencies in non-OECD countries have had more problems providing public goods in the aftermath of natural destruction. Examples include the tsunami in southeast Asia in 2004, Cyclone Nargis in Myanmar in 2008 and the earthquake in Sichuan, China in 2008. Yet even OECD countries have become more dependent on external assistance to overcome the consequences of natural disasters, as demonstrated by Hurricane Katrina in 2005 in the Gulf of Mexico. External assistance in this and other cases was not been limited to state actors and civil society organizations; business actors have increasingly become involved in disaster relief efforts.

In addition, climate change has caused the magnitude, sheer number, scale and quantity of natural disasters to increase over time.²

As a result of governance gaps and resource deficiencies, governments, even when working with civil society organizations, have at times been unable to provide adequate remedies and

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² Ibid.
perform necessary relief functions. In the past decade, business actors have become increasingly important in international politics, utilizing material and organizational resources to take on corporate responsibility and contribute to the production of public goods. As a consequence, business actors have become more active in humanitarian relief operations and have recently made significant contributions.

So far, there is little systematic knowledge among practitioners or academics as to whether and under what conditions business can make significant contributions to humanitarian relief efforts. This chapter attempts to shed some light on various facets of non-commercial business engagement in disaster response operations. It starts by assuming there is potential for philanthropic business engagement in humanitarian assistance i.e. that business actors do not engage in and contribute to disaster relief efforts solely with a short-term aim to generate revenues or profits.

In the second section, an overview of four natural disasters is presented. Based on in-depth business illustrations focusing on companies that display similarities and differences across various industries (Deutsche Post World Net/Germany from the logistics sector; Coca-Cola/ U.S. from the beverage sector; Microsoft/U.S. from the software sector), three types of business engagement are introduced: donations, volunteering and expertise.

Motivations for business actors to engage in disaster relief operations are described in the third section, looking at societal, outward and inward dimensions. Then, current donor policies on business engagement from major donors, such as Germany, the U.S., and the UK, are presented. In the fifth section, the major aspects of contention of non-commercial business engagement in humanitarian relief are discussed, followed by a number of concrete policy recommendations.

Methods of Non-Commercial Business Engagement in Natural Disasters

To illustrate recent corporate contributions in natural disaster relief efforts, this section provides an overview of non-commercial business engagement methods in natural disasters. Four different natural disasters—Tsunami 2004, Hurricane Katrina 2005, Cyclone Nargis 2008, Earthquake Sichuan 2008—were examined to analyze public and private actor contributions to

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2 Academic papers on corporations and their contributions to disaster relief efforts are rare: There is a literature review in A. Muller and G. Whiteman, “Exploring the Geography of Corporate Philanthropic Disaster Response: A Study of Fortune Global 500 Firms,” *Journal of Business Ethics* 84 (2009), pp. 589–603.

3 See A. Binder and J.M. Witte, “Business Engagement in humanitarian relief: key trends and policy implications,” *Humanitarian Policy Group, Overseas Development Institute, London, 2007*. In general, three general categories of non-commercial business engagement can be distinguished: single company engagement, partnerships and meta-initiatives. Single company engagements are launched and implemented by a single corporation. Meta-initiatives involve corporations and other actors that cooperate in order to enhance coordination in humanitarian relief work and share lessons learned. Partnerships are voluntary and collaborative efforts that bring together actors from public and private sectors with the goal to achieve a common objective. They are most important to institutionalize long-term collaboration and crucial platform for learning experiences which could lead to best practice examples and could be replicated by other actors.
humanitarian relief efforts. A detailed overview of the four natural disasters can be found in the third section of this study. Table 1 provides a brief overview of each.

**Methods of Non-Commercial Business Engagement in Disaster Response**

In these four disasters non-commercial business engagement occurred in all three of the ways businesses engage in philanthropic relief efforts: donation of funds, volunteering or delegating of personnel and the provision of key expertise.

**Donation of Funds**

The most common type of philanthropic engagement to disaster relief is to donate money to international organizations, civil society organizations or directly to governments. There are different types of donations: company donations; employee donations; and matched funds. Matched funds are usually limited to a specific amount per employee.\(^6\)


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**Table 1. Overview of Surveyed Natural Disasters**

<table>
<thead>
<tr>
<th>Name</th>
<th>Casualties &amp; Damage (costs)</th>
<th>Business Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsunami 2004</td>
<td>Casualties: 230,000. Damage: Approx $2 billion allocated for recovery efforts.</td>
<td>• Monetary donations and matching funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Donation of medicines, tents, food and clothing.</td>
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<td></td>
<td></td>
<td>• Applied key expertise, e.g. IT, logistics and consultancy of NGOs to improve the course of relief efforts.</td>
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<tr>
<td></td>
<td></td>
<td>• Volunteering by employees.</td>
</tr>
<tr>
<td>Hurricane Katrina 2005</td>
<td>Casualties: Over 1,800. Estimated damage: $81 billion.</td>
<td>• Monetary donations and matching funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Donation of medicines, healthcare products, food and software.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Applied key expertise in IT, logistics and consultancy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Volunteering by employees.</td>
</tr>
<tr>
<td>Cyclone Nargis 2008</td>
<td>Casualties: 134,000. Estimated damage: more than $10 billion.</td>
<td>• Monetary donations and matching funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Donation of medicines, tents, food.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ensured coordination of donations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Applied key expertise e.g. set up web-pages as information resource, stored and distributed needed materials.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Volunteering by employees.</td>
</tr>
<tr>
<td>Earthquake China 2008</td>
<td>Casualties: 69,000. Estimated damage: approx. $150 billion.</td>
<td>• Monetary donations and matching funds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Donation of medicines, tents, food and employee blood donations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Applied key expertise e.g. free IT support to local enterprises.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Volunteering by employees e.g. re-construction help.</td>
</tr>
</tbody>
</table>
Volunteering and Delegation

Recently, more companies have taken part in volunteering programs in which companies exempt their employees from work so they can participate in relief efforts. There are two types of volunteer employee engagement: in the first, employees do whatever tasks are needed (the classic type of volunteering); in the second, employees are delegated as experts, making available their knowledge and expertise.

Companies who have facilitated staff volunteering or participation in disaster response include IBM (hard and software producer), Deutsche Post World Net (logistics) and TNT (logistics).

