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Capitalizing on Catastrophe

Neoliberal Strategies in Disaster Reconstruction

EDITED BY
Nandini Gunewardena and Mark Schuller

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The genesis of this project lies in our immediate connections to two separate but surprisingly similar sets of tragic circumstances—Mark Schuller’s two years of bearing witness to the political and social collapse of Haiti, and Nandini Gunewardena’s immersion in the events following the 2004 Indian Ocean tsunami on Sri Lanka, a country already ravaged by three decades of conflict. While these discrete events tugged at us emotionally and intellectually, it was Naomi Klein’s article on “disaster capitalism” first published in May 2005 in The Nation that led eventually to the present volume. As applied anthropologists whose primary areas of concern and engagement are shared between the United States and marginalized communities in the global South, we immediately recognized the term’s usefulness to describe the lived realities and experiences shared across the North and South.

This project solidified and grew out of a panel we organized at the 2006 Society for Applied Anthropology (SfAA) meetings in Vancouver, Canada. Schuller’s call for papers brought Gunewardena and many of the chapter contributors together as a group who felt strongly about the urgency of highlighting the issues related to problematic disaster assistance and recovery strategies. One of the discussants in the panel, Susan Stonich, a long-term social justice advocate and disaster scholar, emphasized the need to elucidate the ethnographic details and provide rigorous analysis of Klein’s concept of disaster capitalism. As scholars who considered ourselves practitioners too, we were keen to bring together a collection of case studies that would not only highlight the unpalatable consequences of neoliberal approaches to disaster recovery, but also serve as a call to action—for scholars, activists, and policy makers alike. Subsequently, through a diligent search, we identified several other scholars and practitioners documenting the deplorable disaster recovery strategies spelled out by neoliberal economic formulas.

We have been inspired by the passionate advocacy of global justice activists such as Vandana Shiva and Arundhati Roy who have amply documented the
many faces of treachery in global capital's undaunted advances to plunder every imaginable resource on earth. We have found encouragement in the analytical frameworks of Amartya Sen, Paolo Freire, and bell hooks for understanding forces that shape deprivation, social exclusion, and oppression. We are indebted to the foundational knowledge laid by long-term disaster scholars such as Tony Oliver-Smith, Barbara Rose Johnston, Linda Whiteford, Ben Wisner, Mark Duffield, Joanna Macrae, Thayer Scudder, and Michael Cernea, who have made vital theoretical contributions deepening the knowledge base on the interaction between natural forces, human agency, and catastrophic events. We honor the spirit of the United Nations agencies and the many guiding principles and conventions they uphold that form the basis for protecting and ensuring human security to vulnerable populations. We also acknowledge the frontline efforts on behalf of the latter across the globe undertaken by agencies such as Médecins Sans Frontières (Doctors Without Borders), Amnesty International, Refugees International, and the many grassroots disaster activist groups who participated in the World Conference on Disaster Reduction in January 2005 in Kobe, Japan, for calling attention to the atrocities and for advocacy on behalf of vulnerable populations.
In April 2007 the Better World Campaign organized a petition to encourage the United States to pay more for UN peacekeeping operations. Its key slogan: “Peace. It’s cheaper than war.” That is one of peace’s difficulties. Peacekeeping is less profitable than war and war’s institutions. Similarly, normality—a prevented disaster—is cheaper than calamity, but the failure to prevent disaster may present opportunities for making money.

That disaster reveals the hidden power relations of a society has long been known. Power inequities are typically accentuated in all stages of disaster, from prevention and insurance, through protection and evacuation at the height of crisis, to relief and rehabilitation. Disasters with proximate causes that are natural events (an awkward phraseology intended to avoid the perils of labeling any calamity as “natural”) strike disproportionately in locations with poor infrastructure and where people are poor and politically marginal. Entirely man-made disasters such as wars display even greater spatial and political bias.

A sudden-onset disaster at its moment of impact may be a great leveler. The 2004 Indian Ocean tsunami drowned affluent tourists alongside impecunious fishermen. The terrorist crime of September 11, 2001, killed stockbrokers alongside janitors. In a few cases, the wealthy may be more at risk: wildfires in the United States and Australia burn opulent suburban homes more often than low-income housing. But after a few moments, inequities are resurgent. Just as the Titanic’s stewards locked the doors to steerage while first-class passengers climbed into the lifeboats, those who are richer, more educated, better-connected, white, and male are the first to escape or get assistance. As time progresses, the advantaged get more—their insurance claims are processed more quickly, they are eligible for more forms of state benefit, and they are better placed to take up their entitlements. The disadvantaged find themselves speechless and spoken for, at the end of the line for assistance and rehabilitation. Calamity accentuates the preexisting gradients of inequity.
Disaster also has a more insidious disempowering effect: the narrative of calamity reduces its survivors to the status of victims in need of succor and, by the same token, elevates external agents to the role of saviors. Industry standards and moral codes are typically relaxed on the pretext of urgency of need. Later on in the story, when profligacy, inefficiency, and profiteering are revealed, the public response is to be scandalized by the immorality of those who failed to play the woned role of dedicated altruist. Both the “failures” and the outrage are equally predictable, and the “failures” typically remain undressed because for powerful interests they are not failures at all.

A second major finding of social science inquiry, which has emerged over the last quarter of a century, is that the institutional arrangements for disaster prevention and response serve the needs of governments and international institutions more than those directly affected by calamity. In the spirit of Michel Foucault and echoing the frameworks of Edward Clay and Bernard Schaffer, a growing number of studies have demonstrated the functionality of failures in disaster prevention and response. Institutions and the associated elites are sustained, and their technical monitoring and surveillance activities expand governmental function. Inspecting new buildings to ensure they comply with regulations, monitoring migrants for infectious diseases at national borders, and even as mundane an activity as monitoring rainfall and crop production give the state and its agents ever greater power over citizens and would-be citizens.

When they strike, disasters further provide opportunities for extending administration and control into the lives of people. Whenever a community is “reconstructed” after a disaster, it is a chance for a bureaucracy to register people and bring them more directly into its embrace. A town rebuilt after an earthquake or flood is typically more ordered and sanitary than its predecessor and its residents more rigorously enumerated. The control of infectious disease has been a major battleground between state and citizen, with governments seeking to exercise coercive powers to control not only pathogens but their human vectors, and individuals and activist organizations struggling to ensure that health policy does not contradict basic human rights. In the case of AIDS, the human rights approach scored a notable victory, but for diseases that spread more rapidly and that can be unknowingly transmitted, such as SARS and extremely drug-resistant TB, the sanitationist and quarantinist tradition of public health has won out. These control measures may not be efficient at halting an epidemic, but they are effective at strengthening the administration of public health.

Extant forms of disaster governance perform ideological functions. Kenneth Hewitt (1983) described how Western societies developed “citadels of expertise” remote from the lives of ordinary people to “quarantine” disaster and deal
with it, as an "archipelago of isolated misfortunes" rather than as an extension of social and economic relations that pervade everyday life. We overlook the ways in which disaster preparedness, prevention, relief, and recovery—all words loaded with semisubmerged moral values—are in fact mechanisms of disaster management whereby calamities are not, in fact, prepared for, prevented, relieved, or recovered from, but are handled in such a way that they pose the minimum political threat to governments. This allows our cities to be deliberately forgetful of disaster—New Orleans before Hurricane Katrina was a case in point—and for vast tracts of semiarid land, inappropriate for human settlement because of scarcity of water, to be developed as Sunbelt retirement communities.

Hewitt questioned the sensitivity of state institutions to the needs of people who suffer disaster. He wrote at a time when the standing of the civil servant-expert was still high and an ethos of public service supposedly determined disaster response. A benevolent state was assumed, at least as an ideal. In the intervening decades, the primacy of formal public institutions in disaster response has been challenged both by nongovernmental humanitarians and by a resurgent private sector, which in their different ways have eclipsed the principle that citizens qua citizens are entitled to protection, relief, and restitution in the event of disaster. The commercial sector, having challenged the concept of the benevolent state, has further challenged the reality of the capable state.

*Capitalizing on Catastrophe* takes this story and this analysis forward with its focus on the role of the business sector in disaster recovery. The motive for the private sector in disaster response and reconstruction is simple: there are profits to be made. When dealing with public institutions, subtle analysis is needed to show how these institutions perpetuate their own interests rather than their clients'. The private sector functions in a much more straightforward way, but it is as important as the state sector, and its importance is growing. It is growing both because the number of disasters is growing and because the role of the private sector in those disasters is growing too. Disaster capitalism is certain to be a feature of the immediate future.

Overwhelmingly, the profits to be made from disaster capitalism are in the contracts that are available for rehabilitation and reconstruction. Most of the contracts are issued by governments, often with normal tendering processes short-circuited, giving immense opportunities for windfall profits. There is also money to be made in early-warning and prevention systems, and indirectly through the chance for positive media exposure when a corporation can be presented as acting selflessly in the public interest. The contributions to *Capitalizing on Catastrophe* document how these profits are made, and how this is usually detrimental to the rights and interests of those affected by disaster.
In developed nations such as the United States, basic human security tasks are hived off from government—which is, in principle at least, accountable to its electorate and taxpayers—to corporations. At moments of disaster, the shackles of popular accountability that constrain government are further loosened, and the common interests of government and corporations emerge. The details that are emerging from the aftermath of Hurricane Katrina demonstrate that for many residents of New Orleans and the Gulf Coast the storm itself was only the harbinger of a greater disaster, the wholesale transformation of the region in the interests of real estate developers and the tourism industry. Municipal and state governments have been ready to play along with grandiose schemes for the selective redesign of the affected region. The media narrative of the calamity stigmatized many of the worst-affected poor people, creating a largely imaginary secondary calamity of looting and lawlessness. The “order” that is being restored is not the genuine and underreported grassroots initiatives of community solidarity, but a blueprint of gentrification and commercialization.

In developing countries, the constellation of players and interests is different, but the pattern of power relations and outcomes is depressingly similar. The barrier of sovereignty, already much eroded by its abuse by authoritarian governments and the intrusion of Western commercial and military interests, is further lowered during disaster and its aftermath. Philanthropic imperialism flourished in the nineteenth century, whereby colonial powers used both acute disasters such as famines and systemic atrocities such as slavery as the pretexts for intervening and controlling foreign lands. In the twentieth century, disaster relief was likewise the opportunity for levering open the cracks in the walls of national sovereignty erected by newly independent nations. Today, transnational corporations have picked up where their colonial-era forbears left off. Reconstruction after disaster is one more opportunity for the intrusive expansion of commercial globalization.

Analysis of calamity capitalism augments rather than displaces the state-focused approaches of earlier scholars. Two reasons for this stand out. First, the state not only sustains but expands its role in mature neoliberal capitalist economies. In the analyses and case studies that follow, public institutions perform functions necessary to facilitate private-sector activities in and after disasters. The role of government is arguably more important in disasters than in “normal” times, not least because it is government that defines the limits of “normality.” It is the state, for example, that determines the point at which insurance companies no longer need to pay out on individual claims without being themselves bailed out by the public purse. Governments declare states of emergency, provide tax breaks, issue contracts, and enforce or suspend laws and regulations, all of which are critical determinants of the private-sector role in a disaster.
A second notable continuity is the narrative framework that regards calamity as deviation. Until the mid-1990s, disaster relief institutions were mostly outside the realm of social scientific critique because their activities were seen as morally worthy and the issues they grappled with were seen as exceptional—worthy subjects for newspaper coverage and drama, not social science. Moralized discourse served as a protective bubble that provided immunity from rigorous analysis. That bubble has burst, but only on the top floor of the ivory tower. The overwhelming majority of media coverage and academic writing remains entrapped in an untheorized consensus that relief and rehabilitation are good things beyond rebuke. The terminology itself is instructive: words such as "peace" and "rehabilitation" are starred as good in the lexicon. Powerful institutions such as United Nations agencies, the World Bank, and the Federal Emergency Management Agency (FEMA) are deeply vested in these concepts. These institutions marshal much of the intellectual effort that goes into analyzing the requirements needed for relief and recovery efforts to succeed—or, a cynic might contend, be evaluated as successful. All institutions try to keep up their defenses against critical scrutiny. A moralized vocabulary may not be as good a sentry as the power of censorship, but it is still valuable enough to warrant the cost of sustaining it.

Our lexicon of calamity is still so deeply colored with moral hues that it can be extraordinarily difficult for the social scientist to ask, let alone answer, the most critical questions. While it is straightforward for a history professor to ask his or her students to write an essay on the topic "who gained most from reconstruction after the American Civil War—newly emancipated African Americans or Northern Republican capitalists?" it is almost unthinkable for a lecturer in government to ask a class to debate whether the 1 million Darfurians out of reach of international humanitarian aid might be better off than the population that is (gratefully, we suppose) receiving such assistance. Still less do we ask whether reconstruction efforts after contemporary calamities might actually be, more often than not, the "disaster after the disaster," in Mark Schuller's telling phrase.

There are exceptions. Skeptical questioning over the role of pharmaceutical manufacturers in the George W. Bush administration's policy on AIDS was aroused when Randall Tobias, former chairman, president, and CEO of Eli Lilly, a transnational drug company particularly well known for its product Prozac, was appointed as global AIDS coordinator and head of the President's Emergency Program for AIDS Relief in 2003. As this volume shows, cases such as that of Tobias are more the norm than the exception. What is unusual in Tobias's case was the level of public debate over his perceived conflict of interest, which occurred because of the stridency and high level of independence of the AIDS activists. Independent voices have an important role to play in
open societies. Far more normal is a public discourse that places disaster response within a humanitarian sphere and insulates it from the reality that the marketplace is more important.

For these reasons, Capitalizing on Catastrophe is an important exercise in scholarship. It brings the phenomenon of neoliberal disaster capitalism into sharp focus, defining the field in a theoretical and comparative manner and exploring some important case studies. This book is also an essential exercise in framing an emergent public-policy issue. One of the persistent themes in the contributions to this volume is that the role of the private sector in disaster response further disenfranchises and exploits the already poor and vulnerable people who are the principal victims of disasters. Commercial-sector disaster management is sure to rise, and the lives and livelihoods of millions of people will be profoundly affected by this industry and how it behaves.

NOTES
2. There are significant contours to this that yield unexpected discrepancies, such as the female mortality advantage during famines and the fact that flood disasters typically claim more male than female lives.
3. Unusual too was the alacrity with which Tobias stepped down when the “DC Madame,” Deborah Jeane Palfrey, revealed that he was one of her company clients, albeit for massage and fantasy rather than sex.
FRAMING THE CAPITALIZATION OF CATASTROPHES
Human security means protecting fundamental freedoms—freedoms that are the essence of life. It means protecting people from critical (severe) and pervasive (widespread) threats and situations. It means using processes that build on people’s strengths and aspirations. It means creating political, social, environmental, economic, military and cultural systems that together give people the building blocks of survival, livelihood and dignity.

—Commission on Human Security 2003:4

WHEN DISASTER ASSISTANCE THWARTS HUMAN SECURITY
Disasters can no longer be perceived as the disruptions that take place in supposedly unruly remote corners of the world where errant governments need to be shepherded into the fold of the civilizing mission of liberal humanitarianism. Simulcast coverage that gives us instantaneous access inserts us in the heart of contemporary disasters, as real-time witnesses drawn into the harrowing drama of human suffering. From the Twin Towers destruction to the Indian Ocean tsunami, the Kashmir earthquake to the devastation of Katrina, gripping images of despair and desperation are all too familiar to global audiences in the new millennium. They serve as graphic reminders of the threats to human security posed by “natural” or human-mediated catastrophes. When human security is further threatened, however, by failed or wholly inadequate disaster responses—or worse, jeopardized by the very strategies deployed in recovery—we can no longer stand aside as mere spectators. While delays in mobilizing assistance raise a quandary of conscience, recovery strategies that are implicated in contravening the basic rights, freedoms, and dignity of affected populations constitute a human rights dilemma that demands redressing. In this volume, we examine the predicament of human security denied that is evident in several disaster contexts: Afghanistan, Belize, Guatemala, Haiti, Honduras, India, Sri Lanka, and the U.S. Gulf Coast. Representative of both “natural” and human-mediated disasters, these case studies also allow us
to examine the interactions between the two—as poverty is implicated in con­
flict, working in tandem to magnify vulnerability to hazards (Lautze and 
Raven-Roberts 2006; Wisner and Walker 2005a), and when compounded by
socioeconomic marginality form breeding grounds for social unrest and con­
flict. The purpose of this volume is to highlight the secondary crisis set in mo­tion when postdisaster assistance is made to conform to the dictates of the
market, as per the prescriptions of neoliberal economic doctrine.

We use Naomi Klein’s notion of “disaster capitalism” as a springboard to
illustrate how assistance strategies rooted in neoliberal policy frameworks
channel recovery through private-corporate interests and entities (i.e., con­
sulting firms, engineering companies, and developers) more interested in
profiteering than purely humanitarian motives. As Mark Schuller, coeditor
of this volume, elaborates in chapter 2, and as the case studies in this vol­
ume document, this process is made possible through direct transfers to
private contractors and funding streams that ultimately benefit government
and UN aid agencies and international financial institutions (IFIs). Ac­
cording to Klein, this new orientation in postdisaster assistance entails a
“radical social engineering” (2005:2), as recipient governments are pres­
sured to adopt other components of neoliberal economics—such as priva­
tization, foreign direct investment, and trade liberalization—that work ultimately to the detriment of vulnerable populations. The chapters in this
collection discuss the myriad ways in which community recovery and liveli­
hood restoration are compromised by neoliberal policy frameworks and as­
sistance practices that evidence a disproportionate use of private-sector,
corporate entities.

In the continuum of postdisaster interventions, from rescue and relief to
restoration and recovery, the primary goal of humanitarian assistance is to
ease the suffering and trauma endured by affected populations as a first mea­
sure, and to ensure equitable and optimal well-being in the long term. Yet,
when free-market economic approaches serve as the guiding principles for the
formulation of disaster assistance, corporate entities rather than affected com­
munities become the main beneficiaries, as we document in this volume. We
explore this shift from “assistance” to “investments” as a predatory form of
capitalism that triggers a secondary set of disempowering consequences for af­
fected communities.

Disasters represent a multitude of dilemmas for humanitarian agencies, na­
tional and local governments, as well as affected communities. As analyses
streaming in from recent national disasters such as Hurricane Katrina inform
us, disasters bring to light the often hidden interplay of preexisting social and
economic marginalities that aggravate the vulnerabilities of those most ad­
versely affected by such calamities (Oliver-Smith 2005). In addition to the ter-
ror, grief, disorientation, and loss of loved ones, survivors face a range of daunting challenges in the aftermath of disasters. Together they thwart the "vital core of life" that constitutes human security, as displacement is compounded by dispossession, survival is compromised by the fragmentation of the social fabric, and the loss of livelihood resources culminates in social and economic disempowerment.

The chapters in the volume illustrate the exacerbated vulnerabilities endured particularly by socioeconomically marginalized populations as capital-driven assistance strategies advance corporate interests, contravening the prevailing international consensus on the urgency and primacy of humanitarian interventions in the face of catastrophic events. At a minimum, humanitarian aid is expected to follow the principle of "do no harm" (Anderson 1999). The Stockholm Declaration of 1999, the Kobe conference, and the recently adopted Hyogo Framework all outline measures beyond that—for restoring lives and livelihoods within a framework of sustainable development. Advocating for further protection, Article 8 of the Humanitarian Code of Conduct calls upon humanitarian organizations to reduce vulnerability to disasters. As a rich volume of literature has amply documented, the vulnerabilities induced and exaggerated by disasters are central concerns in prevention, responsiveness, and mitigation efforts (e.g., Colt en 2006; Fothergill, Maestas, and Darlington 1999; Wisner and Walker 2005b). However, the extent to which disaster recovery strategies might of their own accord aggravate the vulnerabilities of disaffected communities is a subject that merits further exploration, as we do in this volume.

Human security as a necessary condition for peace has been outlined in the United Nations' 1994 Human Development Report. Its absence may be gauged by the inter- and intrastate conflicts consuming four of the six world regions (Commission on Human Security 2003) at the turn of the century. Their spillover in catastrophic events like the September 11, 2001, destruction of the World Trade Center twin towers and subsequent U.S. engagement in intractable conflict situations in Afghanistan and Iraq places us at the heart of this predicament. Moreover, a 2005 report jointly authored by the Earth Institute and The World Bank indicates that 3.4 billion people live in areas at risk of natural hazards (Dilley et al. 2005). Over the past few years alone, natural disasters of hitherto unknown proportions have struck with a seemingly vicious ferocity, as we have witnessed with the 2004 Indian Ocean tsunami and the stream of hurricanes that struck the Gulf Coast region of the United States, culminating in Katrina's devastation of New Orleans in 2005. As we prepare this manuscript, news reports are streaming in of tornadoes that have destroyed parts of Alabama, killing many and wounding others. Accountable and transparent disaster responsiveness, prevention, and mitigation efforts
have thus become crucial concerns for contemporary times, particularly from the framework of assuring human security.

CONCEPTUALIZING DISASTER
The body of scholarly literature generated over the past three decades on the subject of disasters generally focuses on three general issues: (a) causality (i.e., “trigger” events and sociocultural contexts); (b) responses (i.e., individual, psychological, and physical trauma, community resilience and coping strategies, NGO mobilization for reconstruction, humanitarian assistance, and policy interventions); and (c) consequences (livelihood loss, displacement, economic marginality, and political consequences). Causality studies have increasingly shifted away from a sole emphasis on external natural events to examine “root” causes of vulnerability that place marginal populations at risk, and they have helped reveal multiple underlying factors that influence and exacerbate the impact of disasters (Bolin and Stanford 1998; de Waal 1997; Hewitt 1997). The literature on consequences documents the devastating effects of disasters, including the disproportionate human costs borne by more vulnerable populations (Dyer and McGoodwin 1999; Fothergill, Maestas, and Darlington 1999; Rajan 2002). The literature on the range of responses (individual, community, and institutional) has deepened our knowledge of the trauma and disruption common in disaster situations (Dyer 1999; Hoffman 1999b; Oliver-Smith 1999a), resilience and coping by affected communities (Nah and Bunnell 2005; Shaw and Goda 2004; Harrald 2006), and the numerous assistance strategies deployed by national governments, NGOs, humanitarian agencies, and the donor community (Atmar 2001; Dyer 1999; Mitchell 2006; Olsen, Carstensen, and Hoyen 2003).

The anthropological literature on disasters has long moved away from conceptualizing disasters solely as acts of nature, and a concern with tracing the interactions between human behaviors and natural events is now commonplace (Hewitt 1983; Oliver-Smith 1986; Emel and Peet 1989; and Blaikie et al. 1994). Political economy approaches to disaster generated in the 1970s (Meillasoux 1973; Baird et al. 1976) emphasized the inequitable power relationships between the developed and developing world that propelled processes of impoverishment, exacerbating the vulnerabilities of marginal populations in the global South. In an effort to overcome the determinism implicated in these arguments, Blaikie and others put forward the pressure and release model (PAR) as illustrative of “the intersection of two opposing forces: those processes generating vulnerability on one side, and physical exposure to a hazard on the other” (Blaikie et al. 1994:22). This model identifies the interaction between root causes (i.e., economic, demographic and political processes), and dynamic pressures (defined as processes and activities that “translate” the effects
of root causes into the vulnerability of unsafe conditions), enabling an inter-
sectional approach to vulnerability, as clarified by Oliver-Smith:

This more complex understanding of vulnerability enables researchers to con-
ceptualize how social systems generate the conditions that place different kinds
of people, often differentiated along axes of class, race, ethnicity, gender, or age,
at different levels of risk from the same hazard and suffering from the same
event. (Oliver-Smith 2006:3)

While these works provide much-needed documentation on the myriad as-
pects of disaster contexts, the manner in which recovery initiatives themselves
may often induce vulnerability and compromise human security remains un-
derexplored. This lack of interrogation of the ideological and policy orienta-
tions that shape disaster assistance may be construed as a prima facie
acceptance of neoliberal policies and practices. Harvey (2005), for example,
discusses the “creation, management and manipulation” of financial crises
(2005:162) in his critique of neoliberalism. We suggest that the national crises
generated by disasters may also be used to orchestrate the secondary fiscal
crisis that governing bodies in affected states have to contend with. The World
Bank’s resort to Poverty Reduction Support Credits (PRSCs) serves as an
ideal illustration of such a process. An abundant volume of scholarly literature
has documented how PRSCs compromise the quality of life and human secu-
rity, particularly for marginalized groups in the global South. Prescribing
PRSCs in crisis situations induced by disasters can only be read as an en-
croachment on geopolitically and economically marginalized terrain.

CRITIQUING NEOLIBERAL APPROACHES TO DISASTER RECOVERY
Neoliberal disaster recovery strategies rest on the same ideological convic-
tions that shape mainstream approaches to development. The efficacy of the
market in resolving presumed economic inefficiencies and governance prob-
lems and macroeconomic growth as the route to poverty reduction form the
cornerstones of these recipes. They prescribe one or more of the ingredients
of the so-called Washington Consensus—privatization, liberalization, and fiscal
austerity as the ideal remedy. Yet, an emerging body of literature has analyzed
how the indiscriminant application of market principles (see, for example, Ap-
pelbaum and Robinson 2005; Duffield 2001; McMichael 1996; Robinson 2004)
has compromised the purported gains of development (Stiglitz 2002; Portes
2000). World-renowned physicist and global justice activist Vandana Shiva
(1988, 2005) has long critiqued the adverse and often devastating consequences
of neoliberal orthodoxy in developing contexts. Her work has carefully docu-
mented the unsustainability of commodifying natural resources that leads in-
evitably to the commodification of social relations. Leading economists such as
Stiglitz (2002) have illustrated the uneven gains of rapid privatization, even under ordinary circumstances. Furthermore, the numerous examples of private corporations resorting to profiteering in the face of poverty (e.g., Bechtel’s imposition of water tariffs in Cochabamba, Bolivia) contravene the trickle-down benefits of privatization. The advocacy of such an injudicious strategy as entrusting private firms with the task of restoration and recovery in situations where societies are thrown into upheaval by catastrophic events calls us to interrogate the ethical breaches in neoliberal approaches to disaster recovery. Moreover, the formula of contracting self-interested corporations (often beyond the purview of political or social accountability) to undertake recovery obfuscates the exercise of power inherent in bypassing local communities, the nation-state, and national authorities. In effect, then, the capitalization of disaster recovery counters its representation as an exercise of benevolence, revealing its greater role in legitimizing a hegemonic global order. Humanitarian aid, as a modern, liberal enterprise fraught with paternalistic overtones, is culpable of reifying colonialist power relations, given the juxtaposition of donor and recipient parties in its operation. Its cooptation by aid agencies adhering exclusively to neoliberal economic doctrine has only reaped the deeply disconcerting social and economic polarization seen in disaster contexts. Disaster assistance and recovery, we suggest, is not merely a search and rescue mission. It should be grounded rather in an interrogation of the complex intertwining of power, rights, and justice with the objective of ensuring human security beyond mere survival.

"THE SKY IS FALLING": CHICKEN LITTLE’S DILEMMA AND HOW TO SALVAGE THE COMMONS

Disasters inevitably thwart the human security embodied in the commons, much like the dilemma faced by Chicken Little in the children’s tale. The misappropriation of the commons by subjecting it to private gain in disaster recovery efforts makes the dire prediction raised by Chicken Little more than imaginary. Even though this story is a moral caution against alarmist claims, Chicken Little’s confidence in the King and Queen’s ability to resolve the problem of the sky falling hints at our collective understandings of the role vested in public authorities in safeguarding and restoring the commons. In a neoliberal era, however, public authorities find their role in salvaging the commons increasingly compromised by global corporations and international financial institutions. Disaster assistance and recovery strategies couched in neoliberal rhetoric in effect entail a dispossession of the commons because they marketize the commons as the primary recovery strategy, as several chapters carefully illustrate. It is this commodification of the commons that ultimately erodes the assurance of human security.

NANDINI GUNEWARDENA
Ensuring human security in disaster recovery requires several practices and policy frameworks. To begin with, which entity in a neoliberal era can be entrusted with safeguarding the commons? Many scholars and activists, including Shiva (1997, 2005), are increasingly calling for a return to the local, and the efficacy of local power in commons provisioning. Ultimately, it is the nation-state that should hold primary accountability for safeguarding the commons as its sacred public trust and for ensuring the human security of those within its borders. Such a role requires some assurance of the sovereign status of the nation-state as an entity that would not be subsumed to the interests of global corporations or IFIs. As Cavanagh and Mander (2004) argue, doing so hinges on strengthening international arbiters such as the United Nations empowered to serve in a countervailing institutional role.

Recovery may be construed as the third of a continuum of three disaster interventions. The first would be the provisioning of immediate relief for survivors. These include medical services, medicines, and supplies, food, clean/safe water, shelter, clothing, and basic amenities critical for averting disease, hunger, and exposure that would no doubt add to the calamity. The second would include efforts to clean up, including burying the dead, reuniting separated household/family members and units, and salvaging remains of personal and household belongings; initiatives to address the trauma, grief, and loss that affected communities are likely to experience; and setting in place measures to restore a semblance of normalcy. The third, the range of activities that constitute recovery, should involve longer-term strategies that would enable the reestablishment of communities as coherent socially and geographically demarcated units, livelihood revival and restoration programs, and rebuilding the institutional and service networks and their capacities. As such, disaster recovery practices and policies grounded in the notion of human security would assign the community as the primary ambit of concern, particularly the most vulnerable communities affected by a disaster. Moreover, further to the principles articulated by the Commission for Human Security, disaster recovery that attempts to ensure human security would include not only the protection of vulnerable groups, but also their empowerment. Whether they are in the realm of “natural” calamities or human-mediated events like industrial “accidents” or inter- or intrastate conflict, disasters entail a threat to the commons. We are asked thus to return to the question of how best to safeguard the commons from being appropriated by the adventures of empire and exploits of corporate capital.