Application of Key Expertise

More often companies bring in their core expertise to disaster relief efforts. This is done by either offering knowledge, material resources, or both. The line between companies applying key expertise and those volunteering is blurred, particularly in case of knowledge provision. The range of offered core competences varies from providing and improving logistical systems, supplying computer hard and software, to consulting business partners. For example, Deutsche Post World Net has set up a partnership with the United Nations Development Program and the United Nations Office for the Coordination of Humanitarian Affairs to provide “the management of complex logistics and transportation processes” to respond to natural disasters. Microsoft has set up IT systems for public and civil society organizations to coordinate relief efforts, and Coca-Cola has provided bottled water to people in disaster regions.

The nature of non-commercial business engagement in disaster relief operations has changed significantly over time. Previously, business corporations limited themselves to donations of funds. Today they are more willing to make use of their core business resources: personnel, infrastructure/material and expertise. Donations of funds can be made by any company, whereas only some companies can make their goods and services available. These engagements can therefore be differentiated by the type of business contribution to disaster relief efforts. Some companies are able to provide all types of non-commercial business engagement; others are restricted to cash donations as their personnel may not be available and their goods and services not suited for disaster relief efforts.

Overview of Business Engagement in Four Natural Disasters

The 2004 Tsunami in Southeast Asia

On December 26, 2004 large parts of southeast Asia were hit by a tsunami created by an underwater earthquake measuring 9.0 on the Richter scale. The waves hit the coasts of Sumatra, Sri Lanka and Thailand, causing the death of more than 230,000 people. Apart from the

high death toll and thousands of people suffering due to the destruction of their livelihoods, the disaster had a significant impact on the environment as well. Coral reefs and marine and coastal habitats were destroyed, which was the main income for fishing communities along the coast. Due to the flood of sea water across agricultural land, harvests for the following years were destroyed. The flood also affected the groundwater, so people were in need of potable water. Huge efforts were made to provide financial and non-financial remedies needed in the aftermath of the destruction.¹⁰

Comparing Non-Business and Business Relief Providers¹¹

After the tsunami hit southeast Asia, external state actors supplied most of the food, emergency and medical aid. They focused their engagement on response coordination and reestablishment of infrastructure, e.g. building water purification plants and houses. Several states undertook long-term missions to rebuild the basic needs for people’s livelihoods. Provision of food, emergency and medical aid, such as the supply of tents, blankets, sanitary facilities and antibiotics, has been the main task of international organizations. International organizations engaged in the response coordination and supply of materials required for general living as well as the establishment of disaster preparedness measures, such as early warning systems. NGOs first provided food and medical aid and contributed to the response coordination immediately after the tsunami. Later they were engaged in several long-term missions, focusing on humanitarian aid, reconstruction and capacity building. In contrast to this, business actors primarily made monetary donations and were involved in logistics, such as aircraft and vehicles to transport urgently needed material, such as emergency and medical aid. Business has subsequently provided IT infrastructure and communication structures, e.g. built websites for tracking casualties and set up platforms where volunteers were able to register with NGOs.

Deutsche Post World Net. Within a day of the tsunami hitting the Asia Pacific region, Deutsche Post World Net provided free delivery of relief materials via planes, vans, flight charters and staff volunteers. Its Airport Emergency Team was deployed and assembled resources and expertise to set up working flows at airports so that relief efforts could be sent directly to regions in need.¹² Deutsche Post World Net also provided storage space in its warehouses for relief material. Deutsche Post World Net donated $1 million and its employees’ donations totalled around $500,000.¹³

Coca-Cola.¹⁴ The Coca-Cola Company engaged in emergency aid after the tsunami hit southeast Asia. The company coordinated with government and non-government actors to provide bottled drinking water as well as basic food, tents, clothes and medical supplies. Later, Coca-Cola also engaged in water supply and public sanitation programs for several villages.

¹¹This assessment is primarily based on UN OCHA reports: http://ocha.unog.ch/fts/reports/daily/ocha_R10_E14794_asof_08082117.pdf.
Coca-Cola provided transportation and distribution assistance as well as $2.1 million in monetary donations (including $50,000 in contributions from Coca-Cola employees and affiliates).

Microsoft.\textsuperscript{15} Microsoft has been involved in affected countries by building partnerships with governments, NGOs and international organizations. Other measures included the development of websites to give volunteers the possibility of registering for work with NGOs; setting up a satellite communications structure; and creating a casualties tracking application. Within two days of the disaster, Microsoft gave $250,000 to local relief agencies in Asia. Later on it made a corporate contribution of $2 million to international relief agencies and matched the funds of over 8,000 Microsoft employees who donated more than $2 million for relief efforts. In addition, employees engaged in food and clothing collection as well as the purchase of relief materials and sending them to affected areas.

**Hurricane Katrina in the U.S. in 2005**

Katrina, a Category 5 hurricane, formed over the Bahamas on August 23, 2005 and hit the north-central Gulf Coast of the United States. It was the costliest hurricane in the United States’ history—the storm is estimated to have been responsible for $81 billion in total damages.\textsuperscript{16} At least 1,833 people\textsuperscript{17} lost their lives in this hurricane and in the floods caused by Katrina, making it the deadliest U.S. hurricane since 1928. It damaged power supply lines, leaving 2.6 million people without electricity for several weeks. People had to be evacuated and had to endure severe material damage or loss of their houses and lived without income for months.\textsuperscript{18} Those who remained in the hurricane-affected area for weeks faced dehydration, due to the lack of uncontaminated potable water, and were susceptible to illnesses caused by food poisoning due to the floods in the aftermath. The lack of shelter and sanitary facilities and growing concerns that refineries and sites of chemic industries could have polluted the floodwaters triggered the need for immediate technical and medical help.

**Comparing Non-Business and Business Relief Providers\textsuperscript{19}**

In the aftermath of Katrina, the U.S. government and international organizations immediately provided emergency aid, food and logistic supply. Later on, international organizations engaged primarily in re-establishing IT and communication infrastructure, whereas the state sent mainly relief personnel and technical equipment to manage the immense masses of water following the hurricane, such as pumps, boats and even troops. NGOs primarily provided food and emergency aid while maintaining communication channels, such as broadcasting radio programs with latest news about damages, casualties and relief operations. Most of the business engagement in relief efforts consisted of provision of logistics, medical aid and food supply. Some businesses also provided help in response coordination and IT infrastructure.


\textsuperscript{16} http://www.nhc.noaa.gov/pdf/TCR-AL122005_Katrina.pdf.

\textsuperscript{17} See http://www.nhc.noaa.gov/pdf/TCR-AL122005_Katrina.pdf.


\textsuperscript{19} This assessment is primarily based on UN OCHA reports: http://ocha.unog.ch/fts/reports/daily/ocha_R10_E14794_asof_08082117.pdf.
Deutsche Post World Net. Deutsche Post World Net made use of its standby Disaster Response Team, which works closely with UN OCHA. The team supported USAID and the Office of Foreign Disaster Assistance with transportation and logistical expertise. As well as unloading and reloading aircrafts and sending shipments to the correct locations, the team delivered supplies from all over the world to the affected areas by plane. DHL contributed direct donations of $1 million to the American Red Cross in support of the DRT and matched $200,000 in employee donations. 

Coca-Cola. In the aftermath of Hurricane Katrina, The Coca-Cola Company shipped more than 30 million bottles of filtered water, juice and other beverages to relief organizations. Additionally, the Coca-Cola Company and Foundation together made a $5 million monetary contribution to several relief organizations. 

Microsoft. Microsoft donated $1 million to international organizations and funds immediately after the hurricane for relief efforts, while employees contributed over $1.7 million to disaster relief efforts; this amount was matched by the company. Later Microsoft donated another $1 million to organizations involved in rebuilding affected areas. Additionally, Microsoft contributed $5 million in technology assistance, software donations and services committed to the relief effort.

2008: Cyclone Nargis in Myanmar and the Sichuan, China Earthquake

On May 2–3, 2008 Cyclone Nargis hit Myanmar with peak winds of 200km/h. The cyclone destroyed the homes of at least 2.4 million people, and left 134,000 dead or missing. Estimated damages of $10 billion make it the most damaging cyclone ever recorded in the region. The enormous flooding not only destroyed buildings; it polluted potable water, leaving people without shelter and forced to use collected rainwater for drinking. Nargis destroyed the main income sources, of fishing, fish-processing facilities and paddies.

On May 12, 2008 an earthquake measuring 7.9 on the Richter scale struck of Sichuan, China. It killed 70,000 people, injured 350,000 and left five million homeless. It was the deadliest and most costly earthquake in China since 1976, with estimated disaster relief costs of $150 billion. Damage to infrastructure, roads and electricity supply made it difficult for residents of the affected areas to recover.
cue teams to reach people in need. River blockages and landslides caused ‘quake lakes’ and polluted potable water.29

Comparing Relief Efforts by Non-Business and Business Providers30

In the aftermath of Cyclone Nargis, states and international organizations were primarily engaged in the provision of food supplies. State actors, like Canada, coordinated the response of humanitarian partners and donors, and provided emergency aid (donated tents and materials to provide minimum living standards), medical supplies and aid to rebuild infrastructure. Other state actors provided logistics, e.g. set up flights of relief supplies and established basic livelihood needs (such as repairing fishing boats, providing machinery and animals for farmers). International organizations focused on response coordination, emergency aid and medical supply, followed by rebuilding local infrastructure and securing people’s livelihoods. NGOs were engaged in emergency aid and food supply. Business actors mainly contributed medical supplies, emergency aid, food donations and provided logistics. IT infrastructure, such as laptops to NGO staff working in the affected areas, was solely provided by business actors.

In the aftermath of the earthquake in China, many states and international organizations provided emergency and medical aid as well as food supply. NGOs engaged first in food supply, emergency and medical aid. The International Red Cross took over the important role of response coordination. Businesses contributed mainly to emergency and medical aid; however, some engaged in setting up IT infrastructure and provided logistics.31

Deutsche Post World Net. In Myanmar, the Disaster Response Team of Deutsche Post World Net managed a humanitarian warehouse for three weeks by providing technical expertise and equipment. From this facility supplies were directed through several local NGOs.32 Deutsche Post World Net also donated €93,000 for disaster relief.

In Sichuan, China, Deutsche Post World Net provided help in the form of an almost €100,000 donation for the Chinese Red Cross relief efforts. Moreover, Deutsche Post World Net businesses in China worked together, supporting the domestic transportation of relief goods into Chengdu and the affected areas.

Coca-Cola. In the aftermath of Cyclone Nargis the Coca-Cola Foundation Thailand provided 240,000 bottles of water. Several associates from Coca-Cola Thailand and officials from the Thai Red Cross accompanied the water supply trucks to Myanmar. After the earthquake hit China, The Coca-Cola Company sent 20,000 cases of water for the victims. Coca-Cola also donated $2.4 million in cash and in-kind assistance.33

Microsoft.34 In Myanmar, Microsoft worked in cooperation with OCHA to develop a website for the Myanmar Humanitarian Information Centre.35 In China, Microsoft donated $125,000

29 See http://www.guardian.co.uk/world/2008/aug/15/chinaearthquake.china.
30 This assessment is based on: http://ocha.unog.ch/fts/reports/daily/ocha_R10_E15549_asof___08082117.pdf.
31 This assessment is based on: http://ocha.unog.ch/fts/reports/daily/ocha_R10_E15550_asof___08082117.pdf.
to the Chinese Red Cross and matched the contributions of their Chinese and U.S. staff. The company set up technical assistance through its partnership with NetHope to help large relief organizations prioritize relief efforts. Customers of Microsoft in the affected areas received free technical support to set up and run their technology solutions.\(^{36}\)

**Motivation for Business Actors to Engage in Disaster Relief**

Having described non-commercial business engagement in disaster relief, the rationale for engagement needs to be understood before further conclusions can be drawn on how to attract more business to this policy area. There are several things that motivate business actors. These can be divided into implicit and explicit commercial motives. In public, as can be read on corporate websites and sustainability reports, corporations stress that they want to contribute to humanitarian efforts because they are committed to certain ethical principles. They claim they are willing to take on the role of “corporate citizens.” Internally, implicit mid- to long-term commercial interests are involved as well.

In the past, commercial considerations dominated business approaches toward humanitarian affairs with the aim of having an indirect effect on corporate value.\(^{17}\) When corporations contributed to humanitarian efforts, it was regarded as a public relations campaign or strategic philanthropy.

Over the past two decades, societal expectations of corporations have evolved due to corporate violations of human rights, social standards and the environment. This has had repercussions in disaster relief, while the public did not immediately turn its eye to business actors for additional donations. Instead, some business corporations have made relief a virtue out of potential necessity, and looked for areas to exploit in all fields of activity to improve their public image. They increasingly started donating money and looked into their core competencies, assessing whether they could be used in disaster relief.