**THE STRUCTURE OF THE VOLUME**

The chapters in this volume strive to illustrate how survival capacities are eroded and livelihood struggles are undermined by disaster recovery strategies
that overlook the basics of human security. The introductory section, “Framing the Capitalization of Catastrophes,” includes an elaboration of the components of “disaster capitalism” by Mark Schuller, coeditor of this volume (chapter 2) and a philosophical critique of humanitarianism by veteran humanitarian aid professional and scholar-practitioner Antonio Donini (chapter 3), in addition to this overview chapter.

Part 2 of the book, “Tourism as Reconstruction” includes Susan Stonich’s analysis of responses to Hurricane Mitch in Honduras (chapter 4), Nandini Gunewardena’s critique of the recovery strategies prioritizing tourism in Sri Lanka after the 2004 tsunami (chapter 5), and chapter 6 by Sara Alexander, discussing the coping strategies following Hurricane Iris in Belize. The documentation in this section in particular, as well as several other chapters in this volume, demonstrates how privatization initiatives aggravate vulnerability in general and predispose affected populations to a greater vulnerability to future catastrophes. Stonich, for example, discusses how a push in Honduras to open up agricultural land to foreign investors as part of Hurricane Mitch reconstruction efforts further pauperized low-income farming populations. As Stonich retells, the sectors most damaged by Hurricane Mitch were those most “globalized”—tourism and export-oriented factories. Thus, post-Mitch reconstruction, creating further dependency on these volatile sectors, will only increase Hondurans’ vulnerability in further disasters. Gunewardena provides a poignant example of how the tourism industry increases local vulnerability as it displaces communities that have long relied on the sea more as a livelihood than for leisure. The backdrop of the ethnic conflict that has engulfed this island nation for over three decades and the racialization of the low-wage labor servicing the tourism industry complicate the tensions surrounding this disenfranchisement. Alexander uses a Livelihood Security Index to inform us of how human security is compromised. She discusses the loss of access to transportation networks that forced small-scale businesses and their families out of business and out of the area, exacerbating preexisting social inequalities. She warns that the privatization of public roads—a move that effectively denies local people access to much needed resources and services, likely to increase poverty and inequality—will portend another disaster for the hurricane-prone Belize.

Part 3 of the book, “Exposing Katrina: Class, Race, and Displacement” is devoted to a critique of the disempowering processes associated with Hurricane Katrina. Chapters 7 and 9 discuss the class- and race-induced vulnerabilities hastened and evident in the differential patterns of displacement. Wahneema Lubiano’s trenchant critique of post-Katrina assistance in chapter 7 analyzes the intersection of race and class in the representation of different groups of survivors, and the racialization of rescue and recovery by IEM, a private company contracted by FEMA to undertake evacuations. Chapter 8 con-
tains ethnographic documentation by Gregory Button and Anthony Oliver-Smith of the labor migrations in the Gulf Coast region as evidence of the disempowerment of local residents and the impact of displacement on reconstruction. They analyze how no-bid contracts to large, nonlocal corporations exploited an undocumented immigrant workforce and effectively shut out local residents. In chapter 9, Adolph Reed refers to the impending gentrification inevitable in the plans to develop and convert the area surrounding the Superdome, illustrating how neoliberalism both caused the devastation and is being strengthened by the reconstruction.

The fourth part of the volume, “Prolonging Recovery: Bypassing Accountability and Transparency,” documents how neoliberal prescriptions aggravate vulnerability to future catastrophes and threaten the vital core of life of affected communities. Chapter 10 by Bettina Damiani provides detailed documentation of the uneven allocation of federal funding streams for post-9/11 redevelopment to powerful financial and real estate interests, despite federal regulations and counter to democratic planning processes. She discusses the gentrification fueled by these strategies and the exacerbation of economic vulnerabilities among poor and lower-middle-class residents, especially the low-wage industries and residential areas around Chinatown and the Lower East Side. Although it was low-wage workers who were primarily affected, the perception that the Financial District was hardest hit, as well as the confluence of powerful real estate interests that converged in the Lower Manhattan Development Corporation (LMDC), has led to this lopsided reconstruction strategy. In chapter 11, Elizabeth Guillette presents a longitudinal study of the “Hiroshima of the Chemical Industry,” the 1984 Union Carbide chemical spill in Bhopal, India. One of the crises that spurred public pressure from the growing environmental movement at the time, we include this case because it is still pending just compensation, despite the principles embodied in the Stockholm Declaration twenty years prior. While the backdrop of poverty no doubt aggravated the vulnerability of Bhopal residents to this industrial “accident,” this case study provides a sound illustration of the abrogation of corporate responsibility even in the face of undeniable culpability.

Part 5 of the book, “Dividends of Conflict: Reconstruction as Reform,” broadens the scope of theorizing on “disasters” by presenting analyses of situations that can be directly attributable to human agency—conflicts—further to Middleton and O’Keefe’s contention that these types of disasters only differ in kind, as both are primarily “political happenings” (1998:143). In chapter 12, Mark Schuller analyzes how the civil instability in Haiti provided a window of opportunity for capitalist interests such as advancing privatization via the Interim Cooperation Framework (ICF, or CCI in French). He documents the gains accrued by foreign capitalists following Aristide’s 2004 departure, while
wages stagnated, working conditions deteriorated, and Haitians were left to struggle with skyrocketing housing and other daily living costs. Chapter 13 is an analysis by Anna Belinda Sandoval Girón of the ironic “democratization of violence” in Guatemala’s post–civil war period, and how discourses of this violence are linked with neoliberal policy agendas. She demonstrates how extremely low wages, which primarily benefit transnational corporations, and state-sponsored encroachment into indigenous peoples’ land evidence the convergence of foreign and local elite groups’ interests, serving as tinder for another eruption of large-scale conflict.

Collectively, these case studies flag attention to the ways in which the deployment of private capital in disaster recovery processes has hastened the further disempowerment, vulnerabilities, and social fragmentation of populations affected by one type of disaster or another. Further to Gledhill’s (2005) observations about the workings of neoliberalism in general, the documentation in this volume illustrates how the resort to neoliberal policies in disaster situations has only hastened social polarization and impoverishment. While disasters no doubt cause widespread displacement, these chapters document the massive dislocations wrought by the secondary effects of privatized recovery strategies. As such, the recovery processes documented in this volume also alert us to the underlying neoliberal orthodoxy in disaster assistance that signals an alarming possibility—the extension of empire, as discussed by Antonio Donini in chapter 3.

ENVISIONING ALTERNATIVES: OVERCOMING THE DISEMPowerING CONSEQUENCES OF NEOLIBERAL RECOVERY

As anthropological practitioners concerned with the disempowering implications of this trend, we bring this volume together as a way to mobilize scholars, practitioners, activists, and policy makers alike to become engaged in mitigating the conditions and ideological convictions that reproduce inequalities and oppression. The concluding section of this volume puts forward a set of pragmatic proposals to shift the tide of disaster recovery away from neoliberal strategies to those that would ensure human security in the widest sense of that concept. Here, I outline a vision of what that might entail, focusing on two key issues: social and economic justice.

Disaster situations call for a marshalling of resources to restore normalcy, livelihoods, and basic amenities and services (access to food, shelter, safe water, health, and education) in a manner that ensures equity for groups self-identified along markers of race, class, gender, and/or citizenship. Disaster recovery that prioritizes human security should focus on a two-pronged approach—the restoration of community social coherence and sustainable livelihoods. As many chapters in this volume have documented, disasters not
only affect worse those already vulnerable, but they also exacerbate preexisting vulnerabilities. Furthermore, as we argue in this volume, misshapen recovery efforts can, in and of themselves, induce if not deepen such vulnerabilities. Therefore, recovery efforts cannot overlook the class, gender, and racial/ethnic (as well as other related) disparities in an affected context, and need to work toward redressing them at best and averting their worsening at a minimum. Mechanisms for social inclusion would be essential to such an effort. Given the rarity of fully homogenous and egalitarian societies in the anthropological record, assistance agencies need to make a concerted effort to understand local systems of social stratification and promote equitable and inclusive recovery and reconstruction strategies. Such efforts would necessarily develop measures to avoid reproducing the preexisting forms of marginality. For example, reports from parts of southern India in the aftermath of the 2004 tsunami indicated that Dalit fishing communities had been shunned and turned away from accessing relief resources. Similar concerns were registered about inequities in the distribution of relief and reconstruction resources to the war-ravaged eastern regions and populations in Sri Lanka.

A critical related issue is the inherent power imbalances between affected communities and the agencies and personnel vested with the task of recovery. While the rhetoric of participation has become commonplace in development parlance, vigilance over the notions of participation deployed by various agencies is required so that the claim of participation does not merely serve in furthering predefined goals. This calls for community participatory strategies that move beyond the rhetoric of inclusion as a perfunctory nod at acknowledging the vocality of communities that are “being developed,” or a true registering of their voices. Civic participation in determining the appropriate course of short- and long-term restoration is critical for ensuring the autonomy of affected populations. Yet the recent tendency where “corporate actors compete for market share” (Donini 2007:2, this volume), suggests a recolonization process as disasters are seemingly perceived as opportunities to extend the tentacles of power in a hegemonic global order. In the face of large-scale tragedies, traumatized populations are likely to place tremendous faith on the prescriptions of external assistance in rebuilding communities. Apart from the paternalism inherent in this kind of “disaster colonialism,” they pose the risk of creating new forms of dependency that in the long run will prove to counteract the sustainability of recovery from a human security perspective. As such, the inherent and diverse strengths of the communities need to be tapped, while efforts are made to enhance and build their capacities to determine the priorities and needs in community reconstruction. Throughout the recovery process, strategies that take into account the internal diversity of affected communities and the differences between affected
communities must be mobilized. The norms, rules, and practices by which diverse communities endow belongingness and voice to its members are embedded in conflictual historical processes whereby authority and power have been allocated, usurped, contested, and negotiated by different interest groups. As Hickey and Mohan (2004) argue, participatory approaches that have little understanding of the dynamics of the circulation of power between different interest groups run the risk of distorting or reifying power hierarchies. Moreover, if left unaddressed, noninclusive processes can undermine community recovery by fueling local political struggles and gender, class, or intergroup conflicts. The assumptions about and/or erasures of local difference in casting local societies as homogenous have contributed toward the use of the participatory formula as a magic bullet.

Restoring social coherence is inextricably intertwined with recovering sustainable livelihoods. While displacement and dispossession are common in disaster contexts, the disruption of informal social support networks and mechanisms compound the loss of livelihoods. Traditional credit/savings associations and resource- and labor-sharing arrangements are integral to maintaining thriving livelihood strategies. As such, in addition to the restoration of compatible and sustainable livelihood strategies, efforts need to be made to revive mutual help traditions that help defray risks. These processes, however, are time consuming and require patience and humility. This volume rests on an urgent call for a human rights approach to recovery beyond the paternalism of rescue and welfare toward a transformative practice of recovery—one that is committed to transparency and human security.

NOTES

1. The Commission on Human Security uses this term “human security” primarily to refer to the threats to human populations posed by the various forms of violence (e.g., genocide) inherent in inter- and intrastate conflicts. We draw upon the concept of human security in this volume in its broadest terms, as spelled out in the 2005 report, War and Peace in the 21st Century, to include the threats posed by natural disasters (2005:viii).
2. That is, inter- or intrastate conflict, industrial “accidents,” and so on.
3. Haiti and Argentina are recent examples of this phenomenon, while bread riots in Tunis 1984, Caracas 1989 are earlier examples. See, for example, Friedman 2005 for a related discussion.
4. We use the term neoliberal to refer to policies promoted by international financial institutions (IFIs), and adopted by bi- and multilateral aid agencies and adhered to by many recipient country governments. David Harvey (2005) argues that neoliberalism may be interpreted “as a political project to re-establish the conditions for capital accumulation and to restore the power of economic elites” (2005:19). The evidence collected in this volume furthers this thesis in the disaster recovery strategies that
promote the efficacy of the market (read private entities) rather than public authorities and/or state agencies.

5. Argued as a far more efficient way not only to produce cheaper commodities, but also to deliver public services, proposed in the new FTAA (Free Trade Area of the Americas) and GATS (General Agreement on Trade in Services) agreements in the World Trade Organization. See, for example, Sinclair and Traynor 2004 and Shaffer et al. 2005.

6. As convincingly argued by Escobar and others, we are wary of the aspects of sustainable development that adhere to the general paradigm of development as one that advocates the paths of industrialization followed by affluent societies, given that they too are inevitably embedded in the networks and structures of power that the development industry rests on.

7. While cartographers, social scientists, geographers, and international development agencies often differ in their definition of world regions, the Human Security report classifies them as Middle East and North Africa (MENA), East Asia, South Asia and Oceania, Europe and Central Asia, Sub-Saharan Africa, Latin America and the Caribbean, and North America.

8. Although it reports a 40 percent decline in armed conflicts since the Cold War, the Human Security Report of 2005 urges against complacency, given that some sixty inter- and intrastate conflicts are still being waged around the world, including in Iraq and Sudan’s Darfur region.

9. “Natural” hazards such as earthquakes, floods, and so on that precipitate a disaster.

10. Systems of social stratification that aggravate the risks and vulnerabilities encountered particularly by marginalized populations.

11. For example, chronic poverty, ethnic/racial/caste/gender marginality, and access to livelihood resources.

12. Notable exceptions are Mike Davis (1999) and Alex de Waal (1997a; 1997b), and Christopher Dyer (1999).

13. The seemingly innocuous Poverty Reduction Support Credit (PRSC) is the camouflaged term for structural adjustment programs adopted by the World Bank and International Monetary Fund (IMF) in 1999. PRSCs nonetheless introduce new and even more stringent conditions for loans and debt relief. See, for example, Marshall, Woodroffe, and Kjelle 2001 for a full discussion of the implications of PRSCs.

14. See, for example, Reed 1996 for case studies examining the negative impacts of structural adjustment from the perspective of sustainable development. See also Gladwin 1991, Afshar and Dennis 1992, Harrison 1997, Desai 2002, and Gunewardena 2003 for more detailed discussions of the impact of adjustment policies and programs on marginalized groups.

15. The term Washington Consensus was coined by economist John Williamson in 1989 and refers to the series of economic policies put forward by the International Monetary Fund (IMF) and the World Bank that prescribed privatization, trade liberalization, and fiscal austerity as the means to reach macroeconomic stability, the best way to achieve growth. See Stiglitz 2002, Cavanagh and Mander 2004, for further discussion of the dissipation of the Washington Consensus that ushered in
renewed economic liberalization, and Grabel and Chang 2004 for a refutation of free-market universalism.

16. I use this term in the sense described by Cavanagh and Mander of the International Forum on Globalization (2004), as "aspects of life that had been accepted since time immemorial as collective property, or the common heritage of all peoples and communities, existing for everyone to share as they have for millennia . . . the air we breathe, the fresh water we drink, the oceans and the diverse wildlife and plant biodiversity of the world, the genes all creatures pass to following generations, the stores of human knowledge and wisdom, the informal support systems of the community, the seeds that communities use for replanting, the public square, shared languages and culture, and among indigenous peoples, communal lands that have been worked cooperatively for thousands of years" (2004: 107).

17. The emphasis on vulnerability is based on the reasoning that even though disasters confer vulnerability across the board, those with more financial means, social status, and political power are able to overcome their vulnerability faster and in a more self-reliant manner.
Deconstructing the Disaster after the Disaster

Conceptualizing Disaster Capitalism

Mark Schuller

BRINGING THE ANALYSIS HOME:
HURRICANE KATRINA AS DEADLY REMINDER

Hurricane Katrina, like others before it, is usually referred to as a “natural disaster,” or as an “act of God.” Many disaster researchers have argued that this phrase is misleading. While it is true that natural phenomena such as earthquakes, landslides, or hurricanes are often triggering events, these events only become disasters through a combination of factors that researchers call “hazards” and “vulnerability,” both dependent on human interaction with the environment, social organization, and social policy (Austin 2006; Button 2002; Hewitt 1997; Hoffman and Oliver-Smith 1999; Oliver-Smith 1999b; Wijkman and Timberlake 1984; Wisner et al. 2004). Some researchers go so far as to argue that disasters are not primarily natural events but political events (Reed, this volume, and Middleton and O’Keefe 1998:41). Following these scholars, this volume employs a political ecology framework that focuses on the human actions (including policy and development decisions) that produce hazards and exacerbate vulnerability. In the case of Katrina, the destruction of wetlands, offshore oil production, construction of levees, and other infrastructure projects destroyed the natural ecosystem, amplifying the storm’s destructive effects (Austin 2006).

As many of the case studies in this volume document, such “technical” decisions about land use and development are sources of marginality themselves, as they impinge heaviest on the lives of those in marginal social locations. When they compound the trigger factor of a disaster (a “natural” event such as the hurricane or a tsunami), preexisting marginality conditions a greater “vulnerability” to disasters. Like many disaster situations elsewhere, the destruction Katrina wrought disproportionately impacted marginalized groups of people. As many scholars have documented (including Wahneema Lubiano and Adolph Reed this volume, chapters 7 and 9 respectively), residents of New Orleans’s Ninth Ward were more vulnerable to so-called natural disasters.
because of the multiple axes of inequality that configured their social positioning. The majority of individuals who died or were rendered homeless by Katrina were public-housing residents, elderly, Social Security recipients, unemployed, or underemployed working poor; most were also African American, Latino, or other racial minority groups. While not “refugees” (Masquelier 2006), an estimated 1.5 million people displaced by Katrina were unquestionably worse off. Uprooted from the communities they had built and thrived in and where they had forged links that helped people to self-empower as disenfranchised minority groups, low- and middle-income African Americans and Creoles found that Katrina swept the rug of certainty from their lives (Jackson 2006; Breunlin and Regis 2006).

To a ruffled national media, including CNN’s usually calm Anderson Cooper, the wake of destruction that followed Katrina exposed unsettling truths about the insidious persistence of racism and class inequality in U.S. society. While small-scale fishers and shrimpers also saw their livelihoods destroyed (Paredes 2006; Petterson et al. 2006; McGuire 2006), some constituencies were poised to take advantage of the opportunity provided by the calamity, including large-scale fisheries conglomerates, casino operators, and oil companies (Petterson et al. 2006). The post-Katrina rebuilding process, with local groups excluded from large no-bid government contracts, substandard wages for workers, and a radical restructuring of neighborhoods and economies, demands that we focus on questions of how inequality is being structured into the reconstruction efforts.

**THE DISASTER AFTER THE DISASTER**

The example of the reconstruction process following Hurricane Katrina demands attention to another set of questions that has traditionally been posed in scholarly works on disasters. Contributor Anthony Oliver-Smith (1992) quoted Peruvian government officials and citizens frustrated at reconstruction efforts following the May 1970 earthquake: “First came the earthquake, then came the disaster.” To paraphrase, this volume focuses on the “disaster after the disaster.” Further, building on the general approach of understanding the effects of disasters, we sharpen the analysis about how inequality is expressed in reconstruction efforts (Hoffman and Oliver-Smith 2002:9–10).

Anthropologists and other disaster researchers have long pointed out that disaster events can trigger profound social change (e.g., Middleton and O’Keefe 1998:150; Hoffman and Oliver-Smith 1999:9; Hoffman 1999b; Scheper-Hughes 2006; Dyer 2002; Davis 1999). Katrina provided the backdrop for a range of policy changes, eroding public protections for workers such as the Davis-Bacon Act that required government contractors to pay “prevailing local wages.” In addition, the federal government suspended affirmative action
guidelines for no-bid federal contracts, giving an advantage to businesses such as Halliburton subsidiary Kellogg, Brown and Root that had preexisting relationships with the government (Button and Oliver-Smith, this volume; and Petterson et al. 2006:658). While the administration later reinstated the Davis-Bacon Act and the affirmative action guidelines, the mere fact that these policy changes were ushered into official reconstruction efforts should give the public reason to pause. Was this rollback of worker protections and public oversight a desperate last-ditch, quick-stop effort to put New Orleans and the Gulf Coast region back on its feet? Or does it represent a deeper pattern needing to be examined?

These policy changes—privatization, rollbacks on social safety nets and government responsibility, and radical social engineering, all generating an increase in inequality—highlighted by post-Katrina reconstruction are not aberrations. As other situations discussed in this volume also document, these changes result from an orientation that places a premium on profits at the expense of democratic process and people’s livelihoods: in short, unfettered free-market capitalism enabled by neoliberal policy doctrines (Middleton and O’Keefe 1998). Far from being idiosyncratic or accidental, these neoliberal economic agendas are systematic, as the evidence provided in the following chapters argues. This volume explores how these neoliberal policies and practices conditioned into postdisaster reconstruction are not accidental, as they expose “essential rules of action, bare bones of behavior, the roots of institutions, and the basic framework of organizations” (Hoffman and Oliver-Smith 1999:11).

These exposed rules, bare bones, roots, or frameworks reveal a neoliberal capitalist ideology: dual beliefs in the free market and rugged individualism, as the cases in this volume argue. The difference in power Gunewardena discussed manifests itself not only in the material world, as this volume argues, but is also a rhetorical or discursive power. The rhetorical designation of “disaster assistance” masks these bare bones under a flourish of humanitarian romanticism: If left to our own devices we good people help our neighbors in need, why do we need a big bureaucracy? If the aim of humanitarianism is to assist self-reliant, rational individuals (and as an afterthought, communities) to pull themselves up from their bootstraps, this romanticized ideal places the onus back onto the affected communities. Their “failure” to redevelop is cast in terms of individual pathologies, and sometimes even the disaster itself is seen as the fault of individuals’ lack of reason (if not the will of God), requiring a paternalistic approach or, as Reed eloquently states, a Thatcherite “tough love.” This framing hides the fact that the rules and logic themselves of neoliberal capitalism, clarified and heightened by “disasters” (as de Waal argued in the foreword against seeing disasters within a frame of exceptionalism), take
away communities’ self-sufficiency in the first place. “Disaster assistance” has the additional benefit of “providing political dividends” for the donor, as Secretary of State Condoleezza Rice aptly put it following the 2004 Indian Ocean tsunami. This framing, especially to areas experiencing acute crises that are in need of assistance (if sometimes temporarily), shields this official response from criticism and even analysis. Local communities and political leaders are given two options: accept conditions attached to aid no-questions-asked, or get nothing and be reprimanded for being uncaring as people needlessly suffer. For all these reasons, it is critical that scholars and civil society reframe the conversation; we need a tool to first name, clearly see, and then analyze the situation.

**DISASTER CAPITALISM DEFINED**

The following sections provide an explanation and definition of disaster capitalism (see also Klein 2005, 2007). It is our hope that through debate and action, this tool can be sharpened and refined, but for the purposes of the volume, to begin our conversation, our working definition of disaster capitalism is: National and transnational governmental institutions’ instrumental use of catastrophe (both so-called natural and human-mediated disasters, including postconflict situations) to promote and empower a range of private, neoliberal capitalist interests. The following section addresses three constituent elements of the definition: first, the increasing role of private constituencies within “public” responses; second, the instrumental use of catastrophes; and finally, promoting neoliberal capitalist interests. It is worth noting that this volume contains analyses of both natural hazards and human-mediated disasters. Middleton and O’Keefe contend that these types of disasters only differ in kind, because both are primarily “political happenings” (1998:143). The parallels are especially evident in societies doubly encumbered by both natural hazards and conflict such as Rwanda, Sudan, Haiti, and Sri Lanka, often referred to as “complex emergencies.”

**Increasing Use of Private Entities**

Disaster situations demand a mobilization of public institutions: city and state agencies, regional and national entities, as well as multilateral organizations. However, public institutions’ funding streams are increasingly directed toward private entities, including transnational corporations, eroding humanitarian principles such as human security, as Gunewardena discussed in the previous chapter. For example, not including Halliburton’s army contract that the United States Agency for International Development (USAID) did not administer, USAID allocated approximately $5.2 billion from fiscal years 2003–2006 to Iraq, with $4.16 billion categorized as “reconstruction.” For-profit corporations headquartered in the United States received more than 80 percent of these reconstruction funds (USAID website). While justifications
about local governments' lack of "absorptive capacity" are cited for the increased channeling of disaster assistance through the private sector, this shift echoes larger discourses about development. Disaster scholars have argued that the distinction between development and supposedly apolitical humanitarian assistance has been eroded in recent practice (Duffield 2001; Duffield et al. 2001; Macrae and Leader 2001; Macrae et al. 1997).

The shift to investment strategies in disaster recovery also signals an undermining of transparency. The granting of no-bid contracts in the post-Katrina reconstruction process documented by Gregory Button and Anthony Oliver-Smith in chapter 8, including Halliburton and Bechtel—both favored contractors in Iraq reconstruction—are glaring examples of such procedural violations. It was eight months into the reconstruction effort, only after pressure by local civic groups including minority-owned business associations, that FEMA offered temporary housing contracts to small, local, and disadvantaged businesses (chapter 8 and Petterson et al. 2006:658). Anna Sandoval Girón (chapter 13) mentions similar contracts awarded for firms such as Checchi, Casals, and DevTech, among others in post-civil war Guatemala to administer civil society and violence-reduction programs. Mark Schuller (chapter 12) discusses Alstom Power benefiting from official aid in Haiti's 2004–2006 interim context to provide electricity. Bettina Damiani (chapter 10) details how in New York City large corporations—most of whom were connected to the implementing community development agency—received the lion's share of funding to rebuild following the physical destruction wrought on September 11, 2001.

Channeling public funding to private agencies can also undermine the overall governing capacity of nation-states, an element in creating "fragile" or "failed" states, as even Francis Fukuyama (2004), often an International Monetary Fund (IMF) researcher, contends. In addition, the shift toward for-profit as opposed to nonprofit institutions presents potentially fundamental conflicts of interests, as maximizing profits is often incompatible with providing for the public interest in security (in all its forms, including human security, food security, and social security) and health (Carbonnier 2006:413; Obi 2005), as Elizabeth Guillette (chapter 11) powerfully demonstrates in Bhopal, India. Secondly, for-profit corporations are not beholden to the same reporting requirements as nongovernmental organizations (NGOs). As recipients of government funding, and receiving tax advantages—in the United States through the 501(c)(3) clause of the IRS Code—nonprofit organizations are required to be more transparent in the use of funds. For example, any U.S. citizen can demand an NGO's 990 form accounting for major expenditures and sources of income. For-profit corporations are not bound by these same procedures. Neither type of organization is as public as government offices; for ex-
ample, the U.S. government is required by the Freedom of Information Act (FOIA) to furnish any information requested. This lack of transparency, ironically a consequence of specialized development institutions’ greater flexibility, provides an institutional opening for the instrumental promotion of neoliberal capitalist interests.

The Instrumentality of Catastrophes: Windows of Opportunism

In addition to the direct transfers of funds through contracts to private corporations, disaster capitalism is distinguished by the instrumentality of catastrophes for advancing the political, ideological, and economic interests of a transnational capitalist class (Sklair 2001; Robinson 2004), the “world-ordering” function of aid, as Antonio Donini alludes to in chapter 3. Exemplary of this instrumentality is the exploitation of what USAID’s Office of Transition Initiatives termed the “windows of opportunity”: the at once fragile and pliable situation wherein structural changes and other critical intervention strategies compatible with donors’ interests are possible. Often in postconflict countries the local government owes its existence to foreign intervention, such the creation of new states such as East Timor (Chopra 2002) or Kosovo (Stahn 2000) as a part of UN peacemaking processes, or transition governments following foreign invasion, such as the Transitional Authority in Afghanistan or the Coalition Provisional Authority in Iraq. Such pliant governments are often called upon to serve foreign interests. In Iraq, the IMF imposed a series of unpopular measures in its Standby Arrangement, made in December 2005, between national elections and the new administration’s inauguration, effectively shielding them from voter scrutiny. Two chapters in this volume discuss such postconflict states, in Haiti (chapter 12), and Guatemala (chapter 13).

Following extreme weather events, local governments strapped by financial crises as they struggle to respond to the urgent needs of affected communities are similarly vulnerable to pressure from external agencies. Governments sometimes seize the opportunity to shut down participation, implementing decisions without debate, such as the Honduran government declaring a state of martial law following Hurricane Mitch (see chapter 4). More often, following natural disasters, cash-strapped local governments are dependent on the goodwill and generosity of outsiders—creating fertile ground for promoting neoliberal policies through conditionalities.11 In Belize, 85 percent of the banana industry—upon which the economy traditionally depended—was destroyed, leaving the already indebted nation with little to draw on for reconstruction efforts (chapter 6). This imposition of conditions in reconstruction is a component of “liberal peace” (Macrae 2001:304) or “global liberal governance” (Duffield 2001:310), aid agencies’ simultaneous creation of democracy and free-market capitalism.
Disasters triggered by either conflict or natural hazards result in large-scale migration of people. As Oliver-Smith has documented in several contexts (e.g., 2004, 2006), and as he and Gregory Button detail in chapter 8, this migration swells local labor markets with unemployed workers, bringing down wages and exacerbating tensions between existing laborers and newcomers. The temporary suspension following Hurricane Katrina of the Davis-Bacon Act also drove wages down. This decision, coupled with a simultaneous suspension of affirmative action policies, hurt local business owners and laborers. The low wages for jobs created for foreign companies such as Microsoft in Guatemala (see chapter 13) contribute to violence, feeding the cycle of conflict. Low wages are not an accidental by-product of postdisaster intervention but part of deliberate strategy, as a World Bank report candidly notes: "employment is likely to be scarce, and almost any kind of job opportunity will therefore be welcome" (Bray 2005:26).