Being in the spotlight of public attention anyway, a number of companies decided to proactively achieve two things at once: first, to meet public expectations of being ‘good corporate citizens’ and to behave truly ethically in helping those in great distress in the aftermath of natural disasters; and second, to improve their corporate image and benefit from intangibles, such as a better corporate reputation and better employee morale and motivation.\(^{38}\) The case studies have shown that corporate engagement in humanitarian assistance is an extension of traditional philanthropic corporate citizenship and core business-related corporate social responsibility activities.

There are three drivers for corporate engagement in the field of disaster relief: internal ethical, external stakeholder drivers, as well societal corporate drivers. These three drivers form

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\(^{34}\) No detailed information available, see http://www.microsoft.com/About/CorporateCitizenship/US/ResponsibleLeadership/UrgentDisasterResponse.mspx.


\(^{36}\) See http://www.donorsforum.org/resource/China_Earthquake_Relief.html#member.


\(^{38}\) This was stressed by several company representatives in personal interviews.
the basis for corporate engagement in the field of humanitarian aid. A number of obstacles that prevent corporations from becoming even more active agents in this area will be discussed in a brief section at the end.

**The Ethical Driver**

The ethical driver starts with voluntary contributions, where employee contributions are matched by the employer to a certain maximum limit. These activities are mainly driven by a mix of philanthropic and ethical motivations. Corporations demonstrate commitment to ethical behavior in their reaction to what the public considers right, just and fair. These types of contributions are charitable gifts without direct return considerations, i.e. with no direct financial or material reward to the donor. However, corporations do not engage in matched funding for purely altruistic reasons; they also want to show that they sympathize with public feeling and their employees.\(^{39}\) Although a company’s position in philanthropy rankings is important to some degree particularly in the U.S., from an ethical point of view there is no clear direct advantage, but rather an indirect yet implicit intangible economic benefit associated with contributions.

It is interesting to note that American companies donated more to the relief efforts following the Chinese earthquake than after the Cyclone in Myanmar in 2008. This might imply a bias towards those countries that are of more political and economic importance to the U.S., stressing a geographical or regional bias.\(^{40}\)

**The Stakeholder Driver**

In addition to philanthropic and ethical considerations, corporations are interested in maintaining a good corporate reputation, particularly in times of increasing criticism about predatory and rampant capitalism. This is achieved by satisfying the expectations of their stakeholders. Corporations engage in humanitarian efforts in order to increase employee motivation and portray a company as an attractive employer. Moreover, through engagement in disaster relief efforts, the brand value of a company and customer attraction might increase, which could lead to higher market shares. Interestingly, these effects can occur in both the home market and in the foreign market where the disaster has occurred. These effects are hard to measure\(^{41}\) yet corporations still internally justify their engagement by stressing this rather implicit business case.

In this regard some corporate brands are easier to discern than others. It is more effective, from a marketing point of view, when Deutsche Post World Net cargo planes arrive at a capital’s airport in a disaster region or when Coca-Cola distributes bottled water directly to earth-

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\(^{39}\) Explanation for ‘matching funds’ given by company representatives.


quake victims, than when Microsoft provides software that organizes food supply and emergency management in general.

Moreover, corporations tend to cooperate primarily with NGOs and United Nations organizations, which are considered the experts in humanitarian affairs, have positive reputations, and thus convey a high degree of credibility. By cooperating with positively-viewed partners, corporations can improve their public humanitarian image without giving much in return, as many civil society representatives have stressed and criticized. There is no obligation for companies to engage. They can pick and choose because their engagement is discretionary. Neither UN organizations nor civil society groups can put any pressure on corporations. In most instances, the corporations decide to what degree they want to become involved.

**The Internal Corporate Driver**

Economic motivators with a potential financial payoff also play a crucial role in corporate investments in humanitarian affairs. Although companies rarely stress these aspects in public (because they are afraid that observers might assume that these aspects govern the degree of involvement in humanitarian relief efforts), economic aspects have to be taken into account when analyzing business engagement in emergency situations. This condition can act as a constraint and as driver at different times.

Profit considerations take on the function of a business driver, because by engaging in humanitarian relief efforts corporations have the chance to enter new markets, train employees under extreme circumstances, boost employee morale, put their instruments and standard operating procedure to the test and improve their relationship with state and civil society actors. These factors could lead to new business and less public shaming and reduce NGO campaigns against them.

As pointed out in the first section, more natural disasters take place in developing and transformation countries, where there are new business opportunities. In remote regions where the populations are largely computer illiterate, software companies such as Microsoft can create the basis for future business sales (although their citizenship and commercial branches are strictly separate). Microsoft is also involved in the One Laptop Per Child project, for ethical as well as financial reasons. This is a prototype win-win situation, where the short and long-term utility functions are followed at the same time. When Microsoft provides hardware and software infrastructure in the aftermath of natural disasters, it is expected that recipient underdeveloped societies will become acquainted with modern software technology. Disaster victims of today might be stakeholders of tomorrow, as customers or as government employees.

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42 In interviews, this was criticized by several civil society representatives. See also http://www.thirdworldtraveler.com/United_Nations/Bluewash.html.


45 Interview with Microsoft representative, December 2008.
Coca-Cola’s business case for moving into developing communities is obvious. The company thus has an interest in promoting its products and using its personnel in humanitarian operations. Other companies, such as Deutsche Post World Net, deploy personnel in emergency situations, training their employees under severe circumstances and putting their vehicles and management processes to the test. Employees, although specifically allocated to Crises Response Teams for a limited period of time, can transfer their acquired knowledge to regular business activities. The same holds true for the vehicles and procedures. Logistics companies can derive great benefit from demonstrating best practices in extreme conditions and applying them to regular business proceedings. Moreover, employees become highly motivated because they are working for a good cause, thus increasing employee morale.46

Furthermore, the close working relationship with public and civil society actors has additional economic benefits. Improved relationships with public actors, such as United Nations organizations and governments, increase the likelihood that some companies will be considered in public procurement. Public organizations that are familiar with the strengths of certain companies and can look back on successful partnerships might also reflect on selecting the same partner for future projects. As a positive side effect, repeated interactions with NGOs can lead to a dismantling of negative stereotypes and a better understanding of the context under which an actor operates. As a consequence, corporations may be less likely to become the target of NGO campaigns. However, companies that get involved in dangerous situations might also run the risk of drawing the public spotlight and attracting additional criticism.