Promoting Neoliberal Policy Agendas: Privatization, Trade Liberalization, and Structural Adjustment

As the discussion above has illustrated, neoliberal policy agendas are facilitated by shifts in donor flows that advance the interests of private constituencies and the “windows of opportunities” provided by disaster. Based on the conviction that foreign investment is the surest way toward stabilization and recovery through providing employment and growth, international financial and donor institutions advocate for establishing profitable enterprises, privatization of key sectors and services, trade liberalization, and other measures through structural adjustment packages and processes.

The direct transfers for infrastructure projects, often a preferred strategy because of their short-term nature and immediate payoff (Schwartz, Hahn, and Bannon 2004), lay the foundation for foreign investors by subsidizing costs, especially for “extractive industries” such as mining or oil prospects (Muttitt 2005). A World Bank report candidly notes that “the ‘curse’ of minerals is a particular concern for countries that nominally are ‘post-conflict.’ . . . The task of removing the ‘curse’ is therefore all the more urgent, and requires the participation of both [sic] companies, governments, multilateral institutions and NGOs” (Bray 2005:10). Through the Multilateral Investment Guarantee Agency (MIGA), the World Bank assumes the risk, including “political risk” such as the change in government or policy environment or a “war and civil disturbance,” of foreign companies to facilitate their operations. MIGA is part of a loan and grant portfolio geared toward postconflict states, therefore claims paid to private corporations are added to the overall debt charged to the country. In 1998, MIGA paid Enron $15 million following a disagreement with the Indonesian government over access to resources. In
addition, MIGA “protect[s] against losses arising from an investor’s inability to convert local currency . . . into foreign exchange for transfer abroad,” subdividing the transfer of funds outside of the country, helping capital flight. This also benefits a transnational business class, as a World Bank’s “knowledge bank” report flatly states:

Post-conflict reconstruction opportunities are of obvious interest to companies that already have international experience. First, the amounts of money available may be substantial. Lebanon received some $10 billion worth of aid in the first ten years. . . . A second factor which makes reconstruction opportunities all the more attractive is that they typically are financed either by bilateral aid or by multilateral institutions, and this means that there is very little risk of not being paid. Third, in a variation of the principle of “first-mover advantage,” companies hope that if they go in early they will be able to build up local experience and connections (Bray 2005:23)

Privatization is a key policy that development institutions usher in following disasters. In a document titled “The Investment Climate in Afghanistan: Exploiting Opportunities in an Uncertain Environment” (World Bank 2005b), the Bank praised the interim government for privatizing state-run facilities but aggressively promoted further privatization. In Iraq, IMF’s December 2005 Standby Arrangement included privatization of state-owned enterprises and national banks, costing 100,000 civilian jobs (IMF 2005c:14). Privatization was also a key plank in several cases discussed in following chapters, such as in Haiti through a process called “CCI.” The Plan Puebla Panamá outlined a privatized energy grid for Guatemala. In Belize, the government even privatized roads, cutting off local access. In Honduras following Hurricane Mitch. These privatization moves eroded governments’ capacity to generate revenue, cut thousands of state employees, and opened up areas to multinational corporation ownership, cutting off local communities’ access to coastlines and even roads.

What used to be called structural adjustment programs, imposed by multilateral institutions as conditions for receipt of aid, are typical responses to catastrophes. Price subsidies for staple goods were ended in Iraq; prices for oil and kerosene shot up 400 percent and diesel 800 percent following the IMF’s Standby Arrangement (2005c). Belize’s adoption of structural adjustment measures following Iris, which included an end to price controls, forced people out of agriculture, deteriorated urban laborers’ food security, and increased stratification.

Another condition ushered into postdisaster assistance is liberalization. Following the invasion, the interim government created the Afghanistan Investment Support Agency, enabling it to become “one of the most open econ-
omy [sic] in the region” (World Bank 2005b:viii), but the Bank advocated for further liberalization, including access for foreign companies to land, undoing waves of land reform and nationalization (2005b:vi). Similar moves were made in Iraq, especially CPA Orders 39 and 40, with similar praise for being one of the most open economies (World Bank and United Nations 2003). Hurricane Mitch provided the backdrop for a constitutional amendment that allowed foreigners to own land. Reconstruction packages for Sri Lanka and Haiti proposed in the U.S. Congress contain several identical conditions, including “elimination of barriers to United States trade and investment.” While it is argued that liberalization is the spark that ignites the largest engine of growth (trade), its application has deleterious effects on poverty and inequality (e.g., de la Barra 2006; Grossman 2002; Pieterse 2002), in turn exacerbating vulnerability: “free trade agreements on poor and marginal social groups was said to be the number one risk factor in the region” (Wisner and Walker 2005a:1).

RISE IN DISASTER CAPITALISM
As disasters have an iterative relationship with vulnerability, so does disaster capitalism with neoliberalism. While extreme weather events themselves do not cause inequality associated with vulnerability, they are definitely triggers in exacerbating it. Similarly, as this volume demonstrates, while multinational agencies are increasingly turning toward neoliberalism, particularly since 9/11, disaster reconstruction presents easy opportunities for leaps in neoliberal advances with little resistance. As just shown, there are many similarities across the cases that include both natural hazard as well as human triggers. Local constraints—a delicate political situation and a government dependent on donor agencies’ goodwill—and the institutional responses are similar, and in some cases identical. This may in part explain increased allocation toward reconstruction (Bello 2006).

Within institutions such as USAID or the World Bank, reconstruction increasingly comprises a greater share of overall allocations, signaling postdisaster reconstruction’s growing importance within these institutions. Not even considering the Iraq reconstruction that was separately accounted for in USAID’s budget justification to Congress for FY 2006, postconflict states comprise a quarter of USAID’s budget (USAID 2005a). The OTI budget request increased sixfold in one year, from $48.6 million in FY 2005 to $325 million in FY 2006, an increase of $275 million (USAID 2005a). The postconflict budget of the World Bank has gone up from just under 8 percent in 1980 to 16 percent in 1998 (1998:13), and was estimated between 20 and 25 percent in 2005 (interview with author, November 2005). Paul Wolfowitz, when he left his position as assistant secretary of defense to become the president of the
World Bank in June 2005, signaled a greater appetite for large-scale infrastructure projects. This reversed predecessor Wolfensohn’s first acts to pull Bank funding out of them, in response to vocal criticism by citizens rights groups (Bretton Woods Project 2005; and interview with World Bank official, November 2005). The Xalalá Dam and the Franja Transversal del Norte in Guatemala are two such examples of a renewed emphasis on infrastructure. Paradoxically, humanitarian aid through multilateral institutions (i.e., the UN) went down from 50 percent in 1988 to 25 percent in 1998 (Randel and German 2000, cited in Macrae and Leader 2001:302), evidence of what Macrae and Leader term the “bilateralization” of humanitarian response. This shift toward bilateral responses partially explains the “instrumentalization” of aid noted above, blurring boundaries of aid and politics—alarming some within the humanitarian community (Atmar 2001; de Waal 1997b; Duffield, Macrae, and Curtis 2001; Middleton and O’Keefe 1998).

Taken together, the eleven chapters that follow in this volume present a compelling and alarming argument. The instrumental use of catastrophes to promote neoliberal interests through transfers to private constituencies, and the introduction of policy measures that favor private transnational capitalist interests, are compromising local communities’ response. As argued here and subsequent chapters, far from protecting people from severe and widespread threats, these market-driven strategies increase affected communities’ vulnerability to further disasters. By compiling these case analyses in a single volume, we aim to encourage critical debate and informed actions. Through debate and action, it is our greatest hope to empower communities and solidarity organizations to shift this conversation and ultimately to end the “disaster after the disaster.”

NOTES

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1. For example, human-induced global warming increases hurricanes’ intensity (e.g., Emanuel 2005; Webster et al. 2005)

2. See also Colten 2006; Fothergill, Maestas, and Darlington 1999; Hoffman and Oliver-Smith 1999; Oliver-Smith 2002; Wisner and Walker 2005b; Wisner et al. 2004; Sen 1981.
3. In the interests of transparency, all my individual proceeds from this volume will be donated to groups challenging disaster capitalism or presenting alternatives. I take this to be a given as an anthropologist benefiting from local people's time, wisdom, and life experiences, and ordinarily would not mention it, but my critique of others demands this disclosure.

4. Others have used this phrase (e.g., Cray 2005; Felten-Biermann 2006; Florida Interfaith Networking in Disaster 2007).

5. This use of the term "public" includes organizations that are given a mandate by governmental treaties such as the United Nations, or by the latter such as the World Bank, International Monetary Fund, and the regional development banks, all of whom have some official governmental oversight.


7. Also specifically mentioned in Lubiano's and Reed's chapters.

8. Bechtel had received two contracts in Iraq for almost $3 billion; Halliburton, up to $7 billion.

9. The rise in NGOs' importance is also evident in the funds that have been channeled through them. Globally, in 2005, it is estimated that NGOs channeled anywhere from $3.7 to $7.8 billion of "humanitarian assistance" (Development Initiatives 2006:47). Governmental financing of NGOs rose from 1.5 percent of total funds in 1970 to more than 40 percent in 1998 (Davies 2000, cited in Carbonnier 2006:407).

10. For example, Office of Transition Initiatives, Post-Conflict Unit, and LICUS, all of whom cite their new, flexible mandates as key to obtaining their operational objectives.

11. "Conditionalities" are the general term used to describe international development institutions' imposing of conditions on receipt of official assistance, evidence of an increasing "instrumentalization" of aid (interview with World Bank official, November 2005; Donini this volume; Duffield 2001; Macrae et al. 2001).


13. See Gunewardena, chapter 1, for further discussion of the new terminology.

14. There has been a growing movement contesting neoliberalism, both from global justice organizations and from within development agencies.

15. In order to facilitate readers' own comparative analyses, to avoid a "whipsawing" effect, we have grouped the chapters within themes comparing similar events.

16. While Congress allocated a lower level, the leap in the request nonetheless highlights OTI's centrality to USAID.
Disaster assistance is rooted in the ideological frameworks of humanitarianism, traceable both to various traditions of charity and philanthropy and to the so-called civilizing impulses of the Enlightenment and its subsequent manifestations in the expanses of empire. In its simplest expression, humanitarian action connotes the act of saving and protecting the lives of people in extremis. As such, it functions as a safety net for the most vulnerable in times of disaster, whether man-made or not, which takes a variety of forms and deserves to be preserved and protected despite its obvious limitations and imperfections. That the humanitarian act itself and the ideology that underpins it are fundamentally ambiguous, if not fraught with contradictions, is a concern I will only address tangentially. My attempt in this chapter is to explore the metafunctions of humanitarian action, that is, the functions that it objectively performs, wittingly or unwittingly, in the early twenty-first century.

Some of the more overt metafunctions of humanitarian action are linked to the processes of securitization and instrumentalization of aid in general, that is, to the processes whereby humanitarian action is used as a tool to advance the security and/or foreign policy objectives of the nations that provide it. Others are more subtle and embedded, as it were, in the DNA of humanitarian action. It is important to understand these functions for the obvious reason that they help to explain the unintended effects of humanitarian action but also because, in a very practical sense, they affect the manner in which such action is perceived from the ground up by the individuals and communities who are at the receiving end of it or are affected by it, and, consequently, its effectiveness as well as the security of those who undertake it.

What follows is speculative in nature and, as such, could rightly be tarred with the brush of “behindology.” Nevertheless, as will be explained below, the analysis is informed, at least in part, by evidence-based research on local perceptions of humanitarian action in a number of crisis-country settings attesting to some of the biases and baggage inherent in such action (Donini and
Minear 2006). This analysis is thus offered primarily to raise issues and stimulate discussion among humanitarian practitioners and others concerned with the evolution of the humanitarian enterprise and the strategies and motivations that underpin it.

**CONTEXT**

Humanitarianism is an ideology, a movement, a profession, and a compassionate endeavor to provide assistance and protection to populations at risk. In the neoliberal era, it is also a business and an industry in which actors compete for market share (Cooley and Ron 2002). Humanitarianism, in its various facets, has seen dramatic growth and transformation in the last two decades of the twentieth century. Much of this growth is related to the diminished inhibitions on waging war and privatizing social services that have accompanied the end of the Cold War. From a marginal and nonintrusive activity—its effectiveness being a function of its acceptability to primarily interstate belligerents—it has become central and salient in North-South discourse and practice. From annual disbursements of less than $1 billion and a percentage share of less than 4 percent of overall official overseas development assistance (ODA), disbursements for humanitarian action from private and public sources have peaked at $18 billion in 2005, or roughly 15 percent of ODA (Development Initiatives 2006). The year 2005 was atypical2—skewed by the massive response to the Indian Ocean tsunami—but showed nonetheless the extraordinary appeal of humanitarian response to both governments and citizens in the North (and to some outside the North as well).

In a globalized world, that this should happen is no surprise. The linkages between the processes of economic and social globalization—particularly the communications sector—and humanitarian action are nothing new (Reiff 2002; Ruffin 1986). What deserves to be explored is the extent to which the variegated humanitarian enterprise has now become part of global governance (Kennedy 2004), if not directly of government, and, in short, how it has come to pass that it has now become an integral part of Empire.

What does “being part of Empire” mean? Certainly not that the individual humanitarian players, whether rosy idealists or hard-nosed pragmatists, wittingly align themselves with the designs of the remaining superpower and its lesser epigones. Humanitarianism’s roots extend into the Enlightenment, various religious traditions of charity, colonial administration, military logistics, and many other directions. It is neither of the right nor of the left. It reflects a range of fundamentally cosmopolitan views of the world, including some that espouse anti-Empire positions. Its polarity is geographical: it is structurally, economically, and culturally “of the North” (Donini et al. 2003:264). The ideology and the practice of humanitarian action are essentially consubstantial with the
logic of Empire, that is, not the imperial reach of one state or even an alliance of states, but a new form of sovereignty, or “network power,” that shapes the global order in which nation-states, global institutions, corporations, and even civil society organizations function according to established hierarchical divisions and genealogies (Hardt and Negri 2001:xiv; 2004:xii). Humanitarian agencies are thus the “mendicant orders of Empire” and the capillary vessels of globalization. As such, and whether they like it or not, they function as the “powerful pacific weapons of the new world order” (Hardt and Negri 2001:36).

There are two ways of conceptualizing the relationship of Empire and humanitarian action in the “Marches of Empire,” or what Mark Duffield (2001) calls the “borderlands,” that is, those areas of the Third World that are on the fringes of global governance and capitalist development. Both are useful for theorizing the role of humanitarian action in North-South relations and, ironically, both come from now largely discredited political-economy traditions, namely, dualism and dependency theory. The first stresses the separateness of developed and underdeveloped areas and, in a sense, sees the latter as pathological in terms of their limited prospects for economic development (Gunder Frank 1969). According to this perspective, beyond the pale of development are areas inhabited by Rousseauian precapitalist “savages,” and by the occasional hordes of “barbarians” who threaten the solidity of the North’s security barriers (Duffield 2005). As such, the realm of humanitarian action is not “without” borders, as claimed by the proponents of the sans frontières movement. Rather it is “beyond” borders as it takes place in those areas, as Duffield would have it, where development encounters the illness of underdevelopment, an encounter that, when the curative intervention fails, takes the form of conflict, including between “savages” who are not yet part of the new order and “barbarians” who challenge it from outside. From this vantage point, the conflict in Afghanistan can be read as a struggle between the West and local westernizing elites on one side, and on the other, an assortment of tribalized underglobalized “savages” and of barbarian antibodies to globalization on Western terms.

The second theoretical position analyzes what is happening in the borderlands not as pathological but as a physiological requirement for the development of globalized capitalism and world ordering, a.k.a. Empire. Many “dependentistas,” such as André Gunder Frank and Immanuel Wallerstein, debunked dualism for its failure to see underdevelopment in the periphery as functional to the development of the metropoles and the attendant exploitive North-South relations. It is simpler, perhaps, and less mechanistic, to understand Empire as the tendency toward the total incorporation of the borderlands, and the conflicts they embody, into the new global political order. Peace, equilibrium, and democracy are to be built on the terms of the network
power emanating from the citadels of Empire. Not imperium, but “governance without government” (Rosenau and Czempiel 1992) as the structural principle that incorporates all actors within the order of the whole.

The point here is that the globalization of the market and interventionism in the South, in the widest economic, political, and military sense of the term, have historically operated as parallel processes. Rosa Luxemburg’s intuition that the capitalist system had a functional need to progressively conquer new areas in order to expand and reproduce itself—and that when the limits would be reached the system would crumble—deserves another look (Luxemburg 1968:443). The countries at the bottom of the pyramid have nowhere to go to appropriate surpluses or to export the dysfunctions of market growth going on within them. Therefore, it should be no surprise that it is in those countries where the market has reached the limits of expansion, where the structural obstacles to its penetration and to its homogenizing force are strongest—that is, countries or areas where the state is weak or has failed, where tribal or ethnically based forms of governance prevail and there is an absence of social movements or civil society organizations, and so on—that we find a positive correlation between aid dependency and military and/or humanitarian interventions. Consider Afghanistan, Haiti, Liberia, Democratic Republic of Congo, Sierra Leone, and Somalia. While the causes and circumstances of crisis differ, the common factor is the extent to which the society, rather than the state (which in some of the countries mentioned has withered away), is dependent on external lifesaving assistance with or without intervention for some measure of functioning.

**CONSTRUCT**

Whatever the individual or collective motivations of those involved in the provision of humanitarian action—and we have to stress again that the imperative that drives them is fundamentally valid in and of itself—the totalizing context described above is inescapable. There is no other way to humanitarianism than through Empire. Proof? In order to be accepted at the humanitarian table, non-governmental organizations (NGOs) from the South have to mimic the behavior of their northern counterparts, adopt their language and their modus operandi. Moreover, as we shall see below, lifesaving activities that do not conform to the Western humanitarian canon, such as zakat; remittances from diasporas; or contributions from communities, religious foundations, and other sources in the South do not qualify for international statistics of ODA and do not make it into the humanitarian assistance hit parade (Cooley and Ron 2002; Donini 2006; Le Sage 2004). It is as if NGOs and community-based approaches in the South were told: “You” are welcome to join “us,” but only as long as “we” continue to call the shots.
Does this mean that the nature of humanitarianism is to be instrumentalized or corrupt or both? Not necessarily. Trade unions need factories; that does not mean they identify with captains of industry. In the same way, civil society organizations are part of Empire but have roles and functions that are not necessarily aligned with its global design. Humanitarians, human rights groups, and other civil society organizations may well be uncomfortable with the workings of Empire, and many openly proclaim as much, but they cannot function outside it. Being part of governance, they are in a dialectical relationship with Empire. This tension sometimes results in processes of social transformation that are beneficial to individuals and communities, but more often than not it serves to further incorporate civil society organizations into processes that are functional to the workings of Empire and the promotion of liberal peace (Duffield 2001; Hardt and Negri 2001).

Humanitarian action ultimately must be judged on its merits, that is, the quality of the services it provides to individuals and groups whose life and well-being depend on it. There is no obligation, however, to remain blindfolded to the darker sides of humanitarianism (Kennedy 2004). Knowing one’s dark side can only be the first step toward greater effectiveness. Humanitarian action per se does not challenge the status quo, nor should it, as many of its proponents would argue. In any case, while an ideological de-linking from Empire is always theoretically possible, the structural realities (read: funding) are such that mainstream humanitarianism cannot ever disengage significantly. Of course, at the margins or in the borderlands, unrecognized streams of support and succor for war- and disaster-affected people do exist, but they are hardly in a position (for now?) to challenge the dominant humanitarian discourse and its embeddedness in Empire.

**DECONSTRUCT**

In the following paragraphs I propose, and briefly discuss, some of the key metafunctions of humanitarian action. The list, which is divided into macro-, meso-, and microfunctions, is not exhaustive. It is a first approximation.

**Macrofunctions**

The first set of metafunctions relates to the big picture—the macrocosm in which humanitarianism is embedded and the values that humanitarian action wittingly or unwittingly transmits. These are deep and hidden functions of humanitarianism that many aid workers may choose to be oblivious to. They are nevertheless part of the baggage aid workers bring with them and that often vitiates the cultural exchange between outsiders and insiders at all levels of the chain of connections that links donors and agencies to the vulnerable groups.
who are the objects (and rarely the subjects) of assistance (Donini and Minear 2006).

Humanitarian action functions as a powerful vector for Western ideas and modes of behavior. It acts as a conveyor belt for Western rationality. It is a powerful mechanism for shaping the relationships between the “modernized” and “insured” and the multitude of the “uninsured” (Duffield 2007:243). It can act as global demonstration effect or cargo cult. Technical knowledge and expertise—the nutritionist, the camp management specialist, the protection officer—are never neutral. Nor is the technology they bring. Try as they may, they carry baggage—practice and ideology that shape the relationships they encounter (Donini and Minear 2006). Even those who reject it—the FARC leader who claims that humanitarianism is a bourgeois concept, the Taliban ideologue who waxes about the superiority of his Islamic values—have to come to terms with it.5

Globalization and humanitarian penetration go hand in hand. The current architecture of the United Nations’ humanitarian wing was decided at a G7 summit in 1991: the pace with which humanitarian agencies had responded to the inflow of Iraqi and third-country refugees into Jordan at the time of the first Gulf war was simply not good enough. On the heels of the breakup of former Yugoslavia, the last thing the West wanted was masses in flight knocking at the doors of its protected citadels.6 Better coordination and forward planning would help to contain the problem. The market also thrives on the presence of humanitarians: ice cold Coca-Cola was available in the remote Afghan district of Panjwai in the summer of 1989, for the benefit of travel-weary aid workers, trucked in, with the ice to cool it, for fourteen hours across the desert from Quetta in Pakistan; when Barilla pasta reached Kabul in early 2002, another barrier to the incorporation of the borderlands into global capitalism’s net was breached.

Humanitarianism is a dominant discourse. The Northern/Western humanitarian enterprise has positioned itself as the central vehicle for relief and protection in crisis. It is deceitfully participatory but in fact imposes pre-designed terms of engagement—you may join us in this endeavor if you mimic our institutions—and we can assist “your” survival in “our” image. Humanitarianism promotes Western forms of organization, concepts of management, standards of accountability, and the like. It brings the values, food, clothing, and music of the North to the last corners of the Earth. The encounter between MTV-generation humanitarians and the “savages” is not always easy (as when the Taliban discovered, with a disbelief that confirmed their worst suspicions about the “moral decay” of the outsiders, body-piercings, group sex, and fundamentalism of another hue when raiding aid agency residences in Kabul). To be fair, the encounter is not always negative: for more than a decade NGOs working in rural Afghanistan, during the anti-Soviet jihad period, provided
solidarity, succor, and a window on the world for hundreds of war-affected communities on the brink of survival. Even when the outcome is positive, however, the encounter takes place on the terms and power relationships of the penetrators. The increasingly oligopolisitic nature of the humanitarian enterprise results in more institutionalization and standardization of humanitarian action and thereby greater difficulties for entities who do not conform to the canon or are rooted in other traditions to emerge and be counted (Development Initiatives 2006; Donini 2006:231).

As noted above, as mendicant orders of Empire, humanitarians perform functions inherited and reproduced from colonial administrations and religious institutions, sometimes with similar missionary zeal. Even stronger parallels can be drawn with the era of “native administration,” which allowed a level of autonomy to local administrative structures within the colonial framework (Duffield 2005). Sometimes, when states fail and institutions break down, humanitarians substitute for the state. In places such as post-9/11 Afghanistan, donors, international financial institutions, the UN, and NGOs are so closely involved with key ministries that “it would be more useful to conceive of them as part of the state itself” (Harrison, quoted by Duffield 2007:669). When “a Southern state depends on external aid rather than the national economy for its existence it effectively becomes a local government in the global political order” (Fowler 1992). Sovereignty is meaningless in a situation where primary governmental functions—security, economic management, the selection and implementation of public policies—cannot be guaranteed or undertaken unless externally negotiated and financed. This state of affairs is bad enough in the context of a “normal” development situation; it is much worse in crisis countries where the state is failing or barely recovering.

More fundamentally perhaps, humanitarianism has become an important and powerful mobilizing myth for the conceptualization of North-South relations, a key lens through which such relations are to be read and reinforced. Given the failure of earlier mobilizing myths—decolonization, development—to deliver structural change, this is particularly important. It is consciously and/or unconsciously used by Northern governments to distract from structural issues. It distracts and distorts. In this it is similar, if not subordinate, to the major mobilizing myth of our times, the global war on terror (Donini and Minear 2006). Relief efforts earn politicians and even armies kudos. The band-aids get all the media attention while the structural sores continue to fester. Usefully, as humanitarian action is part of the tendency toward Empire and of processes of economic, social, and cultural globalization, it can be presented as virtuous. In the wake of the 2003 Iraq invasion in which humanitarian action was largely embedded in the Coalition Provisional Authority, the United Nations and private aid personnel were viewed by many Iraqis as representing “the
smiley, duplicitous face of globalization” rather than functioning as indepen­dent actors in their own right (Feinstein International Famine Center 2004:57). The instrumentalization of humanitarian action in the service of securitization agendas is not always as clear-cut. As noted above, its links to the realities and ideologies of globalization are both more visible and more profound. As such, globalization is antithetical to modernization, that is, a process of radical transforma­tion that, as Duffield notes, was aimed at narrowing the differences between the developed and underdeveloped worlds rather than reproducing them: “As heirs of the liberal tradition, international NGOs played an important part in contesting state-led modernization and shaping the biopolitical tech­nologies to re-expand the external sovereign frontier” (Duffield 2007:225–46).

Thus, the emergence of humanitarian action as a durable leitmotif in North-South relations runs parallel to the gradual transition from concepts that implied radical change (national liberation, decolonization, moderniza­tion) to concepts of management in international relations (structural adjust­ment, governance, sustainable development). Conflict “management” and humanitarian handouts both help to keep the borderlands under control, but more often than not function as smokescreens that distort and hide structural issues and force the conceptualization of complex issues into simplistic boxes. In the last ten to fifteen years, this less-than-transformative approach has been assisted by the focus on the individual (human rights, human security) at the expense of the structural and the collective.

New concepts such as ingérence, or “humanitarian intervention,” human se­curity, and the responsibility to protect (R2P) are operational constructs that, for better or, often, for worse, undermine national sovereignty (Bettati 1996; Ruffin 1986). By stressing individual over collective/economic and social rights, R2P in particular has been used to advocate military intervention on Northern terms. Its proponents argue that it is no longer acceptable for governments to ignore their responsibility to protect their citizenry, as this is inherent in their claim to sovereignty. This is seen as a deeply suspicious neocoloni alist approach by abusive and democratic Southern countries alike. Humanitarian interven­tion was declared “illegal” because contrary to the UN Charter by the Havana summit of the G77 in 2000. When humanitarianism is instrumentalized to advance political agendas under cover of R2P and so-called humanitarian inter­vention, it becomes a partisan act and is no longer humanitarian. This points toward a “secret solidarity” between humanitarian organizations and “the very power they ought to fight,” that of the dominant discourse of the global sover­eignty of Empire (Agamben 1998:133). It is hardly worth mentioning, of course, that the dominant nature of humanitarianism is reinforced by the fact that “humanitarian intervention” only applies to the South. While there have been a number of South-South interventions on “humanitarian” grounds
(Tanzania into Uganda; Vietnam into Cambodia) and any number of North–South interventions, there has never been a South-North intervention. The oxymoronic concept of a “humanitarian war” is also firmly Northern, not to mention the idea of the white man’s civilizing mission.

The extent to which humanitarianism, as a dominant discourse linked to globalization and governance, also creates its own antibodies is unclear. For sure, it can create disillusionment and disaffection in the borderlands when it is seen as functional to outside agendas or does not deliver the goods (Donini and Minear 2006). There is some rejectionism in certain “barbarian” quarters—both Al Qaeda and the Taliban have at times rejected “morally corrupt” Western assistance—but it has not (yet?) generated any significant alternative antihumanitarian position from within civil society movements. Unlike their Marxist predecessors, who had developed sharp arguments against “charity,” current antiglobalization movements, while often critical of large or business-oriented NGOs, are generally supportive of principled humanitarian action and of community-based movements (Klein 2005). As for the humanitarian internationale itself, it has a purist or “dunantist” caucus that recognizes itself in the principles developed by Henry Dunant and the Red Cross movement (the International Committee of the Red Cross, Médecins Sans Frontières [MSF] and a few others) but no radical fringe. By and large, it has become a globalized movement that appears to be ever more homogenized and institutionalized (Donini 2006). To be fair, it has also functioned historically as an important vector for the dissemination of new and sometimes irreverent ideas and approaches in the South. As such it creates and strengthens civil society, with mixed results, in areas where civil society is weak. It can sometimes “aid violence” (Uvin 1998; Goodhand 2006). It can also strengthen local coping mechanisms and enable communities to protect themselves against abuse. Recent evidence-based research on how communities perceive the assistance provided by outsiders, for example in the Occupied Palestine Territories or Colombia, documents both the positive and the negative in the humanitarian relationship (Donini and Minear 2006).

Mesofunctions
Let us consider now some of the mesofunctions of humanitarianism. These relate to the political economy of humanitarian action and to its links to the mechanics (rather than the ideology and the objectives) of globalization and world ordering.