Reasons for Corporate (Non) Involvement in Disaster Relief Operations

Although there are good and profitable reasons for corporations to engage in humanitarian aid and disaster relief operations, there are also issues that, from a corporate point of view, still make it hard for them to take appropriate measures. In this section, some of these reasons will be introduced.

Lack of Coherent Engagement Framework

There are plenty of organizational deficits that make it difficult for corporations to make suitable contributions to humanitarian assistance. If no clear structures or contact points, etc. are established and because at times, states and international organizations are very bureaucratic, the resulting transaction costs make it no longer interesting for corporations to be engaged.

Lack of Specialized Disaster Relief Knowledge

Companies who have never engaged in humanitarian assistance must overcome various obstacles before an engagement can be considered. For example, employees need specialized training in varying disaster relief circumstances and require practical skills like first aid, psychological preparedness or intercultural competencies.

46 Descriptions are taken from interview with Deutsche Post World Net representative, June 2008.
Cultural Divide between Public/Civil Society and Private Companies

Public agencies, NGOs and private companies obviously have slightly different foci and motivations for their work. For example, public agencies and NGOs tend to be more need driven while companies can be supply-driven in their view of humanitarian assistance. These variances, in addition to different work mentalities, can make partnerships between different types of organizations difficult. Despite the increase in partnerships, corporations still occasionally encounter strong scepticism from state and civil society organizations about potential collaboration. These actors often assume that corporate actors have a hidden agenda and no long-term commitment but rather a marketing approach. In particular, civil society organizations are afraid that corporations may pull out if engagements become too costly or too politically sensitive. State actors, especially those from development agencies, still very much call into question the true commitment of corporate actors. From their point of view, partnership activities between traditional actors and business can hardly be considered cooperation among equals because they do not share the same share burden of responsibility. Bridging these divides requires time and effort and is a necessary step before successful collaboration can occur.

Product and Service Specificity

Some companies simply do not have goods and services appropriate and required for disaster relief efforts. Even if desirable, not every company has core competencies to offer that are desperately needed in the aftermath of natural disasters. In particular, companies from the food, logistics, infrastructure, IT and pharmaceutical industries are better suited than other companies that have to restrict their engagement to cash donations and to personnel volunteering.

Donor Policies on Non-Commercial Business Engagement in Disaster Relief

Businesses actors increasingly consider contributing to disaster relief efforts but it still remains a niche phenomenon, especially when it comes to non-commercial business engagement in cooperation with the public sector. Business actors do not regard this particular field of humanitarian assistance a typical area for business engagement. They mainly approach civil society organizations to channel their monetary contributions. This is due to the fact that state actors have not yet set up appealing incentive mechanisms to encourage additional business engagement. A number of reasons, including the lack of a coherent engagement framework, a cultural divide between public and private actors, as well as different policy approaches (need versus supply driven) as outlined in the precious section, account for the slow development of public-private cooperation in disaster relief compared to other forms of public-private cooperation.

Keeping in mind that these factors constitute the main reasons preventing private actors from engaging with public actors in disaster relief efforts, it is also important to take a look at the other side—the donors. Do public policies and approaches to humanitarian assistance and corporate engagement corporations allow for meaningful philanthropic business engagement in disaster relief efforts?

To illustrate the differences across the Atlantic, German, British and EU approaches to non-commercial business engagement are compared with the U.S. approach. In general, the U.S. approach is less hesitant, more open and therefore slightly more advanced on business engagement. Public actors in Germany and the UK are more sceptical and have rarely been approached by private companies. They barely see the need for extra corporate engagement, because of a lack of functional benefits from business contributions in disaster relief operation.

**Germany**

In Germany, neither the Foreign Office nor the Federal Ministry for Economic Cooperation and Development have yet devised a comprehensive strategy towards corporate engagement in disaster response efforts. In the aftermath of the 2004 tsunami and its consequences, four public-private partnerships were set up by Germany in Indonesia in infrastructure, microfinance and education. These partnerships came into being due to good personal contacts and were not part of a systematic endeavor. Apart from these first four examples, which were coordinated by the Department for Emergency Preparedness, no business involvement in emergency assistance has been recorded. The office for emergency assistance has been approached several times, but mostly about commercial types of business engagement. In the case of a hypothetical pro bono business offer, it would have to meet the same criteria as any other project proposals.

**United Kingdom**

In Great Britain there is no official policy on the involvement of business actors in non-commercial disaster relief. However, there are a number of standing arrangements with business actors, such as heavy lift air transport or private protection in conflict areas. In these
instances, business actors engage with the intention of making a direct profit. A partnership approach is only followed in connection with multilateral organizations and NGOs. In the case of a business inquiry in the field of traditional humanitarian assistance, the Department for International Development would follow a pragmatic approach, deciding on a case by case basis whether the offered products or services would be of any help in a given situation. These examples are rare and no policy has been established. In general, no systemic business involvement approach in disaster relief has been introduced.

**United States of America**

USAID introduced the Global Development Alliance in 2001. As part of its business model for public-private partnership, the alliance focuses on leveraging private sector resources in traditional fields such as infrastructure and environmental protection, and also in natural disasters and complex emergencies. USAID recognized quite early that partnering with the private sector leverages new and significant resources that can increase the impact of its operations. In the beginning, cooperation with companies occurred separately from USAID’s core programs. Since then, private sector involvement has gradually become integral, although it is still far from being considered a mainstream approach. Currently, the alliance is attempting to devise a systemic approach following the experiences in the 2004 tsunami, the 2005 South Asia earthquake and the 2008 China earthquake. In all of these events, the alliance collaborated with dozens of private partners to raise money, and make use of the core competencies (various goods and services) of private companies. Interestingly enough, USAID has set up mechanisms and has experience in many different phases of natural disasters, such as preparedness, acute response, recovery, reconstruction, etc.