The first point that needs to be stressed here is that humanitarian action makes countries safe for capital. Humanitarians are often the only (foreign) civilian actors on the ground in countries in crisis. They perform essential functions to prepare the terrain for the carpetbaggers of international industry and
finance. The Klondike fever of Kabul and Baghdad in the months after the U.S.-
led interventions had little to do with the human security of ordinary Afghans
or Iraqis and everything to do with the (re-) integration of these two rogue states
into globalized capitalism. Because humanitarian action has replaced many
statelike services and functions in countries in crisis, it contributes to the falla-
cious notion that such countries can pull through with imposed donor-driven
strategies that are fundamentally at odds with an indigenous logic of modern-
ization. No wonder, then, that a former minister of planning of Afghanistan is
wont to chastise NGOs—the visible tip of the externally driven aid behemoth—
as “worse than warlords.” Once state functions have been privatized it is next to
impossible to roll back the process. Naomi Klein laments “the rise of a preda-
tory form of disaster capitalism that uses the desperation and fear created by ca-
tastrophe to engage in radical social and economic engineering.” Areas
devastated by the tsunami in Sri Lanka and Thailand are conveniently emptied
of their coastal communities with the risk of a “second tsunami of corporate
globalization and militarization potentially even more devastating than the
first” (Klein 2005:9–11). Thus, unlike disasters of the recent past that tended to
weaken undemocratic governments—the Nicaragua earthquake of 1971 hasten-
ted dictator Somoza’s downfall—early twenty-first-century disasters seem to
be having the opposite effect. From Aceh to Sri Lanka to Kashmir, disasters
serve to further the incorporation of remote stretches of sovereignty previously
beyond the reaches of Empire into globalization. In many cases, the militariza-
tion of these hinterlands is not far behind. Even in countries such as Iran (Bam
earthquake), where the disaster response did not result in any particular global-
ization effect, it served to strengthen the established power and controls of the
state.

Thus, humanitarian action provides the oil for the capitalist machine. In or-
der to survive in an increasingly competitive marketplace, NGOs in crisis
countries or in countries recovering from conflict have to “act like a business”
and/or “act like a government” (Cooley and Ron 2002). As mentioned above,
humanitarian assistance and early recovery activities promote the privatization
of the state and its externalization. Such erosion of sovereignty in the South is
itself an essential ingredient in world ordering. Once peace is imposed—
Kosovo, Afghanistan, Iraq—with little or no concern for justice and rights,
capital, in the form of Brown and Root, Halliburton, or private security com-
panies, is never far behind, with attendant wastage and corruption.

It is also part of governance, if not of government, and contributes to the re-
production and circulation of elites. There are revolving doors between the
highest ranks of global governance and civil society organizations: many CEOs
of major Western NGOs come from business or government or leave for busi-
ness or government. Andrew Natsios moved from head of World Vision, the
world's largest NGO (and, interestingly, one that relies less than others on U.S.-
government funding\textsuperscript{11}) to administrator of USAID; three of the founding mem-
ers of Médecins Sans Frontières have become ministers in French
governments (one in a leftist government, one in a rightist one, and one in both
leftist and rightist). In many crisis countries, ministers and senior officials have
been trained and groomed in humanitarian agencies where they have learned
the technology of power. Thus, humanitarian policy makers and decision mak-
ers are “rulers” who allocate resources and have stakes in society. This applies to
Northern countries, but perhaps even more clearly to the elites in crisis coun-
tries. They wield the power of knowledge and speak the language of statecraft.
At the same time, because they personally identify with virtue, they are in denial
that they have “crossed the threshold of power” (Kennedy 2004:329). This abil-
ity of aid workers and their leaders to see themselves as outside the tent of global
governance and world ordering while being for all intents and purposes fully
embedded in it must sometimes border on schizophrenia. At the time of the
U.S.-led interventions in Afghanistan and Iraq, many U.S.-based NGOs were
torn down the middle between their desire to remain faithful to established hu-
manitarian principles and the political pressure, accompanied by a substantial
carrot of readily available funding, to act as “Wilsonian” force-multipliers of an
imperial design (Donini 2006). Of course, politicization and instrumentaliza-
tion of humanitarian assistance—from the Vietnam War to the anti-Soviet ji-
had in Afghanistan and beyond—is nothing new (Terry 2002). What is new is
the unprecedented level and depth of the instrumentalization and the “with or
against us” overtones that it implies (Donini and Minear 2006).

Thus, humanitarian action is an integral element in the advancement of
what Mark Duffield calls “liberal peace” (2001). It promotes Western stan-
dards of human rights and democracy, regardless of whether democracy is of
the “vote and forget” variety or if the democracy-first, human rights–later ap-
proach does not result in viable and accountable institutions (Donini 2007).

The blowback of allowing the liberal peace agenda to trump rights and justice
has no clearer demonstration than in Afghanistan where the chickens of war-
lordism have come home to roost: despite continuous advocacy of humani-
tarian and human rights groups, neither the UN nor the major donors have
been willing or able to put the issues of impunity for past abuses high on the
political agenda. The result has been a blanket amnesty for war crimes.\textsuperscript{12}

\textit{Microfunctions}

Finally, microfunctions relate to the individuals who devote their energies to
humanitarian action and their personal motivations.

Humanitarian action gives us—the individuals involved in the humanitar-
ian enterprise—meaning, not to mention interesting careers. It substitutes for
revolution and other “isms” of the past. It acts as a conscience pacifier—“I have done my bit for mankind and don’t need to bother with structural inequalities or dissent.” There are as many explanations for joining a profession that is often frustratingly difficult and at times exceptionally dangerous as there are individual aid workers. Motivations range from the personal (a life of adventure), to the universal and ethical (the cosmopolitan desire to participate in meaningful change, the promotion of democracy and rights), to the religious and the accidental. There are perhaps four or five major strands in the humanitarian movement: secular, religious, military, social misfits, and hard-nosed pragmatists and logisticians. A thorough sociological research on motivations of aid workers has yet to be done, but I would suspect one would find sizable proportions of lapsed revolutionaries (several of the leaders of MSF and other European NGOs were former Maoists or otherwise orphans of 1968), many individuals with religious callings or backgrounds (sons and daughters of missionary families as well as current or former clergy), a number of former military personnel, typically in logistical and security positions, a few ex-academics and researchers, and any number of accidental humanitarians who, like this scribe, stumbled onto a challenging and demanding profession by chance or serendipity.

For some, and these are not always the best, the profession is at the crossroads of exhibitionism and voyeurism. For those in search of adventure, or, worse, disaster tourism, it provides the adrenalin of war without being at war. As such it is a substitute for a military career (hence the obsession of many aid workers with logistics, multipocketed military-style garb, handheld radios, and assorted gizmos) or a career in colonial administration. The introduction of professional standards and more transparent recruitment procedures has reduced the prevalence of the type-A, swashbuckling, arrogant humanitarian that nonetheless remains a fixture in all crisis situations. He/she is being slowly replaced by the technically competent but often culturally insensitive professional and manager.

A career in the humanitarian enterprise is often a stepping-stone to politics or to senior positions in government or business. Many UN agency or NGO leaders in Europe have become members of their national parliaments or of the European Parliament. A few have become ministers. Others have joined the private sector, the media, and academia. Others still have become specialists in humanitarian punditry and TV personalities. Thus, humanitarian action contributes to the circulation and reproduction of elites in the North (as well as, but perhaps less visibly than, in the South).

And of course, humanitarian action provides employment—to at least 250,000 people worldwide (Stoddard et al. 2006). The vast majority are national staff from the affected country. A small but very influential minority are
from the North and set the terms of the functioning of the enterprise. Many of these Northerners are young and inexperienced—a kind of a “gap year” syndrome for thousands of educated middle-class folk from the North; for some, a virtuous substitute for military service. Observers at the receiving end tend to be more jaded: a frequent refrain heard in Afghanistan and elsewhere is that these young people “can’t find jobs at home” or “come and take the jobs of our qualified engineers” (Donini and Minear 2006). At the same time, the importance of the social benefits of the employment, training, and capacity-building provided to aspiring elites in the South through their association with Northern humanitarians should not be underestimated. Work in the humanitarian sector can be a stepping-stone for them as well. The terms of the humanitarian trade are such, however, that, for now, there is scant opportunity for these national staff to influence the functioning of an enterprise that remains essentially dominant and vertical. Increasingly, however, voices outside or on the margins of the formal enterprise are starting to challenge the roots and functions of Northern humanitarianism. Whether they will be heard is a different matter.

CONCLUSION: THE FUTURE OF HUMANITARIANISM IN THE AGE OF EMPIRE

Looking ahead, how might the humanitarian enterprise evolve? Will it remain embedded in, and subsidiary to, global economic and political governance? Will it fissure and fragment, allowing space for different expressions of the imperative to save and protect lives? For now, the enterprise is likely to continue to muddle through, buffeted by attempts to further instrumentalize it and aspirations for a more independent space in international relations. The choice seems to be between integration—for some, fighting Empire from within with a solidarist or human-rights agenda, while others succumb to the Wilsonian sirens of the promotion of liberal peace—and some form of secession or insulation from the globalizing agenda. Secession would only be possible through a return (for some) to a more rigorous Dunantist position. From this perspective, humanitarianism, now blemished by its engagement in transformational agendas (whether of the Wilsonian/imperial or solidarist varieties) if not sullied by its association with world-ordering interventions, would, in order to redeem credibility and access in particularly fraught environments, need to retreat from its current centrality in conflict management to the margins, that is, to purely lifesaving and protection functions. Leaving their more politicized brethren to deal with advocacy, rights, and root causes and focusing on the core traditional humanitarian functions would, perhaps, allow for a better acceptance by rejectionists and anti-humanitarians who might be swayed by the clarity of the ambulance and fire-truck functions to be performed in crisis.
A minimalist humanitarian agenda would also make it easier to enter into a potentially fruitful dialogue with the important but obfuscated humanitarian traditions of communities in the borderlands. The contributions of affected communities in the form of zakat, tithes, remittances, and other forms of individual or community-based action are the first line of defense in times of crisis. Religious and political-cum-militant groups (Hamas, Hezbollah, the Tamil Tigers) also have powerful and effective social service networks that provide for the vulnerable and crisis-affected. Their standards of transparency and accountability may well be less stringent than ours (but our smooth humanitarian surface when scratched would also reveal serious instances of agencies in the service of political or religious agendas—and even civilian “humanitarians” in uniform or carrying weapons, e.g., in the allied forces in Italy during the Second World War or in Vietnam). This should not impede a dialogue or at least a conversation among humanitarianisms, especially since it may well increasingly be a prerequisite for addressing humanitarian need in asymmetric war situations or in areas controlled by, or infested with, networked “barbarians” (transborder shadow economies, illicit drug and people trafficking networks, and the like). Lest they be further co-opted in the advancement of imperial agendas, humanitarians need to reach out to the other traditions of humanitarian action. It remains to be seen, however, if some kind of superior universalist synthesis could be effectively promoted on the basis of such a conversation. Understanding each other’s differences might be a first and useful step.

Asking if there is an alternative to the present imperial hold on the humanitarian enterprise is a bit like asking if there is an alternative to Empire. Lament it as we may, there is no alternative. Barbarians in the borderlands seem to represent the only alternative for now. They are, or seem to be, as odious and unpalatable as the anticolonial liberation movements appeared to the colonial powers of yore. Militant groups who use terror tactics are unlikely to be defeated. They will remain a fact of life, probably well into the next generation. A choice is open here: Will more lives be saved and protected in the crises to come through alignment with the imperial liberal peace agenda or, on the contrary, through maximum separation and insulation from it? There are no easy solutions. The way in which the question is answered will shape the architecture of the humanitarian movement in the years to come.

Opposing camps have strong arguments to validate their perspectives on the future of humanitarianism. Given current trends, and the polarization that shapes the “with us or against us” ethos at both ends of the political spectrum, it is likely that contemporary humanitarianism will be less welcome and less present where Empire wields its military muscle to effect regime change. Moreover, the welcome mat is already being rolled up by the BRICs (Brazil,
Russia, India, China). These countries increasingly see external relief as unnecessary if not an affront to their dignity. It is in the forgotten and woebegone borderlands, where the strategic interests of Empire are less urgent, that humanitarian space is still accessible. For now, this is where humanitarians will continue to set up camp. This is also where they stand a better chance of being able to do their work in a principled and nonintrusive manner.

NOTES

Acknowledgments. I am greatly indebted to Norah Niland, Peter Walker, and of course Nandini and Mark for their thoughtful comments on early drafts of my chapter.

1. In Italian, dietrologia, or the “science” through which pundits discern what is behind a particular position or action of members of the Italian political class, similar in methods and approach to Kremlinology.

2. The average amount over the last three years is closer to $10 billion per year.

3. This definition of empire is borrowed from the work of Michael Hardt and Antonio Negri. In their books Empire (2001) and Multitude (2004), they dissect the biopolitical nature of contemporary forms of power and resistance thereto. While they do not deal with humanitarian action per se, they do provide an intriguing analytical framework in which such action can be usefully conceptualized. For a critique of their views see Balakrishnan (2003).

4. Colin Powell, secretary of state at the time of the U.S.-led intervention in Afghanistan, went further and appealed to U.S. NGOs to act as “force multipliers” and to be part of “our combat team” in his remarks to the National Foreign Policy Conference for leaders of U.S. NGOs (U.S. Department of State, Washington DC, 26 October 2001, available online).

5. The case studies that form part of the Tufts Humanitarian Agenda 2015 research (Donini and Minear 2006) document the tension between outsiders and local communities not only in terms of the values that humanitarian action transmits but also in terms of the power relationships, technical baggage, and personal behavior that accompany it. The twelve case studies, ranging from Afghanistan to Iraq and Colombia to Nepal are available at: fic.tufts.edu.

6. The G7 (now G8) decision of June 1991 was followed by UN General Assembly resolution 46/182 of 19 December 1991, which formally established the UN Department (now Office) for the Coordination of Humanitarian Affairs.

7. Extrapolating from Development Initiatives estimates, it can be said that between two-thirds and three-quarters of all recorded humanitarian assistance is provided through the UN system, ICRC, and a cartel of five consortia of transnational NGOs (World Vision, CARE, Oxfam, Save the Children, and MSF).

8. On the concept of mobilizing myth as applied to development and related international activities see Murphy and Augelli 1993.

9. There have been South-North humanitarian expressions of solidarity, however. Mozambique, in recognition of the assistance it had received from Europe for floods in 2000, offered its own assistance for the flooding in Germany two years
later. Cuba, whose hurricane preparedness and response capacity are second to none, offered, not entirely in jest, to send its emergency doctors to New Orleans in the wake of Hurricane Katrina.

10. The first recorded use of the term was by Hitler—to justify the invasion of Poland—but there are innumerable instances of wars declared on “humanitarian” grounds.

11. Less than 30 percent in 2004 while CARE US received 80 percent from government sources (Development Initiatives 2006:43).

12. In February 2007, the Afghan lower house of Parliament and then the Senate passed a law giving blanket amnesty to those responsible for war crimes and other abuses from 1979 onward.
TOURISM AS RECONSTRUCTION
International Tourism and Disaster Capitalism

The Case of Hurricane Mitch in Honduras

Susan Stonich

Naomi Klein described “the rise of disaster capitalism” as an emerging orientation in international development institutions to exploit natural and human disasters in order to expedite the expansion of neoliberal capitalism (Klein 2005). In her article, Klein identified Hurricane Mitch, which devastated Central America in 1998, as the point in time at which disaster capitalism “hit its stride.” She also identified the promotion of high-end international tourism as one of the principal means by which disaster capitalism has been advanced in the aftermath of several postdisaster and postconflict situations and as an essential component of postdisaster economic recovery efforts. This chapter uses the example of Hurricane Mitch in Honduras to assess the relevance of “disaster capitalism” to characterize recovery and reconstruction efforts in the aftermath of this “natural” disaster. It focuses particularly on the promotion of international tourism development in Honduras as a major economic recovery strategy during this period. Hurricane Mitch in Honduras is a fitting case to consider because it has been almost ten years since Mitch, and several assessments of recovery and reconstruction efforts have been completed. Thus, lessons learned (and not learned) from the experiences of Hurricane Mitch may be applied to other more recent disasters such as the Asian earthquake and tsunami of December 2004, after which international tourism also was identified as a major economic recovery strategy (see chapter 5). Based, in part, on longitudinal ethnographic and survey research conducted in Honduras between 1980 and 2004, supplemented by analyses of post-Mitch recovery assessments, the chapter examines the actions of and the linkages among several important stakeholders involved in the recovery and reconstruction efforts, including the Honduran state, international donors, the private sector, civil society organizations, and the people of Honduras.

The chapter begins with a brief introduction to the global tourism industry, especially in terms of its continuing growth despite the occurrence of natural disasters, political conflicts, terrorism, and disease outbreaks over the last several
years. The chapter continues with a very brief summary of recent trends in thinking about disasters and vulnerability by scholars, policy makers, and the disaster relief and assistance community. It then discusses the mounting growth of international tourism as an economic development strategy in Central America despite the region’s high incidence of human and natural disasters, from revolutions and civil wars to volcanic eruptions, earthquakes, and hurricanes. This is followed by a short discussion of the impact of Hurricane Mitch, particularly in Honduras, the Central American country hardest hit by the hurricane and also increasingly economically reliant on tourist expenditures at the national and household levels. A brief presentation of conditions in Honduras before and after Mitch follows, which includes the creation of long-standing social and ecological vulnerabilities—conditions or root causes that exacerbated impacts and turned the hurricane into a devastating and unprecedented catastrophe. The chapter concludes with an evaluation of tourism as an effective economic development and recovery strategy in the aftermath of Hurricane Mitch.

GLOBAL TOURISM AND DISASTERS
In 2005, international tourism exceeded expectations, growing by 5.5 percent to 808 million arrivals, despite devastating natural disasters, including an extraordinarily long and destructive hurricane season in the Caribbean and the aftermath of the December 2004 Indian Ocean tsunami in Asia, as well as various terrorist attacks, mounting health scares regarding avian flu, rising energy prices, and other political and economic uncertainties (UNWTO 2006). Preliminary estimates for 2006 confirm the continued economic expansion of the international tourism industry and the generally positive outlook of the United Nations World Tourism Organization (UNWTO), with tourist arrivals growing 4.5 percent (to 842 million arrivals) despite similar downside risks. While particular regions and individual destinations suffered serious losses (at least in the short term), the global tourism industry itself remains surprisingly resilient and continues to rebound since the destruction of the World Trade towers in New York on September 11, 2001, which was followed by a brief downturn in the industry (UNWTO 2006). According to the UNWTO, those countries most affected by the December 2004 Indian Ocean tsunami continued to recover in 2005, with the exception of the Maldives, which reported a 39 percent decrease in the number of tourist arrivals in 2005 compared to 2004, while arrivals to Indonesia declined 6 percent, to Sri Lanka 3 percent, and to Thailand 1.4 percent (UNWTO 2007). The UNWTO remains optimistic about the industry even in those countries shattered by the Indian Ocean tsunami, predicting that tourism will regain its pre-tsunami strength by the winter season of 2006–2007. One of the most important predictions recently made by the UNWTO Panel of Experts was that the tourism industry
“can no longer expect a normal year,” and that given mounting global envi­
ronmental and social risks and uncertainties each year will bring new chal­
lenges (and opportunities) (UNWTO 2006).

While it is impossible to predict future social and political upheavals with
much certainty, the UNWTO forecast is particularly relevant in terms of the
scientific consensus that climate change is increasing the intensity, and perhaps
the frequency, of hurricanes, flooding, and other extreme weather events, par­
ticularly in coastal zones (Adger, Brown, and Hulme 2005; Emanuel 2005;
Trenberth 2005). These zones are the locations of massive growth in human
population as well as in the number of tourist destinations and attractions. The
predicted increase in intensity and unpredictability of these climate­
related events is particularly important in low- and middle-income countries
(such as those in Central America) since fatalities per event and direct eco­
nomic losses as share of income are inversely related to national per capita in­
come, and insurance coverage is low or nonexistent (Linnerooth-Bayer,
Mechler, and Pflug 2005). Moreover, while the risks/costs of climate change
and extreme weather events continue to rise in terms of human lives, decimated
economies, and damaged ecologies (especially in poorer countries), it is in­
creasingly clear that these escalating costs are due to deep social and ecological
vulnerabilities as much as to “natural” hazards (Bankoff, Frerks, and Hilhorst
2004; Oliver-Smith 1999b; Wisner et al. 2004). Recent shifts in thinking and
dealing with disasters have moved away from conceptualizing “hazards” and
“disasters” as onetime events to viewing them as longitudinal processes with di­
verse causes and consequences; to recognizing that “disasters” reveal the com­
plex interrelationships between ecological systems and human societies; to
emphasizing preparation, planning, mitigation, and reconstruction, as well as
emergency recovery; and to focusing on reducing social and ecological vulner­
ability and enhancing “resilience” of diverse groups and environments (Adger
2006; Bankoff, Frerks, and Hilhorst 2004; Blaikie et al. 1994; Brooks, Adger, and
Kelly 2005; Oliver-Smith 2004; Parks and Roberts 2006; Wisner et al. 2004).

INTERNATIONAL TOURISM IN CENTRAL AMERICA AND HONDURAS
The recognition by the UNWTO Expert Panel of ongoing risks and uncer­
tainties affecting the tourism industry is particularly relevant for the countries
of Central America, which have seen significant growth in international
tourism over the past two decades. The increase is due to several factors in­
cluding U.S. consumer beliefs that the region is “safer” than other regions of
the world, significant increases in the number and quality of accommodations,
and enhanced transportation opportunities integrated through aggressive
joint efforts by Central American countries to promote international tourism
as a major avenue of economic development, in part because of the region’s
proximity to the United States (INCAE and HIID 1999). As shown in figure 4.1, both the number of tourist arrivals and the value of tourist receipts increased significantly in the region since 1990, after the highly publicized cessation of widespread political violence and conflicts.

Between 1990 and 2005, the number of international tourist arrivals to Central America grew from approximately 2 million to 6.6 million annually (230 percent). Since 2000, average tourist arrivals to the region grew almost 9 percent annually, even in the aftermath of the temporary but widespread declines in international travel following September 11, 2001. In 2004 and 2005, international tourist arrivals to the region grew 17.8 percent (04/03) and 16 percent (05/04) respectively, significantly surpassing the global growth rates, which were 10 percent and 5.5 percent for the same periods. The 16 percent growth for tourism in Central America in 2005 made it the fastest growing subregion in the world despite the massive flooding, landslides, and human fatalities from Hurricane Stan, which struck the region in late September and early October (UNWTO 2007).

While international travelers to Central America make up less than 1 percent of the total number of international tourists, foreign exchange earnings from the tourism industry have become major contributors to the economies of the region. For example, in 2005, tourism receipts were more than 5 percent of the gross domestic products (GDP) of Costa Rica, Belize, Honduras, and

![Figure 4.1](700x95.png)

**Figure 4.1.** International tourist arrivals and tourist receipts to Central America, 1970–2005. Source: Honduran Ministry of Tourism (IHT), www.letsgohonduras.com.
Panama, and more than 2 percent in Guatemala and El Salvador (Latin American Business Chronicle 2006).

HURRICANE MITCH: THE PERFECT STORM

The Central American isthmus is one of the most disaster-prone regions of the world, an area that has experienced severe (and ongoing) social conflicts, widespread inequalities and poverty, as well as dangerous “natural” events (hurricanes, earthquakes, volcanic eruptions, floods, droughts, and landslides). The interaction between these endogenous variables and other exogenous factors must be taken into account in any analysis of what constitutes a disaster in this region. As noted above, a growing number of scholars, policy makers, and disaster specialists have pointed out that it takes more than an extreme event to produce a “disaster.” This was made incredibly clear when Hurricane Mitch hit Central America from October 22 to November 6, 1998 (see figure 4.2 for the path of Hurricane Mitch).

Figure 4.2. Path of Hurricane Mitch. Source: UCSB Anthropology Graphics Laboratory.
The 1998 Northern Atlantic Ocean hurricane season was unusually strong with twelve named storms that caused enormous devastation, loss of life, and environmental damage throughout the Caribbean Basin to both Caribbean island nations and to the countries of Central America. The deadliest and the most intense of these storms was Hurricane Mitch, with a maximum sustained wind of 180 mph and a minimum pressure of 905 mbar. Affecting Central America (especially Honduras and Nicaragua), the Yucatan Peninsula of Mexico, and eventually South Florida, Hurricane Mitch was the deadliest Atlantic hurricane in more than 200 years, second only to the deadliest hurricane ever recorded, the “Great Hurricane” in the Lesser Antilles of 1780. At least 11,000 deaths, 8,000 missing, and 13,000 injuries were attributed directly and indirectly to Mitch, largely from flooding, mudslides, and landslides in Central America. Hurricane Mitch affected every Central American country but had the most severe impacts in Nicaragua (3,800 fatalities) and in Honduras (5,657 fatalities, 12,275 injured, and 2,058 missing) (IDB 2000).

Late in the 1998 hurricane season, Mitch quickly developed into a catastrophic, category-five hurricane and took deadly aim at Honduras. It stalled with its eye over the island of Guanaja, one of the Bay Islands—Honduras’s premier tourist destination—where it stayed for thirty-nine hours before it made landfall along the Honduran North Coast. While lingering off the coast for several days, Mitch absorbed enormous amounts of water from the ocean. Even after wind speeds diminished and it was downgraded to a tropical storm, it dropped as much as three feet of rain in some places as it moved north to south across Honduras and Nicaragua before turning west and passing over El Salvador and Guatemala. In Honduras, the intense rainfall caused major flooding in lowland areas and in river basins, and brought about deadly raging river rapids, mud, and landslides on deforested mountainsides that swept away infrastructure of all sorts—bridges, highways, and parts of many communities. Hurricane Mitch significantly altered the topography in many areas of Honduras (NHC 1999). Damage to the nation’s infrastructure was unprecedented—even compared to Hurricane Fife, which struck Honduras in 1974 and had an equally high human death toll. An estimated 70 percent of Honduras’s physical infrastructure was seriously damaged including 169 major bridges, all major highways, and most secondary roads. Destruction to communications systems, electrical power grids, water and sewerage services, and irrigation and drainage systems was also far reaching (ECLAC 1999). In addition to sweeping away people, homes, and communities, massive flooding also destroyed industrial and commercial sites while simultaneously depositing a wide variety of chemicals and other toxic materials in the soils and aquifers as well as in coastal and marine environments (Jansen 2003).
An estimated 3 million people (about 50 percent of the population) were affected in some significant way: An estimated 600,000 to 700,000 people (about 10 percent of the national population) lost their homes and had to seek shelter elsewhere, frequently at a great distance from their homes; 4.2 million people (70 percent of the national population) were without water. Despite the outpouring of unprecedented international assistance, overcrowding in shelters resulted in widespread waterborne diseases (e.g., respiratory, gastrointestinal, eye, and skin infections) although feared epidemics of major diseases, such as cholera, did not occur (ECLAC 1999).

Devastation from Hurricane Mitch was exacerbated by the loss of the means of production. In 1998, Honduras was highly dependent on the export of agricultural, aquacultural, and other natural-resource based products (primarily coffee, bananas, and cultivated shrimp), textiles and other goods manufactured by the maquila industry, and on international tourism receipts. Vast areas of agricultural land were flooded, destroying agricultural crops grown for export and for domestic consumption. An estimated 18 percent of Honduras’s most important export crop, coffee, was lost. Estimated total direct and indirect losses were around $64 million, but actual losses were much higher because damage to roads hampered carrying out the coffee harvest or prevented the transport of harvested coffee to markets. Bananas, which ranked second in providing foreign exchange to Honduras at the time, were harder hit, with loss estimates of $490 million. Virtually all banana plantations along the North Coast were completely flooded, reducing production to about 15 percent of normal and creating as much as 80 percent unemployment in the industry. Honduras’s third most important export crop, cultivated shrimp, also suffered serious losses (approximately $28 million in losses) due to both inundation and contamination that almost totally destroyed the majority of shrimp farms along the Gulf of Fonseca in southern Honduras (ECLAC 1999).

The industrial sector, including both inbound assembly (maquiladoras) for export and the national industry aimed at the domestic and Central American markets, reported damage to infrastructure, machinery, and production due to floods, rain, and landslides as well as high rates of absenteeism for long periods after the disaster. Total damage to the industrial sector was estimated at about $377 million, the majority due to production losses in agribusiness and maquiladoras (ECLAC 1999).

In contrast, the tourism sector, with the exception of the Bay Island of Guanaja, escaped major damage (ECLAC 1999). The major tourist destinations of Roatan, the largest of the Bay Islands where most of the islands’ tourism accommodations and attractions are located, and the archeological site of Copan, the second most visited tourist destination in Honduras, were relatively...
unaffected by the hurricane. However, many potential tourists cancelled planned trips immediately after the disaster.

Total monetary losses from Hurricane Mitch for the entire Central American region were estimated at about $6 billion, while loss estimates for Honduras alone were in excess of $4 billion, about 70 percent of the 1998 GDP (ECLAC 1999). The highest capital losses were in agriculture, transportation, communications, and housing although water and sewerage systems, health care, and education infrastructure also sustained extensive damage. Production losses for 1998 and 1999 were estimated at around $1.8 billion: agriculture, aquaculture (primarily shrimp farming), and livestock raising (52 percent); manufacturing, including maquilas (17 percent); and transportation and communication (mainly roads and bridges) (16 percent). The production of housing services, health care, energy, education, and water also sustained extensive losses. Trade and commerce, including the tourism industry, suffered lower capital losses (ECLAC 1999).

Small and medium-sized hillside and mountainside farms, largely cultivated by small farmers, fared no better than larger export-oriented farms and plantations. Hillside farms were stripped of topsoil by heavy rainfall and landslides, and many farms located in highland valleys were buried under deep layers of debris and sediment. In addition to the economically devastating loss of foreign exchange brought about by the destruction of export crops, enormous unemployment throughout the agricultural and maquiladora sectors significantly impeded the ability of Honduran families to recover. An estimated 58 percent of the maize, 24 percent of the sorghum, 14 percent of the rice, and 6 percent of the bean crops were destroyed. Steep losses in the production of basic grains were especially threatening for the majority of Hondurans, who are either poor (78 percent of the population) or indigent/extremely poor (50 percent of the population), for several reasons. First, maize and beans accounted for more than 50 percent of the calories and 67 percent of the protein consumed by the poorest 25 percent of households in the countries (Rogers, Swindale, and Ohri-Vachaspita 1996). In rural areas, where the poverty and indigent rates continue to be higher than in urban areas, sorghum and maize are even more important in the diets of the poorest households—constituting between 80 and 90 percent of total calories consumed by this nutritionally at-risk population (Stonich 1993). Although some progress has been made to reduce poverty in urban areas of Honduras in the last few decades, poverty in rural areas remains relatively unchanged (World Bank 2000). Second, 60 percent of these basic grains (sorghum, maize, and beans)—the foods of the poor—generally are grown on small farms by small farmers in various parts of the country for national markets (Bonnard and Remancus 2002). Third, production by small farmers is not limited to consumption within the producers’
households. Rather, up to 50 percent of smallholder production enters the national/domestic market (Stonich 1993).

While production losses due to Hurricane Mitch for large, export-oriented farms were huge, losses by smallholder producers were equally and perhaps more devastating. A 1999 study conducted by CARE in eighty municipalities with the worst nutritional profiles in the country concluded that more than 35 percent of households suffered significant crop losses (CARE 1999). Although asset and income damages were greater in wealthier households, it often is more difficult for poorer households to absorb even small shocks in income or assets. Evidence from several studies conclude that in response to such relatively “small” shocks, poorer households were compelled to sell productive assets (such as livestock) in order to cover survival costs (e.g., for food or shelter) thereby diminishing their stock of assets still further (CARE 1999). Unfortunately, such divestments generally are underestimated or overlooked in many hurricane damage estimates. In a similar study, Catholic Relief Services (CRS) reported that rural households that depended on agriculture for their livelihoods and were “food secure” before Hurricane Mitch generally recuperated within a few seasons, while households that were food insecure previously or were dependent on agricultural or other kinds of wage labor from enterprises badly damaged by the hurricane experienced a much more prolonged recovery period, if they were able to recover at all (Hintch and Chirinos 1999). Thus, while the entire Honduran population was at risk, the rural poor were especially vulnerable after Hurricane Mitch. Moreover, the horror of Hurricane Mitch exacerbated the profound, long-standing, and widespread social and ecological vulnerabilities that characterized the country (Stonich 1989, 1991a, 1991b, 1992, 1993, 1995, 1998).

RECOVERY AND RECONSTRUCTION EFFORTS IN THE AFTERMATH OF HURRICANE MITCH

Immediately after Mitch, the president of Honduras declared martial law, suspended civil liberties, and created an authoritarian (and many would say corrupt) Reconstruction Plan designed by his political cronies. These acts, along with the passage of controversial constitutional reform, accelerated privatization of industries and services and stimulated widespread hostility to structural adjustment in the form of the Poverty Reduction Strategy Paper (PRSP) and increasing civil protests and the emergence of hundreds of new civil society groups in the country. The severe measures of the government also attracted the attention of multilateral and bilateral donors and international nongovernmental organizations (NGOs) on which the country depended for financial assistance. Several important things came about: increased cooperation among civil society groups and between civil society groups, labor unions, human
rights groups, other issue-oriented groups, and donors; increased participation by these coalitions in reconstruction plans and activities; and increased power of these coalitions to make political demands (Fuentes 2004). The result has not been the comprehensive transformation of Honduran society as envisioned in the immediate aftermath of Hurricane Mitch, including the reduction in social and ecological vulnerabilities as proposed in the Stockholm Declaration of 1999 (CGRTCA 1999). However there has been an opening up of the political landscape with additional political space for civil society groups and the (still unrealized) potential of transforming the country from within (Fuentes 2004).

In the aftermath of Mitch, individuals and institutions seem to have perceived the future through one of two lenses, or “windows of opportunity.” The first vision saw reconstruction as a means to recover economically without recreating existing social and ecological vulnerabilities, as a means to address root causes of vulnerability and enhance resilience, and as a means to enhance true democracy and promote equity. The second window perceived reconstruction as a means to promote capitalism through privatization and other neoliberal economic policies and practices, especially through the expansion of international tourism. In reality, both visions materialized to some degree.

**TOURISM AS A KEY DEVELOPMENT STRATEGY IN HONDURAS AFTER MITCH**

By 1998, tourism receipts ranked third (behind bananas and coffee) in generating foreign exchange earnings in Honduras, the result of a decade of promotion by the government of Honduras and the private sector with considerable donor support (Stonich 2000). With the widespread decline in agriculture and the relative survival of the major tourist destinations, the Honduran government saw international tourism, along with the maquila industrial sector, as the pillars of economic recovery. Enhanced public-private collaborations (with enhanced international donor support) commenced quickly. The Honduran Institute of Tourism (IHT), a government agency, set up a Hurricane Mitch Response Team almost immediately and engaged U.S. public relations firm Egret Communications to carry out the IHT strategy, create a marketing plan, and handle damage control including creating a website. These efforts all were focused on bringing tourists back to Honduras, especially on promoting foreign tourism investment in the Bay Islands and the North Coast—the areas immediately targeted for intensive tourism development.

In addition to economic incentives, the government’s national Reconstruction Plan also instituted political measures as part of their strategy to promote tourism through enhanced foreign investment. These measures included the Honduran Congress’s accelerated passage of the reform of Article 107 of the Honduran Constitution and stepped-up processes of political decentralization.
(which delegated many reconstruction activities to municipalities) and the privatization of several state-owned industries such as telecommunications, energy, and major port facilities (although all these efforts were not realized). While all these measures were designed to further neoliberal economic expansion, the reform of Article 107 was particularly significant because the reform made it legal for foreigners and foreign corporations to purchase lands and own infrastructure on the Caribbean and Pacific Coasts and on all islands, which had previously been prohibited by the constitution. The government estimated that this reform would generate at least $500 million in the form of hotel and resort construction. Widely supported by owners of tourism firms, one hotel owner stated, “Article 107’s reform will enable Honduras to become a player in the world tourism arena” (Stonich 2000). As I have described in detail elsewhere, the reform was very controversial and contested (sometimes violently) by indigenous groups (especially the Garifuna and the Native Bay Islanders) and coastal communities who lost land, homes, and livelihoods in the process. The often conflictive process of wresting control of coastal areas from local, coastal peoples (Afro-Caribbean Bay Islanders, Garifuna, and poor ladinos) was often described to me as a “land grab” designed to further the ladinoization/hispanization of the islands and coastal zones by the “Spaniards” in Tegucigalpa. This resistance continues today, as coastal peoples and indigenous groups throughout the country lose land and livelihoods in the name of tourism development and the promise of jobs (Stonich 2000).

Nowhere has local conflict over the unbridled growth of tourism been greater than on the Bay Islands—Honduras’s prime tourist destination. The government began vigorously promoting tourism in the Bay Islands in the early 1980s in response to the recommendations of international economic development consultants as well as the government’s own desire to firmly integrate the Bay Islands into mainland Honduran economy, society, and culture for the first time. Since the immediate post-Mitch period, the state has continued to promote tourism as a major avenue of economic development, with support from major international donors including the World Bank, the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), and the United States Agency for International Development (USAID). In 1990 an estimated 15,000 international tourists visited the Bay Islands. By 2005, that number grew to 100,000 international tourists, plus an additional 200,000 cruise ship passengers.

In order to promote international tourism in the Bay Islands, the Honduran state had to face several hundred years of Anglo-Hispanic conflict during which time control of the Islands alternated between British and Spanish/Honduran political powers. Even after Honduras eventually gained sovereignty over the islands through the Wykes-Cruz Treaty of 1859, the islands’
overwhelmingly dominant Anglo-Caribbean and Afro-Caribbean population successfully isolated itself from Honduran control. To a great extent, Islanders retained their ethnic, cultural, linguistic (English/Creole) and religious (Protestant) heritage; maintained their social, cultural, and economic ties to other English-speaking enclaves in the Caribbean; and intensified their links with the United States. Today, many Islanders refer to themselves as “British” rather than “Honduran” and convey sentiments of political independence from Honduras. The recent boom in tourism has linked the Bay Islands into the mainland polity, economy, and culture as never before. Not surprisingly, enhanced integration has been accompanied by heightened friction between longtime Afro-Caribbean and Anglo-Caribbean islanders and recently arrived Spanish-speaking ladinos from the mainland (that is, desperately poor immigrants in search of jobs in the tourism industry, government agents/officials, army/police, and national elites with investment interests). The Bay Islands are especially attractive to mainlanders not only as a source of employment but also for the high quality of life according to most social, economic, educational, and health measures, which put the islands on a par with Costa Rica, far surpassing conditions on the Honduran mainland. Unfortunately, these conditions began changing drastically in the late 1980s in the context of the largely unregulated growth of the tourist industry. While migration of desperately poor ladinos from the mainland did not begin in the aftermath of Hurricane Mitch, migration greatly increased post-Mitch. By 2005, the Bay Islands had an estimated resident population of about 50,000, more than 50 percent ladino immigrants from the mainland, as well as a growing number of foreign real estate developers and expatriates from the United States and Europe.

Until recently, Bay Island elites and other Honduran interests dominated the tourist industry on the islands. However, post-Mitch, these initial promoters were joined by a number of foreign real estate developers and other well-capitalized investors whose aims included converting previously undeveloped coastal and upland areas into large-scale resorts and upscale housing subdivisions. Their efforts have provoked widespread land speculation, an upward spiral in land prices, and intensified social conflicts—not only over land but also over access and use of the islands’ limited freshwater and marine resources. While it is beyond the scope of this chapter to lay out the consequences in great detail, some of the most important findings of my twenty years of research on Bay Islands include: increased social differentiation and a growing gap between rich and poor; the assignment of the majority of recent ladino immigrants and poor Afro-Caribbean islanders to low-status, low-paid, temporary jobs; reduced access for local people to the natural terrestrial and marine resources on which they depend for their livelihoods; escalating prices for food, manufactured goods, and housing; land speculation and spic-
raling land costs; increased outside ownership of local resources; and deterio-
ration of the biophysical environment—especially declines in the quality and
quantity of fresh and seawater, deforestation, and habitat destruction (Stonich

Another important trend designed both to sustain the tourism industry on
the Bay Islands and to deal with enhanced ecosystem and habitat destruction
was the designation of several terrestrial and marine-protected areas near or
adjacent to major tourist zones or to zones earmarked for intensive tourist
development. Done in the name of environmental protection and manage-
mant, with financial and technical assistance from major international
donors such as the IDB, these designations often have been, in effect, flagrant
examples of “coercive conservation” involving little—if any—participation
by local peoples and to date have largely been unsuccessful in significantly
halting or ameliorating the continued environmental destruction on the is-
lands (Stonich 2005).

According to a few limited macroeconomic criteria, tourism development
has been a very successful development strategy for Honduras since Hurricane
Mitch. Figure 4.3 shows significant increases in international tourism arrivals,
tourism receipts, and number of cruise ship passengers to Honduras between

![Figure 4.3](http://example.com/figure4.3.png)

**Figure 4.3.** International tourist arrivals, tourist receipts, and cruise
ship passengers to Honduras, 1995–2006. Source: Honduran Ministry of
Since 1997 (the year before Mitch), the number of tourist arrivals increased by 274 percent (from about 300,000 to 823,000), tourism receipts have risen 350 percent (from approximately $146 million to $512 million), and the number of cruise ship passengers has grown 1,280 percent, from less than 25,000 to about 320,000 passengers per year.

The current plans of the IHT include expanding the number of significant tourist destinations in the country beyond the Bay Islands and the archeological site of Copan, to include a number of destinations along the North Coast, the southern Pacific Coast, and in La Mosquitia (home to the largest remnant indigenous population in the nation and the location of important internationally designated protected areas such as the Rio Platano Biosphere Reserve). One of the primary mandates of the IHT is to facilitate private investment in connection with this expansion (such as the Tela Bay and Trujillo Bay projects along the North Coast). Regarding the Bay Islands specifically, in late 2006, the Honduran government announced the creation of the Bay Islands Free Trade Zone on Roatan and an agreement with Royal Caribbean Cruises to expand and improve the cruise ship dock on Roatan. To date these measures have provoked a good deal of resistance, from local and indigenous people in the areas earmarked for tourism development and by national and international environmental organizations concerned with issues of environmental and social sustainability.

HONDURAS BEFORE AND AFTER HURRICANE MITCH
The United States has had great political and economic influence in Honduras since the early 1900s, and in the 1970s it became a major staging area for U.S. troops during the Cold War (Faber 1993; Williams 1986; Woodward 1999). By the 1980s, U.S. corporations controlled more than 60 percent of the Honduran economy (Stonich 1993). Despite this attention (or perhaps because of it), Honduras was characterized by widespread poverty and environmental destruction when Hurricane Mitch hit in 1998. At that time, the country was struggling with a draconian structural adjustment program and increasing public hostility; a stagnating economy; one of the lowest GDPs per capita in Latin America; increasing landlessness of peasant farmers; and high levels of poverty, with more than 75 percent of the population living in poverty and more than 55 percent living in absolute poverty/indigence (ECLAC 2007). Moreover, Honduras, along with Nicaragua and Guatemala, ranked as the bottom three Central American countries according to the UN Human Development Index in 1998 (UNDP 2000).

The United States continues to be a powerful force in the country. It remains Honduras's most important trading partner with more than $7 billion in two-way trade in 2006 (accounting for 54.4 percent of Honduran export
goods and 37.5 percent of Honduran import goods) (U.S. Department of State 2006). U.S.-Honduran trade is dominated by the maquila industry (which imports yarn and textiles from the United States and exports finished articles of clothing) and by the export of coffee, bananas, and seafood (primarily farmed shrimp). Between 2003 and 2004, U.S. direct investment in Honduras grew from $262 million to $339 million, with the largest investments in the maquila sector, fruit production (principally bananas, melons, and pineapples), tourism, energy generation, and shrimp aquaculture. In addition, many U.S. franchises, especially in the restaurant sector, operate in Honduras (U.S. Department of State 2006).

In 2005 the United States signed the U.S.-Central America Free Trade Agreement (CAFTA), which eliminated tariffs and other barriers to trade in goods, services, agricultural products, and investments. CAFTA was ratified by the Honduran legislature in 2005, despite significant protests regarding U.S. demands for domestic legislation aimed at protecting U.S. industries and local doubts as to potential consequences of CAFTA. CAFTA was promoted by the United States on the grounds that it would increase foreign investment, exports, and employment in Honduras. In mid 2005 Honduras became the first country in Latin America to sign a Millennium Challenge Account with the U.S. government. Under the compact, the U.S. Millennium Challenge Corporation will invest $215 million over five years to help the country improve its transportation system, diversify its economy (especially the agricultural sector), and enhance marketing of its products. However, in 2006, with a GDP of about $6.6 billion (an average of $962 per capita), and an estimated 74.8 percent of the population living in poverty and 53.9 percent of the population living in extreme poverty or indigence, Honduras remains one of the poorest countries in Latin America (U.S. Department of State 2006). According to a recent study by United Nations Economic Commission for Latin America and the Caribbean (ECLAC) of eighteen countries in Latin America, Honduras has the highest percentage of its people living in both poverty and indigence, including other poorest countries in the region: Bolivia, Guatemala, Nicaragua, and Paraguay (ECLAC 2007).

In 2001, the IMF and the World Bank approved Honduras’s PRSP (GOH 2001). With Hurricane Mitch reconstruction largely over and most macro-economic targets met to their satisfaction, the IMF approved a three-year $107.6 million Poverty Reduction and Growth Facility agreement for Honduras to support the government’s economic program. The expansion of international tourism was a central tenet in Honduras’s original application and remains so in the subsequent annual progress reports the country is required to submit (GOH 2000, 2001, 2003, 2005).
The approval of the Poverty Reduction and Growth Facility agreement allowed Honduras to receive around $324.3 million during 2004 and $186.6 million during 2005 in new disbursements from other international financial institutions and bilateral donors, and paved the way for multilateral debt relief of approximately $1.1 billion over the next fifteen years. In 2005, Honduras achieved compliance under the Heavily Indebted Poor Countries (HIPC) initiative qualifying the country for multilateral debt relief. The World Bank and the IMF contend that debt relief will contribute to greater investment and economic growth and eventually to increases in income and declines in poverty (USAID 2006a). It remains to be seen whether this will occur.

According to the most recent data available from the World Bank, agricultural employment accounted for approximately 35 percent of employment (a little over 1 million people) in 2001-2003, a decline of about 10 percent of total employment since 1989-1991 (World Bank 2006b). This decrease reflects not only increased opportunities brought about by the diversification of the Honduran economy since 1990, but also increased impoverishment and environmental destruction in rural areas of the country, which accelerated following Hurricane Mitch. Simultaneously, employment opportunities have emerged in other sectors including the maquiladora industry, which in 2006 was estimated to employ approximately 130,000 people (U.S. Department of State 2006), and the tourism industry, which provided a total of 105,000 direct and indirect jobs (IHT 2005). Together these factors have accelerated the urbanization of Honduras: In 2005 the urban population was estimated to be 46.5 percent of the total population. The United Nations Population Division predicts that within the next ten years, Honduras will become a predominantly urban nation (United Nations Population Division 2006).

Extraregional migration from Central America in response to deteriorating conditions in home countries is not a new phenomenon. Through the 1970s, half of all Central Americans who immigrated to other countries relocated to other Central American countries, primarily in search of agricultural jobs in the export sectors or of agricultural land in neighboring countries. The remaining 50 percent emigrated from the region, primarily to the United States. By 1980, the percentage of extraregional migrants grew to about 80 percent, in response to mounting political unrest, violence, and poverty throughout the region. By the end of the 1980s, in the context of widespread and pervasive economic crisis as well as continued political violence, extraregional migration (mainly but not only to the United States) comprised 90 percent of the international migrant stream (Maguid 1999).

Both migration and dependence on remittances have been essential components of household survival strategies in Honduras for some time. These strategies have included rural-to-rural and rural-to-urban, as well as domestic
and transnational migration streams and the creation of complex social and economic networks linking diverse people and far-flung places (Stonich 1991). Although the Honduran economy underwent considerable diversification and some growth in the last few decades, the true growth sector in the Honduran economy post-Mitch has been the explosive growth in migration and the importance of remittances to household livelihood strategies and to the national treasury. Within the country, Hondurans have been compelled to migrate to other export agricultural production areas, emerging and expanding tourism destinations, urban centers, and industrial zones within the country in search of work. While migration within the country continues apace, it is external migration to other Central American countries and especially to the United States that has gotten the most attention. The United States border patrol recorded a 28 percent increase in interdictions of Central Americans (including a 61 percent increase in Hondurans) in the first few months after Hurricane Mitch (Mahler and Ugrina 2006). By 2006, the U.S. Department of State estimated that from 800,000 to 1 million Hondurans lived in the United States and that remittances from the United States to family members in Honduras rose to an unprecedented $2.4 million annually (about 15 percent of Honduras GDP) (U.S. Department of State 2006). Hondurans currently living in the United States are estimated to include at least 138,000 unauthorized immigrants and 105,000 disaster refugees who were granted Temporary Protected Status (TPS) by the United States in December 1998. TPS has been extended several times and was scheduled to end in July 2007 (U.S. Department of State 2006).

While a detailed analysis of the importance of remittances at the national level and to household livelihood/survival strategies in Honduras is beyond the scope of this chapter, a few recent findings are important to note. First, the percentage of households receiving remittances in Latin America varies considerably among countries (ranging from 10 to 25 percent in El Salvador, the Dominican Republic, and Nicaragua; to between 5 and 10 percent in Mexico and Guatemala; and about 3 percent in Peru); in Honduras about 15 percent of households receive remittances (World Bank 2006b). Second, although remittances from Mexico and most Central American countries generally are clustered among the poorest segments of the population, in Honduras the distribution of remittances across households (without including remittances in income) is U-shaped—flowing toward the top and bottom income quintiles (i.e., richest and the poorest segments of the population) more than toward the middle quintiles (World Bank 2006b). This symbolizes the educated population’s abandonment of the country, when educated cadres in the country are most needed to help the country develop. Third, according to a recent study by ECLAC, although remittances generally have a positive impact in

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terms of reducing poverty and inequality, the effects generally are quite small: an average 1.4 percent decline in the percentage of households below the poverty line across the eleven countries included in the ECLAC study—a decline of only 1.2 percent of households in Honduras. In fact, in Honduras, evidence suggests that remittances tend to increase income inequality to a slight degree: a slight increase of 1.7 percent in the Gini Coefficient when remittances are included in national income data (ECLAC 2006). Fourth, while the impact of remittances on poverty reduction at the population level may be small, remittances can have a strong impact on poverty (and indigence) for households that receive them, according to a review of household surveys from the eleven Latin American countries in the ECLAC study (ECLAC 2006). The percentage of Honduran households in poverty declined from 68 percent (for households who did not receive remittances) to 57 percent for households receiving remittances. Similarly, the percentage of indigent households dropped from 33 percent to 24 percent respectively (ECLAC 2006). In Honduras, remittances average about $293 per month, about 33 percent of current incomes of receiving households (ECLAC 2006). Apparently, for the approximately 150,000 households in Honduras who receive them, remittance incomes play a vital role in their survival.

The growing importance of remittances to foreign exchange earnings both at the national level and to families at the household level (in Honduras and elsewhere in Latin America) have provoked significant interest by national governments, international donors, and NGOs. Currently, one of the major trends in economic development agendas is to figure out how to put remittances to “productive use,” that is to make them an essential component of “development” (ECLAC 2006; Fagen and Bump 2006; Orozco 2006; Orozco and Wilson 2006; Terry and Wilson 2006; World Bank 2006b). However, recent studies suggest that there are significant obstacles to this goal. Across Latin America, especially for the poorer segments of the population, the large majority of remittances are used for daily expenditures to meet basic needs, such as food, clothing, and shelter, with much smaller shares available for education, to start businesses, or to purchase property. For example, daily expenditures accounted for 84 percent of remittances to households in El Salvador, 77 percent in Honduras, and 68 percent in Guatemala, leaving households little margin for the “productive use” of remittances (ECLAC 2006). Consequently, the government of Honduras, with support from international donors and lenders, is attempting to form associations to use remittances more “productively”: so-called community associations or hometown associations, using Mexico and El Salvador as examples, which already have put such measures in place. Currently, however, such community or hometown-based associations account for only 1 percent of total remittances sent to
Latin America (ECLAC 2006; World Bank 2006b, 2006c). Moreover, “successful” efforts to redirect a larger percentage of remittance incomes to more “productive use” in itself raises other significant issues, including concerns over the consequences of the simultaneous reduction of incomes to the poor and indigent.

The sharp augmentation in remittances to Honduran households after Hurricane Mitch is not an isolated example. A recent study conducted for the World Bank found that household remittances often rise after recipient national economies and households suffer downturns because of macroeconomic shocks from natural disasters, financial crises, or political conflict. Using Honduras after Hurricane Mitch as one example, this study concluded that remittances to Honduras as a percentage of private consumption rose from 5.6 percent pre-Mitch, to 7.7 percent in 1999 one year after Mitch, and to 8.4 percent in 2000, two years after Mitch (World Bank 2006c). At the national level, the growing importance of remittances post-Mitch both absolutely and relative to other important economic sectors is clear from figure 4.4.

Currently, foreign exchange earnings from remittances, the maquila sector, and tourism comprise the three principal sources of foreign exchange. Since 1997, the relative contribution from remittances has grown from 11 to 37 percent of total key exports, maquilas from 22 to 27 percent, and tourism from 10

![Figure 4.4. Relative contribution of key exports, 1997–2004 (US$ millions). Source: Honduran Ministry of Tourism (IHT), www.letsgohonduras.com.](image-url)
to 13 percent. During the same time, the absolute and relative importance of Honduras’s “traditional” exports declined, particularly bananas and coffee.

Since Hurricane Mitch in 1998, Honduras experienced several recurring “natural” disasters: floods (2000, 2001, 2005), drought (2001 and 2004), and hurricanes (especially Hurricane Stan in 2005). Given the high probability of future climate-related, intensified, extreme weather events; the continued context of widespread ecological vulnerability (including watershed damage, deforestation, land degradation, soil erosion, and declines in the quality and quantity of freshwater); and continued pervasive social vulnerability, it is likely that devastation at the level of Hurricane Mitch can, and probably will, happen again.

CONCLUSIONS: THE NORMALIZATION OF CRISIS

Most assessments of postdisaster reconstruction in Honduras conclude that the efforts emphasized technological fixes (e.g., creating better maps, monitoring equipment, etc.) and have largely addressed symptoms rather than the root causes, both social and ecological (Barrios 2005; Fuentes 2004; Glantz and Jamieson 2000; Morris and Wodon 2003; Olivo Diaz Lopez 2003; Parks and Roberts 2006; Schipper and Pelling 2006; Sullivan 2006; Telford et al. 2004; World Bank 2001). One factor may be that the costs of recovery and reconstruction initially were underestimated. While donor pledges were exceptionally high (more than $2.7 billion) they were only about 50 percent of necessary recovery costs (Telford et al. 2004). But it is much more than that. The most pervasive criticism, however, has been the failure to integrate recovery and reconstruction efforts with meaningful and effective economic development. In a very real sense, disaster recovery and rehabilitation efforts have been disarticulated from economic development efforts, particularly in terms of improving the lives and livelihoods of most Hondurans. While the tourism and maquila industrial sectors have grown significantly, national economic performance remains below predisaster estimates, and the accelerated incidence of migration and the importance of remittance attest to growing desperation at the family and household level. It is here especially that tourism development could have, and should have, played a major role, a meaningful link between disaster recovery/rehabilitation and sustaining or even improving lives and livelihoods, especially with the surge of civil society groups and increased donor attention. Thus, despite high levels of foreign assistance, PRSPs, and other measures, poverty levels have not been reduced significantly. It is remittances that are the true “growth sector” of the Honduran economy. Moreover, there are some indications that food security has declined and that poverty has increased, particularly in rural areas (Bonnard and Remancus 2002). Thus, post-Mitch recovery and reconstruction efforts largely failed to reduce the
longitudinal, historical, social, and ecological vulnerabilities that were the root causes of the “disaster” in the first place.

The paper concludes that efforts to promote international tourism were “successful” in the aftermath of Mitch; tourist revenues grew significantly. Klein is correct that Hurricane Mitch was a catalyst in terms of stimulating the expansion of neoliberal capitalism in the country and that international tourism played a major role. Moreover, there is considerable evidence that the nature of tourism development in Honduras is neither environmentally nor socially sustainable, and that in contrast to ameliorating social and ecological vulnerability it is contributing to it. However, tourism development is only one of several interconnected forces and processes that accelerated the expansion of neoliberal capitalism during this period.

Despite the significant growth in international tourism revenues and improvements in other macroeconomic indicators, post-Mitch recovery and reconstruction efforts have not affected the broad social and ecological transformations, reductions in vulnerability, and enhanced resilience envisioned by many in the aftermath of the catastrophe. These failures aggravated other processes, including the accelerated migration of desperate citizens in order to survive—in search of immediate assistance, housing, and work—both within the country to industrial areas, cities, and major tourism centers, and internationally, mainly to the United States, but also to neighboring Central American countries and to Mexico. The leading growth sector in the Honduran economy post-Mitch has been the escalation in significant household and national dependence on remittances.

In 2007, Honduras is in a condition of normalized crisis at both the national and household levels. Simultaneously, Honduras is being touted by the business community as one of the most “globalized” nations in Latin America on the basis of six factors that measure each country’s links with the outside world (Latin American Business Chronicle 2006). Honduras ranked as the fourth most globalized country in Latin America in 2005 and the fifth in 2006 largely on the basis of the relative high percentage of tourist receipts to GDP, imports of goods and services to GDP, and the contribution of remittances to GDP. While an increase in tourism revenues may be judged as a “positive” trend by some, a growing dependence on imported goods and service and on foreign remittances is much more problematic.

Honduras is in the later stages of two important transitions, first, from being a predominantly rural to a mainly urban society and, second, from being a principally agricultural and natural resource–based exporting nation to one that largely depends on exporting the labor of its citizens. Hurricane Mitch and its aftermath did not “cause” these transitions; poverty, desperation, migration, and significant household dependence on remittances are not new
phenomena in Honduras. Likewise integration into the global economy was well on its way before Mitch struck. Rather Hurricane Mitch and the subsequent failures of recovery and reconstruction facilitated and speeded up these processes. Although Klein's concept of "disaster capitalism" points to important global processes, it underestimates the temporal, spatial, geopolitical, and social complexities associated with postdisaster contexts.