**European Commission and European Union**

The EU has so far remained hesitant about the role of business in disaster relief efforts. The EU office in charge of humanitarian aid, DG ECHO, only engages with actors who pursue a non-profit aim. As a result, the EU has cooperated only with civil society organizations and international organizations such as the United Nations. However, DG ECHO stated recently in a strategy paper that it will continue its reflection on the role of the private sector in humanitarian aid, hinting that it does not rule out business participation in humanitarian aid completely. In addition to victim support response to sudden-onset natural disasters (by applying the fast track primary emergency procedure within 24–48 hours, established in 2001), ECHO has so far concentrated its efforts on disaster preparedness. Moreover, the EU

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61 DFID offers a number of funding schemes for not-for-profit organizations and the private sector. http://www.dfid.gov.uk/funding/.
64 Telephone interview with USAID representative, November 2008.
has examined its actors engaged in disaster relief efforts. A study by ECHO outlines the different approaches taken so far. ECHO’s core mandate, as well as DG RELEX (European Commission’s External Relations Department) and DG Development efforts, concludes that the “overall picture can be described as piecemeal, ad-hoc, and partly overlapping.”

Moreover, the EU is highly interested in improving and scaling up cooperation with its main humanitarian partners, the non-government organizations. They decided to assist civil society organizations by strengthening their response management capacity and accountability mechanisms. In a number of official documents the EU stresses that a number of EU projects are carried out either by non-governmental organization or specialized United Nations agencies, such as UNICEF, OCHA, WHO and WFP and local NGOs and authorities, with no particular mention of business as a potential strength in disaster relief efforts. Many of these organizations work with the private sector themselves, and can assist both in the delivery of aid and in the EU’s efforts to strengthen their main partners response capacity. However, only time will tell if the EU changes its position on the role of the private sector.

Future Potential for Non-Commercial Business Engagement in Disaster Relief

In general, corporations on both sides of the Atlantic do not regard themselves as the key actors to address hardship and mitigate suffering in disaster relief operations. However, there are a number of situations where companies can make significant contributions, particularly in times of reduced official development assistance rates in OECD countries. The most recently published numbers of the OECD in early December 2008 show that the total official development assistance of all OECD countries is decreasing. Looking at the 2007 figures, only a few countries, such as the EU and Germany, have slightly increased their official development assistance (ODA).

The statements made by government representatives at the “Follow up International Conference on Financing for Development” in Doha, Qatar in 2008 echo severe scepticism about whether the current financial crises have had more of an effect on development aid than expected. Keeping in mind that all preceding financial crises had strong negative repercussions on OECD countries’ willingness to keep the same assistance levels in the short-term or make new commitments in the mid and long-term, it is too early to tell if the current crises will have greater or lesser effects than previous ones on aid flows.

Despite decreasing aid flows and continuous criticism of transnational companies in general, companies are considered ‘natural’ candidates to contribute to humanitarian assistance. Critical issues that will determine the future engagement of corporations in disaster relief

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63 The outcome documents include a strong call to meet existing commitments; however observers remain very suspicious whether OECD countries follow up their words with deeds. http://daccessdds.un.org/doc/UNDOC/GEN/N08/630/55/PDF/N0863055.pdf?OpenElement.
efforts will be discussed here before several recommendations, both general and specific, are put forward to foster business engagement in disaster relief efforts.

**Linking Philanthropy and Corporate Social Responsibility**

On the whole, companies still primarily consider themselves as profit-making entities. They do not want to be regarded as ‘political’ actors who may carry the burden and risk of public actors and burden their business activities with social and environmental responsibilities. Companies instead prefer a “pick and choose” strategy with regard to their social responsibility efforts. They prefer to decide on their own when they think it is suitable or in their interest to participate in philanthropic or corporate social responsibility activities. Following classic corporate social responsibility approaches, such as Archie Carroll's pyramid of social responsibility, ethical and philanthropic considerations are the least important of all companies’ needs.⁶⁴

Traditionally, if economic and legal responsibilities are met, companies will think about what is right, just and fair or whether they can act as good corporate citizens. Analysis of corporate contributions to disaster response situations, however, has shown that this classic differentiation has changed. In situations after natural disasters, companies have realized that economic, ethical and philanthropic responsibilities overlap. Although the major part of this study has focused on non-commercial aspects of business engagement, it would be naïve to analyze business activities without looking at possible direct and indirect links to corporate economic interests in the mid- to long-term. Whereas previously companies mainly restricted their business engagement in humanitarian assistance to monetary donations or to release employees from work, more recently they also made use of their core competencies, and made goods and services available.

This differentiation goes back to the classic distinction between how money is made (core competencies) and how money is spent (traditional philanthropy). In the past, corporate contributions to humanitarian aid, such as donations, have rested on an ethical argument. As a side effect the public image of a company is raised, thereby increasing intangible assets of a company (e.g. a company would be regarded as an attractive employer) and as such spending money on these endeavors made good business sense. Now, the overall situation has changed somewhat: although some companies still separate philanthropic and core business activities,

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the dividing line is blurring and economic aspects have gained prominence in traditionally philanthropic endeavors. Companies still want primarily to help, but if possible, also to increase their intangible assets, such as brand reputation; allow their employees to gain new skills by working in difficult environments; and establish or lay the basis for new sales and market opportunities.

The three company case studies introduced here involve companies that have not only engaged in philanthropy but have increasingly offered their core competencies, such as logistical infrastructure, beverages or software, and so have blurred the lines between straight philanthropic engagement and economic interests.

**Beyond Corporate Donations: Application of Core Competencies**

Because not all companies have products and services needed in disaster response situations, the number of companies that can employ their core competencies are few, and most companies’ involvement in disaster relief efforts is limited to cash donations. Interviews with donors and civil society organizations have shown that companies so far have only rarely offered their core competencies to humanitarian aid operations, and if they did so they had commercial intents. In these instances the companies usually had a product portfolio that met traditional humanitarian assistance demands, such as portable shelters or water treatment plants.

The Coca-Cola, Deutsche Post World Net and Microsoft examples offer evidence that business can make valuable contributions to humanitarian aid operations. So far, companies have (in a non-commercial fashion) either cooperated with civil society operations or UN programs and agencies, but not with national donors, such as the UK, Germany or the U.S. These examples have been mostly supply-driven, focusing on the products and services available in a company, tailored to the particular needs of the particular disaster situation.

**Business Engagement and the Humanitarian Principles**

It remains controversial whether business engagement in humanitarian assistance can meet fundamental humanitarian principles, as there is always an implicit business incentive. The presence of a business objective alone would violate the humanitarian principle of independence, which stresses “the autonomy of humanitarian objectives from political, economic, military or other objectives.” However, business contributions to humanitarian aid can meet most humanitarian principles, if they are properly carried out and monitored by the partners of a project. Working in cooperation with the UN or civil society organizations that have a strong understanding of and commitment to the humanitarian principles should guarantee that the basic requirements of humanity, neutrality and impartiality are at least practically met.