NOTE
1. The reason that I distinguish "civil society" is because most of the post-Mitch analysis does. The use of this term is to distinguish between groups that had been around (like unions, etc.) and new groups and alliances that formed post-Mitch in direct response to the event.
Peddling Paradise, Rebuilding Serendib

The 100-Meter Refugees versus the Tourism Industry in Post-tsunami Sri Lanka

NANDINI GUNEWARDENA

Beyond the human toll, the tsunami provided a pretext for evictions, land grabs, unjustifiable land-acquisition plans and other measures designed to prevent homeless residents from returning to their original homes and lands. Thailand, India and other affected countries have restricted the right to return, but Sri Lanka stands out as the tsunami-affected country that has sought most dramatically to re-shape its residential landscape through a tourism reconstruction process.

—Leckie 2005:1

RESORTS AS RECOVERY

THE 2006 ANNUAL “HOTELS” ISSUE OF TRAVEL & LEISURE MAGAZINE proudly boasts the opening of a new high-end beach resort in southern Sri Lanka called The Fortress, listed on the “It List” of tourist resorts that offer luxurious accommodations. Operational merely months after the December 26, 2004, tsunami, a similar resort called the Amangalla and The Fortress were declared pivotal to the postdisaster recovery of Sri Lanka (Novogrod 2006:18). In promoting these resorts, the ocean is presented as a placid canvas spread across the horizon, solely to be imbibed by the tourist, avoiding any reference to the violence it had wrought months before. Such depictions obscure the pragmatic meanings and relationships vested in the ocean by artisanal fishing communities who wage a daily battle with the sea in an effort to secure their livelihoods. Given the horrific devastation and displacement caused by the 2004 tsunami, and the unresolved resettlement struggles of low-income coastal communities, these projects appear oblivious to their shattered lives and livelihoods, and suggest a callous disregard of their vulnerabilities.

This chapter focuses on the concerted effort to reposition tourism as a disaster recovery strategy in the aftermath of the December 26, 2004, tsunami that struck the island nation of Sri Lanka—one of the worst hit places along with Banda Aceh, Indonesia. As of this writing in April of 2006, the ongoing
demand for humanitarian assistance has been estimated at 350,000 individuals still needing food aid (provisioned under the United Nations High Commission on Refugees Vulnerable Group Feeding Program), and 54,000 families still housed in transitional shelters (World Bank 2006d), while many languish in cramped and crowded temporary shelters and transition camps, including Buddhist temples and school buildings. While the tsunami caused direct damage to housing, infrastructure, and the loss of lives, many consider the relief and resettlement strategies of state and donor agencies akin to a subsequent and far more destructive wave. The purpose here, then, is to examine how the strategic and symbolic significance of tourism for bolstering national pride, boosting development, and as a source of foreign revenue has relegated to a secondary place the needs and concerns of disaffected low-income, subsistence-oriented fishing communities. Since global tourism operations are concentrated primarily along the southwestern coastline, and since much of the worse-ravaged eastern coastal belt is still within inaccessible war-torn territory, my chapter is limited to an examination of the southern region (see figure 5.1).

I explore the implications of the preeminence accorded to the tourist industry, framed within neoliberal conceptualizations of national development. I discuss the controversial benefits the latter confers, as it caters to the global leisure class in the face of a dramatic decline in the livelihood base and an unraveling of the social fabric of low-income coastal communities.

The manner in which tourism has been reestablished throughout the tsunami-ravaged region illustrates the superior financial resources at the disposal of the global tourism industry, deployed for profit even in the face of disaster. Inequities set in motion by the globe-spanning leisure economy allow indulgence for some but augur indigence for others, aggravating the vulnerabilities of socially and economically marginalized populations, and further entrenching the root conditions that compound such vulnerability. Alluring marketing descriptions in tourism literature make sweeping references to history and nature in gestures of erasure that gloss over their poignant implications for local populations.

Sri Lanka’s post-Tsunami renaissance has been propelled by the recent opening of two Aman properties. The Fortress, in Galle, 70 miles from the capital of Colombo, is sure to add to the already building buzz. The sprawling resort pays homage to the UNESCO-preserved Galle fort and promises to bring modern sophistication to the misty 2,000-year-old merchant’s port town. . . . Singapore’s C&C design [firm] chose a soothing aesthetic: simple lines, Burmese teak-paneling, a Dutch vaulted entrance, and expansive garden colonnades that draw the eyes toward panoramic vistas of stilt fishermen casting their lines in to the Indian Ocean. (Travel & Leisure 2006:272)
Figure 5.1. Sri Lanka has a population of more than 20 million people living in an area slightly larger than West Virginia. Map by Ravi Gunewardena, Escher-Gunewardena Architecture, Los Angeles, California.

The euphemistic name and architectural style of The Fortress signals a return to a romanticized colonial past—one that recalls the protective barricades of the famed seventeenth-century Dutch fort in the southern coastal city of Galle. A brochure describing the sister resort of Amangalla provides an unabashed and uncritical account of that period in Sri Lanka’s colonial history:

In 1640, the Dutch captured the fortress of Galle and, to protect their presence, they needed a garrison—hence the fort. Galle Fort was built by 1663 with great
ramparts and bastions, but not fully completed until 1715. In 1684, the headquarters for the commandeur were built on the corner of the present Church and Middle Streets, the start of what now comprises Amangalla. (Kershaw 2006)

Tourist brochures like this entice prospective visitors with details of the ultimate in creature comforts they offer—well-manicured “verdant gardens,” seven-by-seven-foot super-king beds, state-of-the-art entertainment systems, spa treatments, yoga, water sports, a gym, and other fitness/sports/leisure excursions—that refrain from any reference to the pre- and post-tsunami deprivation in surrounding low-income communities. Consider, for example, that only minimal, if any, garden spaces are available to low-income coastal communities, and that many of the home gardens in nearby rural areas that augment meager local diets have been destroyed by salt and marine sediment inundation. Consider that the entirety of many of the dwellings of local low-income populations measure seven feet by seven feet, equal to the super-size beds in the resorts that await well-heeled visitors, and that many of these shacks were reduced to matchsticks by the force of the waves. Consider the virtual lack of access to amenities such as electricity, water, and sanitation systems by these low-income communities prior to and long since the tsunami. In a country where less than 60 percent of the population has access to safe water and sanitation systems, the 2004 tsunami aggravated the situation by destroying water wells and latrines and by contaminating many sources of fresh water.

Tourism as a boon to national revitalization is an idea that was expressed well before the 2004 tsunami. In 2002, a representative of the Sri Lanka Tourist Board referred to the purchase of the former site of The Fortress as “one of the biggest investments in this sector since the peace initiative of 2001” (BBC News 2002). Sri Lanka’s entanglement in neoliberal globalization processes needs to be considered as the context within which it resorted to the particular recovery strategy of boosting tourism development. The incursion of transnational corporations as part of the structural adjustment conditionalities imposed by the International Monetary Fund (IMF), namely, a recipe of foreign direct investments (FDIs), trade liberalization, and privatization, have over the past few decades resulted in drastic cuts to the budgets for health, education, and welfare. In addition, deepening national debt has trapped the state in arduous repayment obligations. In effect, this macroeconomic situation burdens the government with the task of generating foreign revenue, and hence its reliance on the tourism sector as a source of potential lucrative earnings. Regardless of whether or not the tourism sector has in fact been able to generate the needed foreign exchange earnings, the confluence of the above-mentioned processes has further compromised the subsistence security of low-income populations. Implicit in the overreliance on the tourism sector for economic recovery is the unintended consequence of replicating colonial
power hierarchies—as the needs and concerns of foreign tourists are emphasized over those of marginalized locals.

Critical to my discussion is the 100-meter buffer zone, introduced by the government in the aftermath of the tsunami. The tourist industry has largely been exempted from this rule and granted “economic immunity” from its stipulations, while artisanal fishing communities barred from rebuilding their homes along the coastline—recently dubbed “the 100-meter refugees”—experience the buffer-zone policy as an intrusive and constraining verdict. Presented as a protective device to prevent a similar calamity in the future, the 100-meter rule appears to have hastened a second wave of displacement for socially and economically marginalized coastal communities effectively suspended in the limbo of personal tragedy and bureaucratic indifference. As a point of illustration, in December 2005, a year after the tsunami, most displaced families were still living in makeshift camps. While the marine fishing industry has made some recovery, of the planned construction of 32,000 permanent houses paralleling the coastline, only 4,299 have been completed, with 10,707 under construction. By contrast, local and global business news reports and the United Nations World Tourism Organization (UNWTO) report about an 80 percent recovery of the hotels in Sri Lanka (Cropley 2005). Meanwhile, media portrayals of the Buddhistic calm and resignation displayed by grief-stricken individuals from coastal communities downplay their struggle to rebuild and reclaim their lives.

MINING THE MYTH OF PARADISE ISLE

Sri Lanka, resplendent isle, serendipitous, the new Bali, call it what you will, Sri Lanka is one of the most beautiful countries on earth. This pearl at the end of the Subcontinent’s necklace offers culture, history, friendly people and some of the most magnificent and empty beaches on earth. (Kershaw 2006)

Since time immemorial, the island of Sri Lanka has enchanted travelers—from Arab mariners and Portuguese explorers to colonial (British) planters and millennial voyagers—with its unsurpassed natural beauty and serene, unhindered vistas of endless green and gold, of sea and sand. Often referred to as Paradise Isle, Sri Lanka is heralded as reminiscent of the legendary Garden of Eden. This image has been instrumental in marketing a fantasy of escape that caters to the search for exotica. That reference of course has been tainted of late by the brutal violence of a civil war that has marred the nation’s social and physical landscape for more than three decades, and, perhaps equally violently, overturned by the tsunami that struck on December 26, 2004. The imperialist appeal of travel has long been replaced by the emergence of tourism as an indulgence for the elite and an escape for the middle and working classes.
harried by the pace and pressures of capitalism’s demands. The events unfolding in post-tsunami Sri Lanka and elsewhere are instructive of another deployment of empire in the twenty-first century—the extension of capital as beneficence in redressing disaster situations.

PARADISE DISRUPTED:
THE IMPACT OF THE FIRST AND SECOND WAVES

Full-moon days (Poya) are observed as sacred by Buddhists in Sri Lanka, in commemoration of the birth, enlightenment, and death of the Buddha, chronicled to have occurred on a full-moon day. Because it was a Sunday and a Poya, many locals were occupied with visits to neighborhood temples on the morning of December 26, 2004. As such, a panoramic vista of stilt fishermen casting their lines into the Indian Ocean in many tourist brochures was absent along the southern coastal belt that day. Nonetheless, some locals and tourists wanting to avoid the heat of the midday sun had made early morning visits to the beach. They were swept away violently by the two 30-foot waves (5- and 6.5-meter wave surges). The tsunami had begun traveling at a speed of 500 miles per hour from the site of origin, Banda Aceh, Indonesia, and struck the island nation of Sri Lanka at 8:40 in the morning. It crashed in with an apocalyptic effect on two-thirds of the coastline from the northeast to the southwest as well as portions of the southern coast, ravaging 1,000 kilometers of the 1,585- to 1,660-kilometer-long Sri Lankan coastline. Estimates range from 31,000 to 39,000 people killed by drowning and the sheer force of the water or debris thrown against them as the waves crashed in and receded. Of the dead, 107 were tourists. Another 6,000 people went missing, of whom 65 were tourists. The majority of fatalities were among low-income fishing communities residing along the coastline. About 20,000 were from the predominantly ethnically Tamil north and east, while low-income Muslim communities along the southeast coast were also severely affected.

In addition, the number of individuals displaced by the tsunami is estimated at half a million people, of which 90,000 are from fishing communities. The United Nations Environmental Program (UNEP) estimates that the tsunami destroyed 99,500 houses and damaged another 46,300 in the affected districts, many of which were flimsy, makeshift, cadjan-palm (coconut palm) thatched homes (UNEP 2005:11). Other damage included destruction of town marketplaces and transportation networks such as roads and a railway line that straddles the coastline. A passenger train heading south was overturned, killing most of its 1,400 passengers.

The damage to banks and other commercial, public, and municipal buildings and the loss of vital records has left more than the business infrastructure in tatters. Water and sanitation facilities were inundated and destroyed, as
were health care institutions including 44 hospitals, clinics, dispensaries, and health care delivery vehicles. In addition, an estimated 182 schools and four university campuses were severely damaged.

When the tsunami struck, there were 17,000 tourists on the island with 6,000 holidaying along the affected coastal areas. Fifty-three out of the 242 large hotels were destroyed, and 248 small hotels and lodges were in shambles. Of the 242 star-class hotels along the southern coast, 48 were badly damaged, 31 of which are again operational, partly courtesy of a duty-free importation scheme established by the government allowing such facilities to be reconstructed or refurbished (Sharma 2005). By contrast, an estimated 1 million of the coastal population of 5.32 million were offered no such concessions, even though the majority of the affected communities were residing within one kilometer of the sea in makeshift housing, perennially vulnerable to tropical storms. As documented by the National Disaster Management Centre in Sri Lanka, half of the tsunami-damaged housing was within the 100-meter buffer zone.

In terms of the impact on the national economy, the worst affected sector in Sri Lanka was the marine fishing industry, including related small-scale food processing facilities. The total damage to the marine fisheries, including marine structures and service facilities, is estimated at $97 million. About two-thirds (65 percent of 29,700) of the country’s fishing boats were destroyed or significantly damaged. This number includes 594 multiday boats, 7,996 motorized day boats, and about 10,520 traditional nonmotorized boats. The tourist industry was also severely affected, incurring an estimated suspension of 9,500 directly related jobs and the suspension of some 27,000 jobs associated with the industry. The estimated damage to tourism property was in the amount of $30 million.

Although the direct damage to the tourist industry was less than to the marine fishing industry and its coastal communities, the government’s perception of tourism as a major source of foreign revenue, and the role allocated to tourism development in the donor aid strategies, contributed to its prioritization in the recovery process. According to many reports, thousands of Sri Lankans are still living in temporary camps and dwellings facing an uncertain future amid slow and poorly coordinated resettlement progress. One recent source, the February 10, 2006, Hansard Text of the United Kingdom Parliament (House of Lords 2006), notes with concern that only 10 percent of those who lost their permanent homes have regained permanent accommodations. These discussions reflect the concern registered by many global leaders about the displacement of fishing communities, not only because of the havoc created by the tsunami, but also about the way their needs were pushed aside in favor of promoting tourism development. Related concerns include the fact that although an estimated 9,000 boats have been repaired and more
than 12,000 have been replaced, those without their tools, equipment, and crafts, not to mention other essentials, have been unable to return to their previous occupations (House of Lords 2006). Furthermore, some transitional shelters have been covered with tin roofs, holding unbearable heat under the searing tropical sun. Termite infestation is apparent in some of the wooden homes built by some nongovernmental organizations (NGOs) and through donor funds, adding to the health risks in these shelters. Field visits by Refugees International document an additional concern: “Some housing sites are in areas that normally flood during the rainy season, which is about to start in the east. The fear is that the monsoon season in the east will create secondary displacement due to the poor quality and location of some of the shelters” (Charny and Martin 2005:1).

The loss of personal documentation has further encumbered the recovery process. These include birth certificates, national identification cards, marriage certificates, land deeds, and bank books essential for not only affirming one’s formal identity, but also for reestablishing one’s place in society and reconfirming a sense of self. However, the policy that the affected populations have felt as the greatest encumbrance to restoring self-worth and community integrity has been the introduction of the conservation buffer zone that prohibits home rebuilding within 100 meters of the coast.

PEDDLING PARADISE? THE FORMULA OF THE 100-METER RULE

The 100-meter rule was formulated as a protective effort in the immediate aftermath of the tsunami, at a moment when high-level government officials hastened to address the multiple dimensions of devastation the nation faced. However, contrary to its intended effect, the 100-meter rule has been experienced as yet another devastating wave by a nation shaken with shock and grief. Its psyche fragmented by nearly three decades of a long and protracted civil conflict, an already traumatized society struggled to comprehend the gravity of the situation. Pondering the enormity of relief and shelter needs, the daunting task of cleanup, and the long-term strategies for recovery, civic groups and local philanthropic organizations mobilized to launch collective efforts.

Amid the confusion over which administrative/institutional mechanisms would be established, questions were also raised about the absence of an in situ early warning system. According to the Sri Lanka Meteorology, Oceanography and Hydrology Network and the Earth Institute at Columbia University, the earthquakes that set off the tsunami could not have been predicted in advance. But once the earthquake had been detected, it would have been possible to give about three hours notice of the approaching tsunami, if such a warning system had been in place in the Indian Ocean, as it is across the Pacific Ocean. Perhaps as a way of dissipating the charges surrounding this serious oversight, the 100-
meter buffer zone was presented as a no-resettlement, no-reconstruction policy necessary for “protecting the coastal regions and the residents who live there from Tsunamis” (Rice and Haynes 2005). Essentially, the 100-meter rule prohibited construction of homes and businesses within 100 meters of the average sea level (200 meters in some areas). Attempting to project an image of protective, yet forward-looking “constructive development,” this rule also included clauses that appeared to be sensitive to the sociocultural and environmental implications of tourism; for example, that a sustainable form of tourism development would be ensured and that coastal conservation would be assured. Nonetheless, the brunt of the 100-meter rule would be borne by low-income fishing communities, who for generations had been residing along the coastline, albeit as squatters without any legal title to the coastal land, now barred from rebuilding their homes within 100 meters from the beach. In effect, this rule represents a survival dilemma for low-income artisanal fishing populations who need easy access to the beach, and typically tether their fragile crafts along the coast for convenient castoff at dawn. Thus, compliance imposes serious impediments to their subsistence activities.

As such, this hasty device of the 100-meter rule appears more to be a face-saving measure for the state, meant to redeem its credibility in the eyes of the nation, the donor community, and the world at large. It may also be interpreted as a tactic to circumvent the mounting questions about the lapses in government response. Furthermore, it appears that the enormous outpouring of support by the global public (i.e., private individuals) and pledges for relief and resettlement by the international development community had lulled the state into a level of complacency. Hitherto unseen amounts of support were committed for these efforts by NGOs and other nonprofit and humanitarian agencies such as Doctors Without Borders, Save the Children, and various United Nations agencies. On their part, donor agencies and international financial institutions, seemingly poised for just such a moment, have devised long-term recovery formulas framed within the logic of neoliberal economic rationale that contravene the immediate concerns of resettlement.

In the wake of these developments, local community groups and NGOs have brought allegations that tsunami rehabilitation is being used to promote big business and tourism at the expense of local communities. They have argued that the buffer-zone measures are not aimed at ensuring the safety of existing fishing communities but are intended to clear land for large hotel complexes. In fact, the construction of new hotels within the buffer zone has continued unabated, as with the Aman properties. Other international hotel chains such as Sheraton, Hyatt, and Banyan Tree are proceeding with new coastal hotel developments. Damaged hotels have been allowed to rebuild, and the reconstruction of popular tourist spots, such as Unawatuna (another
famed tourist site along the southern coast; see figure 5.1) has occurred without hindrance (Kurukulasuriya 2005).

Meanwhile, tens of thousands of displaced coastal residents have been pressured to relocate away from the coast, often by heavy-handed methods. Several instances of police intervention to prevent house rebuilding seventy-five meters inland by fishing communities have been reported by Herman Kumara, founder and coordinator of National Fisheries Solidarity (an organization of more than 7,000 fisherpeople around the country). The challenges of finding unoccupied land have narrowed the options available for resettlement and confounded the resettlement prospects of these further impoverished and displaced coastal communities, as discussed in the next section.

POVERTY IN PARADISE: THE HIDDEN FACE OF SERENDIPITY

Fishing communities in Sri Lanka have long settled on stretches of beach sandwiched in between the sea and a railway track built in the British colonial era that runs along the western coastline. Since much of the coastline is considered freehold government land, few in these communities hold legal title to the land, further complicating their resettlement prospects. Their homes are typically flimsy, cadjan-roofed makeshift homes that are severely compromised each monsoon season, while few, if any, of the communities have safe water and sanitation systems. Many use the beachfront and the rolling sea waves for toiletry purposes. Residents of these low-income coastal communities rely extensively on kin networks for social and economic support. The loss of extended family members has exacted an emotional toll that is compounded by their increased economic insecurity, given the loss of financial support generally extended through kinship networks—a key to their long-term survival. In the wake of the tsunami, the social fabric of these communities has come unraveled by yet another factor. Vague promises of resettlement, uncertainties about relocation to rural or forest sites further inland, disinformation campaigns, and the inconsistent and uneven distribution of aid have created tensions and rivalries among community members.

The majority of the coastal communities are made up of noncommercial, small-scale fishermen who eke out a living from selling their daily catch. Often referred to as artisanal fishing, this type of fishing is undertaken in small wooden boats, usually family-owned and operated, by populations who are among the poorest communities in the South Asia region. By contrast, industrial fishing is based on large vessels using trawlers, heavy-duty equipment, and salaried crews. Many artisanal, small-scale fishermen in Sri Lanka, and elsewhere in South Asia, still do not even have motorized boats. They navigate the rough seas of the Indian Ocean in hand carved oru, precarious wooden boats whose design dates back thousands of years. The sea is their livelihood. This is
so despite their vulnerability to monsoon rains and winds that shape the precarious nature of their existence. They have few assets other than their boats, nets, and other tools of the trade, now lost to the tsunami. Most individuals also lack any form of equity, savings, financial reserves, and formal banking arrangements that would allow them to cope with this kind of disaster.

The day begins at dawn in these fishing communities, when fishermen push off in their narrow boats, moored at night aside their equally precarious one-room dwellings on the beach. They return by mid-morning if the catch is good. If not, they remain at sea, venturing further off, only returning by late evening. Proximity to the sea is critical to enable the fishing expeditions with ease, as well as to secure the safety of their boats. Some communities are engaged in salting and drying fish—typically women’s work—requiring access to the beach where the salting and drying operations take place. Fishing is not merely an occupation, a source of livelihood, but also a way of life for these communities, associated with a unique set of traditions and values.

Poverty is endemic among coastal fishing communities in Sri Lanka, as with other coastal fishing populations in the South Asia region. According to United Nations estimates, between 25 and 33 percent of the people in the affected districts live below the poverty line. As an urban underclass, many in these low-income communities also face various forms of social exclusion, as a result of their social (caste) and economic marginality. Most Sri Lankan fishing communities are affiliated with the Karave caste (Karaiiyar in Tamil), which holds a secondary position to the agricultural caste (Govigama among the Sinhala, and Vellala among the Tamils) in the caste structure. In addition, ethnicity (either Tamil or Muslim) compounds the vulnerabilities of communities encountering the tsunami along Sri Lanka’s eastern seaboard. Moreover, for the most part, small-scale fishing communities tend to be low income. Thus, the social positioning of communities along Sri Lanka’s coastal belt encountering the 2004 tsunami was shaped by the vulnerabilities induced by their caste, ethnicity, and socioeconomic marginality.

RECOVERING SERENDIB: THE TOURISM INDUSTRY’S BOUNCE-BACK STRATEGY

No more than a month after the 2004 tsunami hit Sri Lanka, while traumatized coastal communities were filtering through the rubble of homes and other community buildings, shuttling back and forth between temporary shelters and camps, attempting to comprehend and come to terms with the tsunami’s devastation, the Sri Lankan Ministry of Tourism launched a Bounce-Back campaign. Underscoring the ironies of prioritizing the tourism sector, rather than focusing on restoring livelihoods and infrastructure for displaced fishing communities, the Sri Lanka Tourist Board, together with the Ministry of Tourism,
outlined restoration plans aimed "to rebuild Sri Lanka as a world-class tourism destination" (Sri Lanka Board of Investment 2003). Funded partly by a United States Agency for International Development (USAID) grant of $3 million, the Bounce-Back campaign targets key international markets in the United States and the European Union to woo tourists back to Sri Lanka with assurances of safety.15 USAID funding was specifically for a geared-up advertising campaign, euphemistically called the Tourism Communications Project, to help counter the misperception that Sri Lanka was so overwhelmed by the tsunami that its tourism industry would not be able to accommodate vacationers. Managed by USAID subcontractors Nathan and J.E. Austin Associates, this project exemplifies the quandary of "tied-aid"—the reality that aid dollars disproportionately benefit donor countries as projects are contracted out to donor country subcontractors. The Sri Lankan Tourism Board and Sri Lankan Airlines launched their own advertising campaign of $2.1 million in late May of 2006. They are partnering with the Tourism Communications Project on this campaign in something that the firm of Nathan Associates (n.d.) claims "will result in a 60 percent increase in media coverage, penetration, and frequency."

Echoing the sentiments that have accorded it a preeminent place in the national economy, one Tourist Board director, in his appeal for the return of tourists, described tourism as a lifeline for the nation, an ironic pun under these circumstances. To provide some perspective, tourism ranks fourth among the sources of foreign revenue generation in the country, more than $350 million in 2004 in foreign exchange earnings, accounting for about 2 percent of gross domestic product (GDP). This is slightly less than the fisheries sector, which contributes 2.8 percent to GDP. Yet, given its symbolic role in bolstering national pride, albeit within what I will call neo-orientalist caricatures of island exotica, tourism holds a favored place in the national imagination. The Bounce-Back campaign was not only framed as a recovery measure, but also cast as an opportunity in the face of tragedy. One posting on the Tourist Industry website brazenly declared the following:

In a cruel twist of fate, nature has presented Sri Lanka with an unique opportunity, and out of this great tragedy will come a world class tourism destination. The Sri Lanka Tourist Board has requested and received approval from the Sri Lankan Government for various duty concessions to be offered to the hoteliers and tour operators who are rebuilding their businesses. (Sri Lankan Tourist Board n.d.)

The manner in which the tourism sector took this first bounce-back step is indeed revealing of its superior financial resources. This is in contrast with low-income fishing communities consisting of independent, small-scale fisheries
entrepreneurs who barely bring in incomes above the poverty line, and subsistence-fishing individuals who hover along the national poverty line of approximately 4,000 Sri Lankan rupees (the equivalent of about $400) per month.

Notwithstanding the 100-meter rule, pre-tsunami plans to develop luxury tourism in Sri Lanka have proceeded at full speed, including a spa, multinational hotels, a yacht marina, and other facilities catering to up-market clients, as per the tourism master plan. The redevelopment of the tourism sector, moreover, has been facilitated by special mechanisms to enable access to capital and imports of refurbishing material by registered hoteliers and tourism businesses. Underscoring the position of the favorite assumed by the tourist industry, the then minister of tourism pledged to provide “all possible relief and concessions to hoteliers,” including low-interest loans. These included a post-tsunami loan of LKR 10 million (the equivalent of $95,000) at a concessional interest rate of 7 percent with a one-year grace period, which has only been made available to registered hoteliers and tourism businesses. A tax waiver scheme for imported goods has been established that would also enable these hoteliers to bring in furnishings and other necessities to restore hotels, at a 100 percent duty waiver. Ironically, these concessions are only available to the larger tourism outfits that had the sufficient capital to register their businesses, not to small, unregistered hotels unable to access any commercial loans. A further irony is that the insurance coverage secured by the tourist industry allowed most of the tsunami-damaged hotels to submit claims to recover most of their losses. But low-income fisherpeople have only each other as social insurance and cannot rely on any savings, given their marginal cash reserves, while the only assets they relied on (their boats and equipment) were destroyed by the tsunami.

In this manner, the tourism sector in Sri Lanka has benefited disproportionately via the extension of government support and donor capital. As elsewhere in the region, the tourism industry has been able to overcome the tragic blow dealt by the tsunami fairly quickly. Its vast entrepreneurial know-how about tapping into global markets, sophisticated technological access, communications infrastructure (reflecting the digital divide), and organizational capacity have contributed to its recovery successes. It now appears that the tourism industry in fact perceived this moment as a golden opportunity not only for rebuilding, but also for expanding its footing along the coast. To understand the differential application of the 100-meter rule, it is instructive to examine the symbolic significance of the tourist industry for bolstering national pride and furthering national development.

REGAINING SERENDIB: TOURISM AS SYMBOLIC TERRAIN

In 2003, a year before the dreaded tsunami, the Government of Sri Lanka (GOSL) made a bid to reposition Sri Lanka as the ideal tourist destination by
launching a Regaining Serendipity campaign that harked back to Sri Lanka’s mythic role as *paradise island*, the legendary Garden of Eden. Recalling the magical qualities attributed to this island nation in legend and myth, and referring to the ancient name *Serendib*, given to the island by Arab mariners, signifying a sudden, accidental, and fortunate discovery and experience, the Regaining Serendip campaign entailed a process of restructuring Sri Lanka’s tourism sector. The primary task was to develop “a new strategic initiative that would make Sri Lanka the most sought after destination in the Indian Ocean,” as stated by Mr. Hari Selvanathan, chairman of the committee appointed by the prime minister to restructure Sri Lanka’s tourist industry:

> While offering authentic experiences in a unique setting, we will leverage our human and natural resources to transform Sri Lanka into the region’s centre of excellence. We are home to a cultural rainbow of humanity living ordinary life in extraordinary ways. This new approach to tourism will restore pride in local culture, raise living standards and promote social contentment. In so doing, Sri Lanka will become a recognized up-market destination catering to niche markets. This new face of Sri Lankan tourism presents a dazzling array of possibilities. World Heritage sites, vibrant Buddhist culture, tropical wildlife, unspoiled beaches, traditional healing therapies, wind surfing, whale watching, diving, fashionable shopping and dining are just a few of the attractions that distinguish Sri Lanka as a destination for our visitors. (Sri Lanka Tourist Board, n.d.)

Scholars who characterize nation-states in the global South as postcolonies discuss the dilemmas inherent in moving beyond the territorial claims of the state. At the same time, as many have documented, while allegiances to the nation-state as a bounded territorial and symbolic unit intensify, we also see efforts by new (postcolonial) nation-states to project themselves as homogeneous and unified entities. This is part of the task of asserting historical and political legitimacy. The Sri Lankan state is no exception, as evidenced, for example, in its intense opposition to the claim for a separate Tamil homeland. More relevant for this chapter is its effort to craft and disseminate a particular image of an idyllic and exotic island nation, of immense appeal to the escape fantasies and consumption desires of North American and European audiences. The images of exoticism deployed by the tourism industry make a spectacle of the indigenous in promotional photos, as shown in figure 5.2, echoing a Gauguin painting. This image was used in a promotional presentation by the chairman of the committee appointed to restructure Sri Lanka’s tourist industry. Such images of exoticism betray the orientalist stereotypes to which the Sri Lankan elite subscribe. They also suggest an unquestioning acceptance of neoliberal development formulas that rely on sectors such as tourism that put foreign investors’ interests first while marginalizing and exploiting indigenous populations for their very supposed primitiveness.
Tourism and the promotion of tourism permit the nation, in my view, to accomplish the following. It is a way to affirm the value of Sri Lanka in the schema of global consumption as a desirable commodity, appealing to a transnational class of individuals who wish to indulge in their escapist fantasies. Unfortunately, this also entails peddling indigenous/native culture and heritage. Marketing the country as a tourist destination relies on advertising
that crafts an idyllic image of the country able to capture the imagination and desires of a transnational consuming class. This approach avoids any references to the poverty, strife, and social marginality experienced by many local communities. The prioritization and promotion of tourism for the sake of national development accrues benefits to foreign investors, while the seemingly banal but tragic socioeconomic realities of local communities remain unresolved.

RECLAIMING SERENDIB: THE TOURISM INDUSTRY’S APPEAL FOR NATIONAL DEVELOPMENT AGENDAS

According to a 1999 report produced jointly by the World Travel and Tourism Council (WTTC) and the International Hotel and Restaurant Association (IHRA), the travel and tourism industry is the largest generator of jobs within and across national and regional economies (WTTC and IHRA 1999:2). It accounts for 200 million jobs in the world economy across a range of sectors, including retail, construction, manufacturing, telecommunications, and direct work in the hospitality sector itself. It also claims tourism as one of the most effective drivers of development for regional economies, albeit shouldered largely by the work of populations of color, primarily women and youth. Critics of the hospitality industry (see Gray 2004; Katz 1998) note the concentration of racialized and marginalized groups in the low-wage ends of this sector. They cite by contrast how white males or lighter-skinned individuals are placed at the sought after front-end work that requires interaction with clients. They also document the increased pattern of income polarization in the service sector. Yet, the WTTC and the IHRA continue to brag about tourism’s tremendous successes in creating jobs and wealth.

Sri Lanka’s efforts to rely on tourism as a development strategy date back to the 1960s, when the first tourism plans were drafted. There were speculations about its possibilities as “an export industry of enormous proportions, offering unlimited prospects as a growth resource” (Ceylon Tourism Plan 1967:27, quoted by Crick 1994:28). The rising number of tourist arrivals and the revenue generated during the decades that followed confirmed that the tourism industry was a viable source for generating revenue for public expenditure (Crick 1994:37–38). One source notes that Sri Lanka ranks currently as the seventh-best tourist family holiday attraction in the world (Fernando 2005). The tourist industry has piggy-backed on the state’s expectations and has carved out its vision “To become the foremost Tourist Destination in Asia” in its mission statement: “To build up Tourism as an industry capable of playing a significant role in the economic advancement of the country whilst preserving the country’s cultural values, ethos and its rich natural endowment thereby winning the hearts of both the
local populace and the international community” (Sri Lanka Board of Investment 2003). Nonetheless, the tourism industry in Sri Lanka bears witness to many of the conflicting patterns in the operations of global/corporate capitalism. As Crick illustrates, expectations about the growth-generating possibilities of the tourism sector in Sri Lanka were overoptimistic and led often to contradictory outcomes:

As with other developing nations that rely on tourism, disproportionate benefits have accrued to countries of tourist origin (the First World), while existing structural inequalities between the Global North and the Global South and within the latter are reinforced or in many instances exacerbated. (Crick 1994:94)

Local elites aligned with the interests of international/corporate capital have benefited most from tourism, further aggravating socioeconomic inequalities and divisions in the society. By contrast, those who have not been able to benefit from tourist cash flows have grown increasingly frustrated (Crick 1994:65–66), widening the already complicated socioeconomic cleavages in the society. Romanticized depictions in tourism advertising gloss over the realities of the grueling life led by artisanal fisher communities, and other more dismal, unresolved dilemmas facing the nation (i.e., the protracted ethnic conflict), projecting Sri Lanka as an idyllic getaway paradise. As such, it is the tourism sector that has been imbued with greater credence on the global stage in terms of the grief and loss related to the tsunami, with the saga of loss experienced by tourist families played out on the international media, while local mourning only forms a blurred backdrop. McLagan provides a commentary that helps put this tendency in perspective: “In today’s globally mediated world, visual images play a central role in determining which violences are redeemed and which remain unrecognized” (2006:191).

Long before the tsunami, prime beaches along the southern coastline had been fenced off, privatized, and developed for tourist consumption, overlooking their importance as a livelihood resource for coastal communities. The displacement of artisanal fishermen from the coastal areas thus dates back many decades prior to the 2004 tragedy. As such, the only contender to low-income coastal residence in Sri Lanka, the tourist industry, because of its capital-intensive nature and its symbolic power on the global stage, has upstaged the significance attached to place by poor fishing communities. With its conversion to a tourist landscape, the coastline’s importance for sustaining the livelihood needs of poor fishing populations has thus been subverted. The sandy beaches, the coconut trees, and the warm currents of the Indian Ocean are placed at the consumption beck and call of the tourist, while the local, a figure whose historical presence along the coastline is replaced and often erased, has
become constructed as the intruder. For example, when the occasional, itiner­ant peddlers of seashells, hand-dyed batik sarongs, and other tourist consum­ables wander onto the beach area bordering a tourist hotel, the staff and clientele of tourist hotels react with a general sense of unease and discomfort. Large hotels post a security guard at the edge of the waterfront, primarily to “protect” tourists from robberies and other threats to the escape fantasy of an idyllic landscape of leisure marketed by the tourist industry. Local flavor is intro­duced to tourists only in a structured manner via the prearranged and highly managed cultural programs that bring occasional classical dance troupes or popular local calypso-style baila musicians. The tourist industry thus casts the local landscape of ordinary life into the shadows, rendering them invisible and immaterial.

PARADISE COMPROMISED: THE ROLE OF IFIS IN PROMOTING THE TOURISM SECTOR

The neoliberal policy doctrines promoted by international financial institu­tions, such as the World Bank and the International Finance Corporation, along with the donor community, emphasize economic growth as the primary strategy for improving development prospects for Sri Lanka. This formula is predicated on the adoption of privatization, trade liberalization, export pro­duction, and foreign direct investment (FDI). Tourism is considered a vital part of the growth strategy, based on calculations of the foreign exchange it is expected to generate. Often considered a mainstay of the nation’s economy, a key industry, and a major employer, the tourism industry generates foreign ex­change revenue to the tune of $340 million a year (in 2003). It provides em­ployment for approximately 46,633 individuals, although some estimates, as in those quoted at the beginning of this chapter are more conservative (USAID n.d.). By contrast, artisanal and small-business fishing operations provide livelihood operations for up to 100,000 individuals (International Labor Or­ganization 2006).

Key stakeholders in the development industry, such as USAID, subscribe wholly to this formula, and have stepped in after the tsunami to restore the tourism industry in Sri Lanka, while fishing communities are left to be helped by charitable, humanitarian organizations. Two USAID programs illustrate the ironic contradictions in the prioritizing of restoring tourism rather than restoring livelihoods for low-income fisher communities. One is the Tourism Communications Project, discussed above, and the other is a cash-for-work beach cleanup program that pays workers $3.50 per day to restore a fifteen­square-kilometer area of beach in Beruwela, a scenic and desirable tourist destination. Comments by project director David Dwyer on the “project’s goal as one intended to speed [or hasten] the industry’s recovery,” and that “the
disaster provides the opportunity to move Sri Lanka's development forward, in this case through tourism, a key industry" (USAID 2006b), further betray the faith vested in the tourism industry as the strategy for post-tsunami recovery within the framework of a neoliberal economic rationale.

An even greater irony is USAID's self-serving and apocryphal assertion concerning the protective role of tourism outfits during the incursion of the tsunami: “The big tourist hotels literally saved many residents of the surrounding villages. Their multi-storied u-shaped configurations bore the brunt of the Tsunami, protecting the homes of hundreds of hotel servers, housekeepers and gardeners who live in nearby neighborhoods” (USAID 2006b). Based on these convictions, USAID has provided funding for the Bounce-Back campaign to the tune of $3 million, and promoted major policy reforms that “essentially gave the industry a free hand in plotting its own destiny” (USAID 2006b). The increase in tourism arrivals is expected to lead to “more investment and more employment for Sri Lankans in the growing tourism sector” (2006b). This is credited to a USAID-sponsored initiative, The Competitiveness Program (TCP), which is claimed to have “planted the idea for more self-reliance and private sector leadership, leading to the new legislation and convincing the government of the benefits of private sector leadership and professional accountability for promotional spending” (USAID 2006b).

It appears thus that the state, the tourism sector, and key players in the international development community are colluding in the task of capitalizing on catastrophe in Sri Lanka. Post-tsunami reconstruction in Sri Lanka has furthered the ambitions of neoliberal development agendas shared by the Sri Lankan state, the donor community, and international financial institutions, ever ready to finance capital-intensive ventures. The extent to which marginalized indigenous communities suffer further social, economic, and political disenfranchisement is immaterial to these ambitions. As such, the end result of the 100-meter rule is a reshaping of the local social and cultural landscape as prized coastal zones are usurped by the tourism industry.

SUMMARY AND CONCLUSION
In the aftermath of the tsunami, the critical unresolved issue that has beleaguered state authorities, civil society organizations, and disaffected populations has been the issue of resettlement. Even under ordinary circumstances, development-related involuntary resettlement has entailed excessive human costs as induced, for example, by the construction of large dams such as the Narmada Dam in India, the Three Gorges Dam in China, and the infamous Gezira scheme in the Sudan (Scudder 1982; Colson 1971). Scholars who have studied these processes discuss the sociocultural stress evident among resettled populations by virtue of the disruptions to the local social organization, the alteration of local
leadership structures, and the emergence of new forms of dependency as government officials become the new source of community authority. Scudder (1982) has documented the immense trauma that resettlement represents for populations in the throes of that process as manifested by what he calls the "grieving for a lost home" syndrome. The associated physiological stress, he argues, has led to altered morbidity and mortality rates, complicated by the risks of epidemic diseases like dysentery and malaria as population density is increased in resettled villages.

Populations in many social contexts facing impending resettlement have thus shown tremendous resistance to relocation, associating it with hardship and death. Cernea (1997) has identified eight risks associated with resettlement encountered by populations subjected to this process: landlessness, joblessness, homelessness, marginalization, increased morbidity and mortality, food insecurity, loss of access to common property, and social disintegration. Oliver-Smith (2005) provides insights on the sense of displacement, loss of identity, impoverishment risks, and the resulting decline in living standards involving economic, social, health, nutrition, and cultural-alienation variables that resettlement has wrought. The failure to consider the social dimensions of resettlement in past efforts, and mechanistic planning approaches that attempt to match people to places may be identified as part of the problem. For example, studies focusing on postdisaster recovery processes, primarily from a policy and planning perspective (Haas et al. 1977; Rubin et al. 1985; Johnson and CREW 1999), put forward strategies useful for city and national planners involved in community recovery (see the phases of recovery outlined by Haas et al.). Yet, their lack of coordination and collaboration with affected communities has led ultimately to the application of such strategies in ways that are detrimental to the success of resettlement projects.

If resettlement processes unassociated with a calamity raise such a bewildering array of concerns, disaster situations present even graver resettlement challenges, as previous events have illustrated. These include the challenge of verifying the legitimacy of claims for relief, as populations other than disaffected ones may attempt to garner some of the benefits of disaster assistance. Determining the amount of cash or in-kind compensation poses its own challenges, apart from the establishment of channels for distributing compensation in a manner that prevents funds from being diverted to those who are not affected by a disaster. Other concerns include the illicit appropriation of relief consignments (see Dommen 1996), the need to establish mechanisms and measures for equitable distribution of assistance and just compensation, the related issue of eminent domain, and questions surrounding how best to determine the capacity of affected households/populations to bear some of the expenditure related to resettlement.
Eminent domain represents one of the tricky aspects of resettlement since it entails a legal framework for determining eligibility for just compensation. On previous occasions, sudden increases in the population deemed eligible for just compensation occurred when people learned of the sizable compensation package and somehow found a way to establish themselves as a part of the population eligible for just compensation. Lewis (1999), for example, cites the 1982 instance of rehousing projects in Tonga after hurricane Isaac when the requirement of a 25 percent financial contribution by recipients clearly exacerbated preexisting vulnerabilities, further marginalizing those unable to participate. While participatory approaches to development have been heralded in the ethnographic literature as a means to mitigate some of the more dire consequences of resettlement (see Oliver-Smith 1986; Berke et al. 1993; Scudder 1982), little in the way of avoiding the personal and social disruption human beings encounter in circumstances calling for forced relocation has been identified to date.

In this chapter, I have focused on yet another dimension of resettlement that has imposed further stresses and strains for disaster-affected populations—disaster recovery interventions that are constructed in such a way as to promote the interests of corporate capital, whether intentionally or not. I have argued that the preoccupation with restoring the tourism industry and the emphasis on tourism earnings as a source of foreign revenue have convoluted the priorities of disaster recovery in Sri Lanka. The absence of collaboration with civic organizations and participation by community representatives in the discussions on the recovery planning process, coupled with the fact that this responsibility was charged to a group of prominent national business leaders, have transformed the restoration process into a corporate venture. In May 2005, for example, a Development Forum meeting convened by the government to discuss post-tsunami reconstruction included around two hundred delegates from government ministries and other bodies, international donor agencies, including the Japan Bank for International Cooperation (JICA), the IMF and the World Bank, and major international NGOs such as Oxfam and World Vision, but failed to include representation from local civil society organizations except for one national NGO, Sewalanka, whose work has been allied with World Bank-funded projects.

Civic organizations have charged the government with overlooking the needs of small-scale fishing enterprises and similar subsistence-oriented ventures while favoring high-end tourism, large-scale and export-oriented fisheries and agriculture (see, for example, the comments by Sarath Fernando, secretary general of Sri Lanka’s movement for National Land and Agriculture Reform [MONLAR] in Rice and Haynes [2005]).

The differential application of the 100-meter rule to coastal communities as compared to tourism outfits is but one example of this trend. The concessions
made to the tourism industry in the form of low-interest loans (in the absence of credit extended to coastal populations) and the efforts to push pre-tsunami plans to develop high-end tourism (international spas, luxury resorts, and a yacht marina along the southern coast) in combination have left local community members feeling doubly victimized.

The plight of Sri Lankans affected by the 2004 tsunami must also be viewed in the context of a nation scarred by political and ethnic violence for more than three decades, as well as the symbolic violence inherent in processes of social subordination and political domination. The conflict of the past three decades in Sri Lanka involves the “political” violence enacted in the two youth insurrections, including the state responses that entailed brutal means of suppression, and the violence that has occurred as a part of the ethnic conflict between the Tamil and the Sinhala populations. The massive displacement caused by the ethnic conflict was further exacerbated as the tsunami added an estimated 570,000 to the existing number of those internally displaced living in refugee camps, temporary shelters, and among host groups. While the tendency to highlight their resilience resonates in many essays on the daily lives of those affected by these forces, this analysis finds no comfort in the glossing over of various forms of terror they have experienced by citing instances of so-called Buddhistic calm or rituals of solace (see Lawrence 2003).

In assuming such a stance, my concern is that we may be abdicating our responsibilities and absolving the accountability expected of the state and the international community to those whose lives have been destroyed. Resolving the resettlement and livelihood-restoration dilemmas faced by those affected by the 2004 tsunami requires an analysis of the various forms of vulnerabilities they have been subjected to over time. This task also calls for strategies that would reduce such vulnerability in the long run. As Sen (1999) argues, vulnerability is conferred not merely by the onset of a disaster, but is more a condition rooted in the deprivation of capabilities. Such deprivation amounts to the inability to attain various components of a decent quality of life, given societal mechanisms that rob them of the potential to attain these capabilities. As such, vulnerability to a disaster is clearly different for populations at different socioeconomic levels. Sen (1999) formulates the fullest attainment of human capabilities as the proper criterion for gauging the effectiveness of social welfare and the objective of policy interventions. In his view, capabilities allow substantive human freedoms or opportunities. Sen’s concept of capabilities is thus parallel to those outlined by Blaikie et al. (1994) in formulating their understanding of root factors. For Sen, the capability perspective allows us to look not only at the means to achieving a quality of life (e.g., income), but also to look beyond income to the ends that one is able to achieve. These include freedom from hunger, freedom for high literacy and educational attainment, and freedom for longevity.
Individuals whose social positioning is marginal because of their income levels, ethnicity, gender, race, caste, indigenous origin, and so on, may find themselves more vulnerable in times of natural disasters because of their limited access to formal mechanisms and assets/capital to cushion them from such a crisis. They live close to the margin of survival, and their vulnerability is thus aggravated in disaster situations. Moreover, in addition to the emerging evidence from the tsunami-stricken areas of the disruption of social networks resulting from the loss of extended family members and displacement, it is important to consider the preexisting factors that may have already set in motion a dismantling of such systems of social support. As Field (1993) reminds us, traditional redistributive mechanisms and social supports are often eroded as social relationships become defined and shaped increasingly by market-based transactions, particularly as a result of economic globalization. The challenge in postdisaster assistance is not only to reckon with the differential levels of vulnerability that influence the varying extents to which a disaster impacts diverse populations, but also to honor the principal objective of social equity outlined in Agenda 21 of the 1992 Rio Declarations.

This chapter has attempted to show how postdisaster assistance and interventions couched in the logic of neoliberal economics employed in Sri Lanka in the aftermath of the 2004 tsunami have contributed to the further disempowerment of impoverished coastal communities. As argued in the literature on natural disasters (Sen 1992; Blaikie et al. 1994; Oliver-Smith 1986, 2006), low-income coastal populations in Sri Lanka who have long survived at the margins of subsistence security have been made even more vulnerable by the tsunami as the worst natural disaster the nation has experienced. Their vulnerability has been exacerbated by a combination of factors. Their limited access to capital and other resources is one. Other factors include the erosion of social support networks, particularly in a social context where the incursion of globalization processes has subjected even social life to the dictates of the market, while the specific recovery strategies employed in the aftermath of the tsunami have favored corporate interests over those of local, low-income communities. These factors in concert have compromised their ability to overcome the effects of the disaster. Oliver-Smith notes that the outcome of a disaster “is usually not the result of the agent alone, but rather government response” (2006:7). By focusing on the revitalization of the tourism industry, recovery strategies have advanced the interests of corporations over those of the restoration of the livelihoods of affected low-income communities. In this case, since the tourism industry relies extensively on the idyllic beaches that the island nation of Sri Lanka has to offer, it has also meant the conversion of its natural resources to a commodity. Nature is being increasingly produced and marketed as a commodity (Castree 1995; Harvey 1996; Haraway
1997; Katz 1998), and I would add that nature is increasingly being consumed as a commodity. The challenge ahead of us is how to avert the pauperization of local communities inherent in making nature a commodity. How do we safeguard the relationships of local communities to nature as a means of subsistence security, and survival?

NOTES

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1. *Serendib* is an Arabic word from which the English *serendipity* is derived.
2. *Travel & Leisure* has a worldwide circulation of nearly a million copies a month.
3. Both resorts are located in the southern coastal town of Galle and owned by Aman Resorts International, a hotel group that owns and operates a chain of luxury hotels catering to the super rich in France, French Polynesia, Indonesia, Mexico, Morocco, the Philippines, Sri Lanka, Thailand, and the United States.
6. Approximately 28 percent of the country’s total population of 19 million.
10. The official record of the floor proceedings in the House of Lords.
12. Although all *Karave* are by no means socioeconomically marginal, individuals engaged in artisanal fishing are among the most impoverished in the community, often representing the urban underclasses.
13. Unlike elsewhere in South Asia, caste hierarchy is not as entrenched in contemporary Sri Lanka, where caste mobility as well as caste elasticity are common. See, for example, Roberts (1982) for a detailed discussion of the structuring of caste in Sri Lanka.
14. See, for example, Enia (n.d.) and Sundar (2006).
17. Beruwela has approximately seventy-five hotels and guesthouses with more than 4,000 rooms to accommodate tourists.
CHAPTER 6

The Resilience of Vulnerable Households

Adjusting to Neoliberal Capitalism in the Aftermath of Hurricane Iris

SARA E. ALEXANDER

THE PATH OF DEVASTATION LEFT BY HURRICANE IRIS IN SOUTHERN BELIZE

Hurricane Iris made landfall on Belize’s southern Atlantic coast at 2:00 a.m., October 8, 2001 (Ward 2001). Classified as a category-four hurricane reaching wind speeds of 145 mph, Iris traveled at a fast ground speed through a total of eighty villages, destroying entire communities, resorts, and farms (Avila 2001; Kriner 2001). With fifteen-foot wave surges, the eye of the storm passed directly over the small fishing village of Placencia. As one resident, who rode out the storm at home, described its passing: “roofs were flying like butterflies.” The entire village was covered by debris. Roads were blocked by fallen trees. Sheets of zinc hung on utility lines “like drying clothes.” Eighty-nine percent of households sustained property damage. Fifty-nine percent of households lost their entire home. For most, their business was physically destroyed, and subsequently they lost all tourism-based revenue for an extended period of time.

The banana industry, a major source of income in the inner coastal region, was 85 percent destroyed, and the citrus and shrimp industries were also severely damaged. Iris caused an estimated $20 million in damage to Belize’s economy (Anon. 2001). At least 15,000 people were reported to have evacuated their homes in advance of the storm (Anon. 2001). Although the storm weakened as it moved through Belize into the mountains of Guatemala, 500 homes were reported demolished (Ward 2001) and eight Guatemalans were killed in flash floods (Avila 2001). After the treacherous weather conditions subsided, there were thirty-one deaths documented and $250 million in total damages (Steen 2004).

A number of international nongovernmental organizations (NGOs), including the International Federation of Red Cross and the Red Crescent Society, responded immediately, organizing emergency relief for more than 7,000 people (Ward 2001). In addition, supplies were distributed to the families of approximately 13,000 individuals who were left homeless (Kriner 2001; Ward

The Belize Tourism Board offered its full support to the people affected in the southern region of the country and dispatched teams, including Tourism Police Units, to the areas most affected. The board continued to work with the private sector and its counterparts in the United States to clarify all travel-related concerns (Anon. 2001). While various community groups, international NGOs, and the government of Belize provided emergency relief in the immediate aftermath of the storm, the resources available for repair and reconstruction, as well as coping with emotional and psychological effects, were extended by means that targeted a specifically desired economic transformation. Certain social alterations were encouraged in this process as well, affecting the social fabric of society and local cultural traditions.

This chapter explores relationships between economic policies promoting modernization and capitalism in the wake of natural disasters and ecotourism development and documents how these strategies impacted a coastal community in Belize hit by Hurricane Iris. More specifically, this study investigates the nature of relationships between household vulnerability, economic security, and social-network security in the context of neoliberal economic policies promoted during reconstruction after Iris struck Belize. The Livelihood Security Framework is used to delineate relative levels of security and vulnerability, which, in turn, provides an effective reference for examining the effects of disaster capitalism strategies. The study focuses on Placencia, a coastal village directly hit by Hurricane Iris. Having transitioned from a fishing economy over the last fifteen years, Placencia was pre-Iris, and continues today, to be solely dependent on tourism for its livelihood.

Pre- and posthurricane data indicate well-defined coping strategies by relative levels of economic security/vulnerability. The central question concerns how resilient households were in Placencia in the rebuilding efforts of the government that were ultimately structured around disaster capitalism. Important issues center on how neoliberal economic policies, put in place as part of reconstruction efforts following the hurricane, affected the coping and adaptive strategies tourism-dependent households developed in response to posthurricane conditions.

THEORETICAL FRAMEWORK:
LIVELIHOOD SECURITY, VULNERABILITY, AND RESILIENCE
The livelihood security/vulnerability framework (Chambers and Conway 1992) is a useful tool for identifying relative vulnerabilities of households on
which an analysis of coping and adaptive strategies, or degrees of resilience, is based. Baseline data on the capacities, assets (stores, resources, claims, and access), and activities required for a means of living are used to determine a household’s degree of livelihood security.

The concept of livelihood security evolved from the food security concept and is based on the observation that food is one important basic need among several, and adequate food consumption may be sacrificed for other important needs (TANGO International 2002). The conceptual definition used by many development NGOs is similar to that derived by the United Kingdom’s Department for International Development, Sustainable Rural Livelihoods Group, and was used in this research:

A livelihood comprises the capacities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capacities and assets, and provide sustainable livelihood opportunities for the next generation: and which contributes net benefits to other livelihoods at the local and global levels in the long and short term. (Chambers and Conway 1992)

In rural Third World communities, livelihoods typically consist of a diversity of activities that together provide a variety of procurement strategies for food and cash. Thus, each household can have a number of strategies that constitute its livelihood, which are based on its resources and position in the legal, political, and social realms of society (Drinkwater and McEwan 1992).

Livelihood strategies are the means for understanding the way people cope with crises. Unequal access to land and the resulting poverty of families is one of the factors that drives vulnerability (Hartmann and Standing 1989). Resources required for people’s livelihoods to be secure are rarely distributed evenly in geographic space. In most situations, the spatial inequality of access is a reflection of economic and social inequalities. There are many cases in which people who have little access to resources try to improve their situation by moving to new places that are, in turn, more hazard prone (Wisner 2003).

Vulnerability

Livelihood security also provides a framework to analyze and understand the web of poverty and vulnerability, and individual and household mechanisms for dealing with it. The risk of livelihood failure determines the level of vulnerability of a household to income, food, health, and nutritional insecurity. The greater the share of resources devoted to food and health service acquisition, for example, the higher the vulnerability of the household to food and nutritional insecurity (Frankenberger 1992). Therefore, households are secure when they have secure ownership of, or secure access to, resources and income-earning
activities—including reserves and a range of assets—to offset risks, ease shocks, and meet contingencies. Households are vulnerable when they do not have secure access to these same resources and assets (TANGO International 2002). In response to climate-related stresses and shocks, the nature of vulnerability is defined, in part, by the nature of the hazard to which the household or community is exposed.

Although vulnerability is not a direct function of hazard, certain properties of a system will make it more vulnerable to certain types of hazards than to others (Stonich 2005c). For example, quality of housing may be an important determinant of a community’s vulnerability to a flood or windstorm, but it is less likely to be critical in its vulnerability to drought. On the other hand, specific factors such as poverty, inequality, poor health, limited access to resources, and weak social connectedness are likely to determine the vulnerability of communities and individuals to a range of different hazards (Adger et al. 2004; Alexander and Whitehouse 2007).

The economic impacts of a natural disaster are dependent on the magnitude of the disturbance, community displacement, availability of resources, and the level of disaster-mitigation preparedness (Morris et al. 2002; Skoufias 2003; Vogel 1998). As a general rule, the poor suffer more from climate-related hazards than the wealthy, although poverty and vulnerability are not consistently correlated in all cases (Blaikie et al. 1994). For example, Millar et al. (1999) found that older adults were less vulnerable than younger adults. Additionally, Sagert (1989) and Schwarzer et al. (1994) indicate an association between ethnic minority status, age, educational status, and empowerment that reduced vulnerability (Paton and Johnston 2001).

Adger et al. (2001) suggest that the differences in nature and degree of vulnerability can be analyzed by considering the nature and distribution of entitlements, that is, how people’s command over resources is related to their ability to secure food or income. Amartya Sen (1985) discusses the importance of entitlements in identifying who is vulnerable to famine. While two individuals may be equally vulnerable to a drought, they may vary in their ability to cope given their nature of entitlements. Hence, any analysis of vulnerability must be combined with an examination of relationships between entitlements, coping and adaptive strategies, and degrees and levels of resilience.

Coping Strategies and Resilience in Response to a Disaster
Reductions in vulnerability arise from the realization of adaptive capacity or resilience. Coping and adaptive strategies are the mechanisms by which resilience is achieved. Davies (1993) distinguishes coping strategies (fall-back mechanisms to deal with short-term insufficiency) and adaptive strategies (long-term or permanent changes in the ways households and individuals ac-
quire sufficient resources to deal with crises more effectively or to recover from the crisis). While coping typically indicates that a household is under stress, the number of coping strategies devised, their nature, and their frequency of use are important indicators of both a household’s vulnerability (Maxwell 1996) and its resilience. The resources that serve as the basis for the response can include physical resources, specialized knowledge and skills (Blaikie et al. 1994), economic activities including alternative income-generating activities, community resources (such as women’s groups or church organizations), and other social resources such as spending time with family and friends or emotional/spiritual responses such as praying or “spending time with God” (Alexander and Whitehouse 2007).