In light of an increase in natural disasters and decreasing official development assistance, it is questionable whether the voluntary, free-of-charge offers of companies can and should be turned down on the grounds that there may be a hidden business agenda. If business contri-
butions are adequately monitored, they can constitute a useful supplement to public and civil society strategies and actions. At first glance, corporate cash donations are less problematic than volunteering offers or other products and services of companies, yet a closer look reveals that companies might offer solution packages that are more sophisticated and to some degree more efficiently organized than those carried out by non-profit organizations. In general, it has to be kept in mind that while the end does not justify any means, the victims of a natural disaster are entitled to every type of adequate help.

In the three natural disasters covered here, the core humanitarian principles—with the partial exception of independence—were adhered to. Companies did not deliberately violate the principle of humanity, and remained impartial in absolute terms. However, a closer look reveals that business engagement was partially dependent on a home region and local presence effect. In those regions close to home (e.g. Microsoft’s and Coca-Cola’s NCBE’s engagement in Hurricane Katrina) and those that occur in regions where a corporation’s own business activities figure prominently (e.g. all three companies’ NCBE in Myanmar and China), companies made disproportionate decisions not whether to engage but to what degree they should get engaged, in a manner very similar to a country’s political deliberations. In other words, while the actual aid given on the ground was principled, the decisions about how much to give and was clearly unbalanced and thus not impartial.

**Donor and Civil Society Concerns**

As discussed above, donors and civil society organizations have, at times, claimed that companies are at times not willing to commit to long-term arrangements, instead deciding on a case-by-case basis whether and to what degree they become involved in a disaster relief operation. Depending on the region and country where the disaster takes place, and on the business rationale, companies, like states, may be more or less willing to engage.

Business is traditionally criticized for not being sufficiently prepared to engage in humanitarian aid operations. It is argued that humanitarian operations are different from regular business operations in that they call for additional skills and specialized training. Emergency situations in the aftermath of a natural disaster require special skills, such as psychological preparedness and knowledge about the humanitarian aid realm.

Non-profit actors are concerned that business actors may not adequately draw on local actors and resources. Public donors and civil society organizations criticize business actors for not being interested in sustainable and scalable solutions. Very often business actors do not think about replicating applied approaches. Owing to a prevalent business rationale, corporations are accused of not being interested in enabling local actors to cope with the next humanitarian crises, or in local capacity building.

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67 The OECD statistics show that member states set different emphases in different countries according to their political priorities, for example the U.S. has focused its humanitarian aid on Iraq, Nigeria and Cameroon, whereas the UK focused on Nigeria, India and Afghanistan. Source: [http://www.oecd.org/document/9/0,3343,en_2649_34485_1893129_1_1_1,00.html](http://www.oecd.org/document/9/0,3343,en_2649_34485_1893129_1_1_1,00.html).
The case studies (particularly Deutsche Post World Net’s Disaster Response Teams that are specially trained and prepared; and Microsoft’s provision of IT networks that are installed in close cooperation with civil society organizations) prove that the general criticism that corporations are not interested in sustainable approaches can be partly negated. Coca-Cola has started shifting its approach, not only providing bottled water but lately also engaging in water supply and public sanitation programs. It does have to be kept in mind that these selected positive cases cannot be generalized, and that in different phases of a natural disaster different contributions are needed. At times ad hoc, unsustainable help might be the most appropriate instrument.

**Effectiveness and Accountability**

It is difficult to disentangle the potential costs and benefits for either type of non-commercial business engagement, not the least because corporations only make transparent the value of cash donations and hardly make any detailed comments on estimations about the disposition of personnel and infrastructure, preferring to stress the ethics of acting as corporate citizens. Companies put out press releases in which they describe their practical actions, but they rarely measure them. They rarely set specific targets for their philanthropic engagement in disaster relief operations and they are very hesitant to make any statement on their performance, whether positive or negative. As a result, they cannot be held accountable for any negative developments. With this lack of transparency corporations run the risk of attracting public criticism. All three case study companies have made their contributions public in a quite transparent manner. However, none of them reported on the degree of impact that their non-commercial business engagement had on the ground.

**Complex Emergencies: Business, Natural Disaster and Conflict**

Overall, natural disasters seem to have nothing in common with conflict zones. However, quite often a country or region turns into a conflict zone after a natural disaster. In the aftermath of a natural disaster, different types of goods and services are required than in conflict zones. Companies that are familiar with engagement in zones of conflict might be very well-prepared and experienced in providing advice in disaster relief operations. During or after a natural disaster in a conflict zone, it is very complicated for companies to do business, i.e. stimulate growth and development, and to remain neutral and impartial. In the past, businesses have rarely actively engaged in disaster relief efforts when a natural disaster has occurred in a conflict zone as they did not want to be regarded as taking sides with either party to the conflict. However, companies in conflict zones are increasing governance contributions, beyond their regular commercial activities such as contributing to political order by fighting corruption or enhancing transparency. Businesses also engage in establishing environmental standards, community development or equal distribution of economic goods.

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69 [http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1,00.html.](http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1,00.html).

70 Ibid.
Although all three case study companies did not directly engage in conflict areas, the politically sensitive situations in Myanmar and China showed that business actors can be regarded as impartial, because their efforts originate from the companies main headquarters or because they cooperate with both parties in the conflict.

On the whole, donors and civil society organizations alike are concerned that the supply-driven, efficiency-based approach by business could dominate the needs-based approach of traditional humanitarian actors. If businesses do not take into account that the situation on the ground determines what is needed in terms of humanitarian assistance, their non-profit counterparts will remain sceptical about whether business contributions can be a predictable and valuable add-on or instead considered a volatile, unsteady, ad hoc contribution to humanitarian assistance.

Conclusions and Policy Recommendations

As evidenced from the analysis of donor and civil society organizations engagements with businesses, it takes substantial time, effort, and patience to nurture and care for these new types of cooperation in humanitarian assistance.

When a partnership is established, it takes additional time and effort to manage and ensure it meets the obligations agreed on in the partnership agreement. For these reasons substantial preparations should be made before a natural disaster takes place. Only with a solid common understanding about what can be done, and the establishment of thorough and elaborate arrangements before a disaster occurs can mutually beneficial working relationships between all parties be guaranteed.

Based on this premise, there are two sets of recommendations: The first set of recommendations involves a general engagement framework that lays out the responsibility of corporations and describes the possibilities and limitations of non-commercial business engagement in disaster relief operations. The second set of recommendations looks at more detailed measures that should ensure smooth cooperation between donors, civil society organizations and businesses when a natural disaster occurs. Together, they should allow for more efficient and effective humanitarian assistance in the aftermath of natural disasters.

Common Frameworks

Establish a Standing Multi-Stakeholder Committee on Humanitarian Assistance

Procedures have to be set up that facilitate the effective and efficient channelling of corporate funds, goods and services to the benefit of the people in need in the aftermath of a natural disaster. Based on the finding that most non-profit and profit actors do not know each other and are simply overworked in times of natural disasters, a stakeholder committee and a contact point should be set up. This committee should consist of all relevant parties (business representatives, civil society representatives, donor representatives, plus other experts). In regular working meetings, workshops, etc., best practice and lessons learnt about past natural disasters
will be exchanged, discussing, among other things, the pros and cons of business involvement. The debate on business involvement should not be restricted to monetary donations, but should also focus on core competencies of companies, including goods and services needed in the aftermath of natural disasters. Once such a committee was established it could oversee and support the other recommendations here.

Create a Business-Donor Consensus on Humanitarian Assistance

A common framework for non-commercial business engagement in disaster relief operations should be devised to define common objectives and outline suitable business interpretations of fundamental humanitarian principles. Because there is a thin line between commercial and non-commercial business engagement, it has to be clear from the outset to all involved parties what are the main guiding principles for corporate engagement, and how “good humanitarian donorship” is defined for corporations in situations of natural disasters. At best, donors, business and civil society organizations should meet on an annual basis to discuss pertinent issues before natural disasters take place. After a screening of potential corporate partners, donors should invite them to an open brainstorming exercise with the goal of reaching a general consensus on modes of engagement.

Ensure Policy Coherence in Natural Disaster Response

Public actors, such as international organizations and governments, should seek to build synergies among their various institutions involved in the area of disaster relief, in line with the LRRD (linking relief, rehabilitation and development) approach. Business engagement in disaster response constitutes a cross-cutting issue that includes many different public actors with varying expertise on the inclusion of corporate actors. Public actors, such as the EU, should therefore mainstream disaster preparedness in their development programs in order to make disaster response more effective and close the gap between humanitarian assistance, development aid and corporate engagement. Humanitarian assistance and natural disasters could be established as a separate policy area covered in the EU Report on Policy Coherence for Development. This inclusion would be an excellent instrument to review progress achieved, to promote debate on the inclusion of business engagement in disaster relief, and to establish a meaningful division of labor between public and private actors.

Detailed Measures

Business Contributions at Different Phases of Preparedness and Response

For each phase of a natural disaster (preparedness/acute response/ recovery/ reconstruction) a list of potential corporate contributions should be compiled. In times of emergency all parties should have a basic knowledge about appropriate contributions and possible types of cooperation in each phase of disaster preparedness and response. Sometimes monetary donations are more appropriate than delegation of corporate staff. In other situations particular products
and services might be more appropriate than monetary support. A stock-taking and mapping exercise of potential corporate contributions would be helpful in evaluating which companies might be of added value in a given emergency situation.

A directory of potential business, civil society and donor partners could be set up through a contact point which could facilitate the matching of actors to provide expertise, monetary funds, products and services. A collaborative approach would enhance the overall effectiveness of the implementation of humanitarian assistance on the ground.

*Application-Oriented Training of Corporations in Humanitarian Assistance*

Business actors should become more acquainted with the demands of implementing humanitarian assistance, so that they are aware of particular challenges in the aftermath of natural disasters, and of the difference between humanitarian assistance and regular business transactions. Actors who have participated in partnerships involving corporate actors state that it takes time to set up disaster relief procedures and intensive effort to keep a system running. Collaborative training of traditional humanitarian aid actors and business actors could reduce transaction costs during collaborative disaster relief operations, thus improve the effectiveness of a project. In general, a better understanding of the different logics of action (humanitarian vs. business rationales) could improve needs assessments before an operation as well as the humanitarian efforts on the ground.

*Evaluation of Donor-Business Partnerships*

Whether collaborative donor-business (civil society) operations in disaster relief have been successful and to what degree different stakeholder groups have been involved in the implementation process need to be examined. The establishment of a total quality management approach would enable all actors to discern under which circumstances partnership provided good outcomes. To this end, analogous to the OECD Paris Declaration on aid effectiveness, a practical action-orientated roadmap to improve the quality of aid and its impact on development should be set up. As the examples have shown, the inclusion of corporations is not only input-driven but must also comply with basic requirements of aid effectiveness, relevance, effectiveness, efficiency, development-sensitive effects and sustainability. In addition, partnerships with business should aim to meet the criteria of coherence, complementarity and coordination.

All involved actors must overcome common stereotypes and clichés about each other in order to be able to tap the full potential of non-commercial business engagement in humanitarian assistance. Even being aware that corporations require a business case to be involved, there are multifaceted possibilities of devising win-win situations. So far, misunderstandings of organizational culture, based on a lack of knowledge or singular negative experience, have precluded the possibility of successful partnerships with mutual benefits. It also needs to be stressed that in most circumstances, apart from cash donations and matching funds, the num-

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71 Ibid.

ber and type of potential business partners in disaster response is very limited due to the specific requirements on the ground. Companies in the field of transportation, communication, medicine, construction, etc. are more suited than others because they offer important disaster relief products and services. As shown in the empirical illustrations, donor-business and business-civil society partnerships offer enormous win-win potential. Clear guidelines set up before a natural disaster takes place will guarantee that no involved actor takes unilateral advantage of the other.

Traditional government and civil society actors in development and humanitarian assistance should be aware that there will always be two unequal drivers for companies to engage in development and humanitarian assistance: a potential business case in the near or far future; and general ethical considerations that will eventually be reflected in the corporate strategy. Appropriate accountability measures should guarantee that ethical considerations dominate or at least balance the business case. For these reasons, the EU and other public donors should acknowledge that those actors with the greatest capacity to act have the greatest ability and should be encouraged to do so. The EU and other public actors as well as civil society organizations should therefore actively welcome and promote the engagement of business actors in order to tap their full potential in disaster relief operations to the benefit of the people in need.