While the assumption is usually made that the objective of coping strategies is to survive some type of adverse event and recover the lifeway one had before the event (and to rely primarily on physical resources to do so), this perception conceals other important resources, which can be examined using Maslow’s Hierarchy of Needs model (1970). It is critical not to exclude important emotions and values—resources that can be drawn on in response to a stress or shock. As outlined by Maslow, self-realization, affection, and respect are said to be the highest values in the hierarchy, while adequate shelter and food are lower on the scale. In some cases, vulnerable households resort to emotionally and spiritually based coping strategies, rather than those that would ensure satisfaction of basic biological and physical needs (Alexander and Whitehouse 2007).

One critical area in this research is the role social network security plays among households resorting to various adaptive strategies. Given previous research that explores the key role of social capital in responding to climate variability and hazards (Adger et al. 2004; Alexander and Whitehouse 2004, 2007; Blaikie et al. 1994; Frankenberger and Garrett 1998; Gibson and Alexander 2006; Paton and Johnston 2001), this study examines the nature of relevant interactions, particularly the role of social capital and social institutions in influencing resiliency, and, in turn, the response to the specific types of reconstruction efforts supported. In the Caribbean, Tompkins and Adger (2004) show that communities find strategies to manage risks through strategic and local networks and interactions. Many aspects of resilience are, in effect, latent in the networks and information of those likely to be affected (cited in Adger et al. 2004). This research will show that the roles social networks played in Placencia, in coping with the conditions of reconstruction imposed on local residents by foreign assistance agencies and the government of Belize, deviated from what most evidence indicates; that is, social networks broke down in many cases, evidenced by intense rivalries, competition, and jealousy.
Depending on their level of access to resources, previous studies argue that communities have the capacity to develop adaptive strategies to cope with climate change. A critical caveat, of course, is the ability of vulnerable communities to act collectively to avert threats posed by climate variability and change. Social resilience, including institutions for collective action, robust government systems, and a diversity of livelihood choices, are important assets for buffering the effects of extreme natural hazards and promoting social reorganization (Adger et al. 2005). Thus, adaptive capacity, as an element of overall vulnerability of a society, can be illuminated by examining the means for resource management and its effectiveness and efficiency.

**RESEARCH METHODS**

The following discussion provides an abbreviated definition of the two composite variables—economic and social network securities—used in this research to evaluate the nature and success of household-level coping strategies in Placencia in response to conditions during the aftermath of Hurricane Iris. It is critically important to understanding the idea of resiliency used in this research that these composite variables were derived from locally interpreted experience and were scaled and scored locally as well. By gathering both subjective and objective data, and using the former to help explain the latter, the tautology about which Gudeman (1986) warns is avoided, in which the same criteria used to construct a model of development, or in this case a model of vulnerability and resiliency, are used to assess it, thereby generating data that implicitly confirm the validity of the model without reference to its relevance on the ground. In this research, the security indicators as well as the coping strategies are operationalized in the local context, an important distinction of much social science research in this field.

The first step in the research was to identify economic security levels of households. For purposes of this study, economic security is defined as “perceived sufficiency of income to allow a household to meet its immediate needs as well as to offer resilience under changing conditions over time” (CARE 1998). The economic security variables used in this study include: occupational stability and diversity; total household expenditures; percent of income spent on food; household savings, accessibility of credit, and incidence of debt; trading of goods and services; and access to land. Of these variables, five indicators were weighed and scored to determine a household’s economic security level: employment security, perceptions of income adequacy, perceived income surplus, incidence of savings, and incidence of debt. Higher scores indicate higher levels of security. For example, a household with high economic security would have secure or permanent employment, adequate income, at least occasional surplus income, savings, and little debt. A household that is
economically vulnerable might have only occasional employment, inadequate income to pay basic expenses, no surplus, no savings, but significant debt.

Social network security is achieved by being an active, decision-making member of a safe community with access to both personal networks and community services (CARE 1995). In this study, data were collected on the following variables defining social network security: household participation in community organizations, perceptions of community safety, victimization incidence and nature of crime, perceptions of time adequacy, and coping strategies used in crisis situations. The weighing and scoring of the variables parallels the process described above in reference to economic security. The study analysis entails an examination of coping strategies relative to household levels of economic and social network security.

THE BACKDROP OF DEVELOPMENT POLICIES IN CENTRAL AMERICA

Central America is rife with development policies that espoused industrialization based on a transition to import substitution during the 1950s. These strategies helped root a particular form of capitalism that was in fact disastrous to the economies of the region. Though dependence on agricultural exports was somewhat reduced by growth in the industrial sector, the protected Central American Common Market proved too small to offset growing external public debts. During the 1970s, Central America was invaded by multinational corporations, there to take advantage of protectionist policies and low costs of production (Meléndez-Howell 1997).

With the first shock of the oil crisis in 1973, more than eighty countries modified their import substitution models to create state-run development corporations. Some projects worked better than others, but macroeconomic conditions worked against them. By the end of the decade, high oil prices, low prices for export crops, and growing external debts produced Latin America’s “debt crisis,” to which the World Bank and the International Monetary Fund (IMF) responded largely with structural adjustment policies (Warford et al. 1997). The adjustment policies implemented in the 1980s recognized that balance-of-payment troubles could not be corrected simply by contracting internal demand. While structural adjustment involved such deflationary measures, it also promoted export diversification by emphasizing nontraditional agricultural and manufactured goods, and ultimately, tourism.

In 1984, the heads of state of the CARICOM countries, including Belize, met to affirm economic policies contained in the Nassau Understanding. This statement committed the region to diversifying its exports away from a handful of agricultural commodities, which were, at this time, experiencing deep declines in world prices. The Caribbean governments pledged to adopt nontraditional crops and attract offshore manufacturing from the United
States and Europe in order to cushion themselves against volatile mono-crop markets.

Added to these frustrations, early tourism ventures, particularly in Costa Rica, also failed to perform as a development panacea. Presumed economic benefits suffered from leakage of profits as the tourism service sector had to pay for imports to satisfy the demands of its clientele. Profits accrued to large corporations, often owned by multinational firms located in the tourist-generating markets. Employment of residents meant work in servile positions for expatriate managers and owners, and early tourism ventures were blamed for contributing to degraded environments, cultural commodification, and social disruption (Jafari 1988).

Despite these concerns, the case can be made that tourism acted (and continues to act) as an accelerant in the determination of Latin Americans to modernize insofar as modernization, if done correctly, holds the promise of high mass consumption. Tourism brings relatively poorer people face-to-face with the leisure class, presents models of different behaviors and attitudes, and stimulates investment in infrastructure and services only tourists can afford. Yet it also increases the purchasing power of locals as well as the availability of consumer goods in local markets. One can argue that tourism stimulates the desire for more consumption, and, even for those working in servile positions, it can increase the capacity to consume.

In Belize, such strategies were reflected in liberal investment codes to lure foreign capital. The need to supply low-cost labor for wage employment sectors informed the policy decisions of the government as it developed an adjustment program with the IMF. And by strengthening an extractive relationship between wage sectors and agriculture, structural adjustment entailed severe consequences for rural residents engaged in staple crop production (Moberg 2006).

On the eve of Belize’s formal independence in 1981, trade deficits had reached record levels. By 1983, oil imports and foreign debt servicing consumed almost half of the national budget, forcing the government to announce austerity measures to generate revenues for debt repayment. As a condition of IMF financing, Belize was required to substantially reduce its domestic expenditures. On the local level, the effects of pricing policy are apparent in the declining contribution of staple crop production to rural incomes. Due to continued increase in citrus markets and a freeze on prices received for staple foods, the disparities between staple and export agriculture deepened with time (Moberg 2006).

Under Belize’s Structural Adjustment Program, the need to supply cheap food to urban residents has grown more urgent with the government’s explicit commitment to a low-wage export-guided development strategy. By enforcing this imperative with retail price controls, the state has driven agriculturists out
of food production for the domestic market. When rural residents either invest in profitable export commodities such as tourism, or allocate their labor to subsistence agriculture and wage work, the income differences that direct their decision making are exacerbated by the disparate returns on the various strategies (Moberg 2006).

In summary, in many rural settings, structural adjustment resulted in more intense social and economic stratification, a loss of self-sufficiency in food production, and dependency in the case of our study community. In Placencia, adjustment policies led to a dependence on a tourism market that left residents highly vulnerable to an impending natural disaster. This dependency was ultimately created by the government’s aggressive promotion of tourism (initially ecotourism) over the past decade as the primary means for earning foreign exchange.

Ecotourism as a Development Strategy in Belize
In the context of heavy-handed neoliberal economic policies and accompanying structural adjustment introduced in the early 1980s, the origins of ecotourism in Central America can be traced to perceptions by state governments that conservation efforts were just as necessary as stronger economic management. Belize, looking to Costa Rica as a neoliberal phoenix rising out of the ashes of its 1981 default on some $4 billion in international loans, has more recently initiated ecotourism development in hopes of sharing in the wealth flowing from the pockets of tourists to Central America. Belize informally supported economic development based on ecotourism throughout the 1990s and in 1998 adopted a formal tourism development strategy that supports what the government calls responsible tourism.  

What many Third World governments have not considered when deciding to promote tourism for economic development are the vulnerabilities created for households and communities when their main livelihood strategy is dependent on pristine natural resources that are frequently and easily threatened by some type of natural disaster. In the case of Belize, given the emphasis on community-based initiatives, many households have abandoned previous livelihood strategies over the last decade, opting instead to rely wholly on the tourism dollar. This trend has made households extremely vulnerable to fluctuations in market demand, catastrophes like 9/11, climate-related shocks that in turn degrade the natural resource base, and, as in this case, natural disasters such as a hurricane.

Over the last decade, Belize has been promoting a diversification of its economy from one traditionally dependent on agriculture (bananas, sugar, and citrus), which accounted for 15.2 percent of GDP and 54 percent of exports in 2004 (World Bank 2006a), to one focused on tourism and associated service
industries, shrimp farming, and most recently, oil exploration. Economic growth averaged 8 percent during 1999–2004, stimulated by expansionary fiscal policies including increased capital and social expenditures. However, during this same period, fiscal deficits widened, averaging approximately 9 percent of GDP while the public debt stock doubled to 100 percent of GDP. Facing increasing fiscal and balance-of-payment pressures, the government implemented various monetary measures in 2005, and the fiscal deficit declined by more than half to 3.4 percent of GDP while real growth slowed to 3.1 percent (from 4.6 percent in 2004) (World Bank 2006a).

Paralleling these developments, the tourism sector has grown significantly over the past decade (see figure 6.1). Tourist arrivals increased from 176,054 in 1998 to 230,832 in 2004. Cruise visitors have increased from 14,183 in 1998 to 800,311 in 2005 (BTB 2006), and tourism receipts have increased from $44 million in 1990 to $133 million in 2004.

The challenges facing Belize’s tourism industry include: the need to strategically develop and upgrade its product, while at the same time working to maintain the pristine quality of its environment upon which the market so strongly depends; the need to market effectively; and the need to forge stronger linkages between public and private sectors, nongovernmental organizations, and local communities.

![Figure 6.1. Recent tourism trends. Source: Belize Tourism Board, Tourism and Travel Statistics 2005.](image-url)
Regardless of the last five years of expansionist policies, and the fact that Belize has achieved significant progress in reference to several key economic and social indicators, the high incidence of poverty continues to pose a major challenge for the country. Based on the 2002 Poverty Assessment Report (GOB 2004), the poverty level has remained consistent at 33.5 percent since 1996 with 10.8 percent of the population indigent and with an 11.1 percent poverty gap. While Belize is expected to meet the Millennium Development Goals relating to education, access to potable water, and child and maternal mortality, other goals are presenting difficulty, including the reduction of poverty levels. In addition, Belize’s Human Development Index ranking has declined from 58 in 1998 to 91 in 2005 (World Bank 2006a).

THE STUDY SETTING: PLACENCIA

The village of Placencia—the main community examined in this study—is located in Stann Creek District south of Dangriga town. Roughly 11 percent of Belize’s population lives in this district, and 8.2 percent of Belize’s poor live here. Within the district, 34.8 percent of residents are poor: 5.6 percent are indigent; and almost 40 percent of children are poor (GOB 2004). Located at the southern end of a seventeen-mile peninsula, Placencia is one of the oldest villages in Belize. Legends purport that this small village was founded by English buccaneers in the early 1600s. There is substantial evidence that Placencia was a Maya fishing camp before Europeans arrived (Mahler and Wotkyns 1992). For the last few centuries, Placencia has been home to a collection of mostly Creole families whose ancestry includes Garifuna warriors, freed African slaves, and Scottish pirates.

In the twentieth century, Placencia has been largely a fishing village, but the community has transitioned over the past decade to a tourism economy centered on diving and snorkeling, and to a lesser extent, wildlife sanctuaries located in the immediate interior region. Today’s permanent population consists mostly of Creoles, but the numbers of North Americans, Garifunas, and Hispanics are on the rise. “The village has a unique social climate and charm that accommodates conch fishermen, vagabond yachters, scuba divers, game fishermen, and low- and high-budget adventure travelers.” There is a “live and let live” frontier quality to the village (Hoffman 1994). The combination of its small size—roughly 150 households at the time of this study—as well as the ethnic diversity of the residents, gives Placencia a down-home and cozy but still cosmopolitan feeling.

Tourists come to Placencia to relax in any number of ways—snorkeling, sunbathing, scuba diving, fishing, photography, and birding. Consequently, a variety of types of tourists visit the area—ranging from the high-end tourist who stays at the exclusive resorts north of the village, to the budget tourist who
stays in less expensive guesthouses or family-run hotels in town. Regardless, the social atmosphere was typically relatively relaxed, and most villagers reported little conflict among hosts and between hosts and guests.

**STUDY FINDINGS: A RANGE OF VULNERABILITIES**

Stann Creek District was impacted severely by Hurricane Iris, with many banana plantations destroyed—one of the main sources of employment and income. Since Iris, however, there has been an increase in shrimp farming and other aquaculture activities in the district—a development offering new employment opportunities, particularly in the Independence and Mango Creek areas that are located directly across the lagoon from Placencia.

Approximately one-third of all households in Placencia indicated economic vulnerability or economic insecurity at the time Hurricane Iris struck (see table 6.1), in terms of financial difficulties, depleted savings, and income losses stemming from “destruction from the hurricane” (as reported by residents). Businesses were washed away, workers were laid off, and the high tourist season of 2002 was essentially lost. Roughly one-fourth of the households reported not having enough money to pay basic expenses, and more than half were forced to seek additional credit to make ends meet and to initiate repairs and reconstruction.

The most common occupations of Placencia residents were those associated with tourism—tour operators, business owners, construction workers, and domestic workers. Before Hurricane Iris, the vast majority of households owned property. In addition, while a little over half of the households reported they had obtained additional credit over the previous year, nearly 60 percent also acknowledged having some savings. Of the roughly two-thirds who reported owning businesses, approximately three-fourths owned tourism-related businesses.

Their precarious livelihood situation appears to have compromised their social networks. Looting began immediately after the evacuation and was not restricted to outsiders. Villagers were stealing from their neighbors. Some residents refused to evacuate, and many then looted their neighbors’ homes and

<table>
<thead>
<tr>
<th>Degree of Security</th>
<th>Economic Security</th>
<th>Social Network Security</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>High</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Moderate</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Low</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Total number</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>
businesses. One business owner related that this excessive competitiveness, jealousy, and rivalry between and among families did not exist when Placencia was just a small fishing village; it was more of a community with people helping people. But with the fast money of tourism, the rivalry escalated to a dangerous level and grew worse as some tour operators and hotel owners became more successful than others. Many residents reported that the rivalries between families reached a new level after the evacuation and the storm. Although 23 percent of households reported that someone in the household had been a victim of a crime, no one sought help for more public crimes such as robberies or muggings. Only one woman sought legal redress as a victim of domestic abuse during the immediate aftermath of Iris.

These events were compounded by the psychological effects of Hurricane Iris that deepened the residents’ emotional vulnerabilities. A few women reported having serious bouts of depression during the immediate weeks after Iris. Whitney, a longtime resident, cried as she recounted the horror of seeing her home in shambles when she returned to the village. Given that she had no insurance, she was forced to rent a small house but struggled financially due to the high cost of her health care needs. During evacuations, women often face social constraints related to the shame of leaving their house, moving to shelters, using public latrines, and being seen by men while in wet clothes. Sadly, their anxieties can take precedence over personal safety, and once they choose to relocate out of harm’s way it is often too late (Cannon 2002). And it was more often young adult males in Placencia who resorted to drugs and/or alcohol when asked how they coped during the first weeks after Iris.

In summary, the immediate aftermath of the storm left many households vulnerable in a number of respects—the most obvious being financial, but as serious were the emotional trauma and social collapse that ultimately added to feelings about loss of control and despair. In the end, households were exposed, not only to the elements literally, but more importantly over the long term, to government policies that promoted reconstruction strategies resulting in differential treatment favoring the economically more secure households.

DISCUSSION: DIFFERENTIAL TREATMENT, UNEVEN RESPONSES, AND RESILIENCY

A natural disaster creates a domino effect of local economic setbacks (Skoufias 2003). Initially there is destruction of physical and human capital stock, which takes the form of slower economic activity, decreases in labor demands, and declines in employment opportunities and wages. Second, the system typically shows a reduction in purchasing power followed by cutbacks in the level of public transfers. Finally, there are considerable changes in the value of returns to assets (Skoufias 2003).
Economic hardships resulting from natural disasters affect multiple households, regions, and villages simultaneously. Certain physical and social characteristics such as gender, ethnicity, age, community status, and particular living arrangements are historically correlated with limited resources and disenfranchisement, and therefore increased vulnerability (Morrow 1999). Racial and ethnic minorities, women, and children are particularly vulnerable to extreme climatic events and more frequently live in poverty conditions (Cannon 2002; Enarson 1998; Morrow 1999; Peacock and Girard 1997). Survivors of disasters grapple with these processes in the aftermath of a natural disaster, as did the residents of Placencia. More than half of the households sought either financial assistance in terms of creditor hurricane relief, or they used savings to meet basic needs, for example to initiate rebuilding or repair activities (see table 6.2). Fewer people resorted to relying on friends and/or family for assistance, spending time with family for emotional support, or praying to seek solace.

In an examination of coping strategies relative to poverty level, the government of Belize (GOB 2004) found that reliance on divine intervention was the main coping strategy used in Belize to respond to economic challenges. The majority of households (63 percent) turned to prayers. However, “reliance on divine intervention” was slightly more prevalent among the nonpoor than the poor. Nonpoor households were also more likely than the poor to “dip into savings” or borrow and pawn, while the “poor were more likely to hustle” (see figure 6.2).

Relying on divine intervention has critical implications for breaking the cycle of poverty since it presents limited opportunities for human advancement and is a “nondevelopment strategy” (GOB 2004). Approximately one in three households “forgo necessities” or “don’t pay bills on time” to cope with finan-

### Table 6.2. Coping Strategies by Economic Security

<table>
<thead>
<tr>
<th>Coping Strategy</th>
<th>Total*</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Vulnerable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One Response</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebuild/Repair</td>
<td>7</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Financial</td>
<td>15</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Spiritual/Emotional</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Social Network</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Out-Migration</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Two+ Responses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebuild/Repair &amp; Financial</td>
<td>10</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Social &amp; Spiritual/Emotional</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Financial &amp; Social Network</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Financial &amp; Out-Migration</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Financial &amp; Spiritual/Emotional</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Rebuild/Repair &amp; Out-Migration</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

*Total number = 47
cial difficulties. More than one-quarter of households also “ask relatives for help” when they are faced with financial difficulties, while 12 percent said they “asked politicians for help.”

Other strategies deployed to overcome the financial difficulties included: outmigration to urban areas, overseas migration in search of work, dependence on remittances, thriftiness, diligence, occupational multiplicity, the lotto, and less frequently financial support from politicians and drug trafficking. Coping strategies of the poorest households were less developmental and less proactive trying “to meet day-to-day needs.” They did not use strategies that entailed long-term planning. Begging, borrowing, and crediting were among their main strategies (GOB 2004).

While the residents of Placencia resorted to a similar repertoire of responses, there were other strategies as well. Everyone reported some response to Hurricane Iris. No one reported they were doing nothing. The majority (64 percent) of those surveyed about what they were doing to help themselves get through the situation after the hurricane replied that they were either borrowing money or taking out loans. Seventeen percent reported they were relying on family or friends for assistance, and 13 percent responded they had turned to prayer as their main coping mechanism (see table 6.2). Residents were also asked how they compensated when they had a bad year. Most people responded that they sought help from friends and family, found other work, migrated to the United States or had family members who moved there, or borrowed money; only a few did “nothing.”
Diversifying income-earning activities was another strategy that many in Placencia resorted to as a way to increase their economic security. Some wage earners in Placencia sought additional forms of employment to compensate for the reduced incomes from their work in the tourism sector. Some tour guides or diving guides returned to the traditional family occupation of fishing. Some families moved to Dangriga, as they had no money or recourse to rebuild. Another strategy was to have at least one member out-migrate for employment, to help ends meet while the rest of the household focused on reconstruction. Divers migrated to other tourist locations in Belize, or perhaps northern Honduras, to freelance as tour divers; others migrated to San Ignacio or Dangriga in search of any service employment available. While these migration and commuting decisions potentially disconnected households, and in this case may have impacted present and future levels of social network security, in terms of economic security they allowed most households a certain level of resiliency on their own terms. People talked about being able to “get by” after Iris in ways that suggested their perceptions of their own situations as generally positive. While some were emotionally wrought and devastated in the immediate aftermath (meaning days), their responses showed adaptive capacity, particularly when judged on their own terms.

While the elderly were one of the groups that suffered most from Iris’s devastation, many of them also showed resiliency. A number of elderly couples lost everything and were too old to qualify for government loans to rebuild, yet in these cases they relied on their children for housing, meals, financial support to meet medical bills, and assistance to rebuild. One elderly man devised a means for financing the building of a new home by transferring title of his land to his son, who was then able to secure a loan using his land as collateral.

As well, all of these accounts are not to say that all residents were left destitute after Iris. Simply by luck, two lodge and gift shop owners sold land and lodgings on a cay four months before Iris. They had substantial money to repair their other businesses and newly built home. Others were not as fortunate. Many rental homes were not rebuilt because the land was too valuable and owners saw the situation after Iris as an ideal opportunity to develop in ways that would capitalize on future tourism. Regrettably, the more vulnerable residents were left to find other forms of shelter. Those who were homeless had the option of purchasing a small lot in the backside of the village on land that was newly created by clearing the mangrove, dredging the lagoon, and filling in the land. Much of this area was settled by teachers, shop workers, cooks, or bartenders.

While many households opted to seek financial assistance to rebuild, the incidence of this strategy is higher for the more economically secure households. More vulnerable households were not able to obtain credit. Typically, govern-
ment assistance was distributed first to the more powerful individuals in the village, then to the less fortunate, who only received a few pieces of zinc for their roofs. Many of these families, by virtue of owning thatched-roof homes, did not qualify for hurricane relief funds. Consequently, they turned to their social networks or they had family members out-migrate for work. Other people received no housing assistance because they had lost their entire home or the home was not on its foundation. There were no grants, only government loans with high interest, and many residents were not able to service a loan after Iris because they literally lost all structures. Some residents, by virtue of owning wooden structures, had no insurance against the hurricane. Households that lost everything did not receive any assistance and were offered only high-interest loans secured by the only asset they had left, their land.

Typically, given the limitations of federal aid, survivors of disasters often depend on each other for mutual support. In the case of Hurricane Iris, however, since nearly every household in its path was affected, everybody was left to fend for themselves. In the midst of this crisis, it is surprising that the monetary donation rate per capita in Placencia was 44 percent, a rate higher than in some of the interior towns not directly hit by Iris. The rate in San Ignacio, as an example, was 29 percent. It is possible that giving to others during this crisis developed into a means by which to cope with the situation emotionally. Residents of Placencia most frequently gave money to family, friends, and coworkers.

**SUMMARY AND CONCLUSIONS**

If one focuses on the physical and economic realms of life, the assessments of short-term coping strategies from Placencia after Iris are somewhat mixed. Roughly one-third of households were economically vulnerable or at high risk for vulnerability in the immediate aftermath of Hurricane Iris. Fifty-eight percent of households were spending more than 50 percent of their income on food. Residents reported conflicts among friends and families, increased rates of drug and alcohol use, higher crime rates, and intense competition for limited relief and credit resources. Households in Placencia devised a number of coping strategies as they responded to conditions in the aftermath of Hurricane Iris and the relief aid and financial resources that may or may not have been available to them. Many households turned to various types of financial strategies—either cashing in assets, obtaining credit or relief, or getting loans from family members. More of the economically secure households used this strategy than the poorer households. In most cases, these resources were, in turn, used to repair structures or completely rebuild.

Those households that were economically vulnerable and not able to secure financial assistance turned to family members, and in some cases, their religious
beliefs, for emotional support. Some of these households also had family members out-migrate, either to other parts of Belize, or in a few cases, outside the country, seeking temporary employment until Placencia could reestablish its tourism industry. These migration and commuting decisions disconnected some households, impacting levels of social network security in the community. Much of the qualitative data collected in Placencia after Hurricane Iris indicated more vulnerable social network securities, such as friends competing for scarce resources and increased substance abuse, particularly among males.

Whose Resiliency?
For the majority of residents in Placencia, the aftermath of Hurricane Iris meant struggling to meet basic needs and devising longer-term adjustments that necessitated coping with government responses that promoted a “new Placencia” that virtually excluded them. In the throes of extreme vulnerability, many residents, in desperation and fear, lost the power of choice. As relayed by the majority of informants, most residents wanted to rebuild the area as it had been—a quaint fishing village that offered low-end tourism. The movement to reshape Placencia into something new and “better” was promoted by the government, the Belize Tourism Board, and outside investors, and locally took root among those who were economically secure before Iris. Placencia was rebuilt essentially to cater to the higher-end tourist. Mom-and-pop guesthouses and neighborhood cafes were replaced by upscale accommodations, condominiums, and expensive restaurants. The seven-mile beach strand for which Placencia is known lost its picturesque, scenic beauty as the newly constructed resorts built piers extending out to the sea. In essence, the mix of owners, managers, and visitors that was Placencia pre-Hurricane Iris has been replaced by a monoculture tourism—one catering more to the high-end tourist than previously. And of those who were vulnerable during the aftermath of Iris, who were left to scramble, the vast majority reported turning to more emotionally based strategies—spending time with friends and family and seeking solace in prayer.

Clearly there were differences in how households in Placencia responded to the conditions in which they found themselves after Iris, but this brief summary has largely been based on a Western construct of coping and adaptation, to illustrate an important line of reasoning. In many cases, the household responses to Iris can be strongly delineated by level of economic security, that is, the more secure households relied on short-term coping strategies that were financial in nature, while the more vulnerable households were not always able to secure the means to do the same. Their strategy—spending time with friends and family or in prayer—appears to be a weaker response and not constructive over the longer term; indeed it has been classified as a “nondevelop-
ment” strategy by the government. However, many members of these more vulnerable households did not classify their responses as being maladaptive, or less adaptive than others. Indeed, they acknowledged that their attempts to secure financial aid were usually not successful, but they did not equate this seeming breakdown in the system with their own personal failure. In their own terms, many of them were “resilient” in that their more emotional and psychologically based approaches—being with friends and family, praying, giving donations to neighbors and the community—allowed them to adapt to the situation in ways that lent themselves to meeting certain types of needs that are also valid needs. According to Maslow, these emotions and values are important resources in times of a stress or shock; he considers affection and respect the highest values in his hierarchy, where responses dependent on these values are equally valid responses, and in some cases, may be more important than those addressing physiological needs. For those households living in poverty or economic insecurity in Placencia, securing self-realization and having self-respect may be critically important first steps to adapting to circumstances in the aftermath of a severe shock. Their responses should therefore not be regarded as maladaptive or less resilient than those responses that focused on the physical and the economic.

Neoliberal Economic Policies Come Full Circle
Regardless of the variances in resilience of households in Placencia, the community has had to face some harsh economic realities. Even though Placencia is the second-largest foreign exchange earner for Belize tourism, many community leaders maintained that the government refused to admit Placencia’s importance to the national economy in the aftermath of Iris. Consequently, there was little economic assistance from the government after Iris. As a result, stakeholders in Placencia tourism increasingly relied on outside investors with big plans. One community leader noted the increasing privatization of the country’s resources, from the selling of the road to a high-end resort, forcing the remapping of the public road (making for a longer trip to and from Dangriga), to the selling of some of the cays to foreign investors. With the country’s debt problems, the pace of this sell-off was likely only to escalate.

The minister of works confirmed that the government would not be assisting small landowners in rebuilding, as evidenced by his proclamation at the meeting: “Eventually there will be only large hotels on the peninsula.” At the time Iris hit, the government projected that without government assistance, current landowners would sell out to large investors so that the village could be “developed.” This position caused many villagers to be angry; some were adamant that they would never sell. One government agent pointed out that everyone has a price, and eventually people will sell or be squeezed out
by rising costs and competition from larger hotels able to offer cheap packages. For people in Placencia, a move to nearby Independence, when some felt forced to do so, was a fall from grace, which normally only happens when people have lost their land and/or businesses.

There is no doubt that tourism has brought money to Placencia; of that, everyone agrees. Many of the expats have made long-term friendships with people who first came to the area as tourists. Beyond these two benefits, people cite many problems relating to tourism—between not benefiting at all to a destruction of family, community, the environment, and a loss of privacy. One resident says tourism is like having guests in your home all the time; “you always have to keep it clean.”

Many residents registered a sense of oversaturation with the tourism economy’s presence in Placencia. One shop owner commented, “We have enough tourism. We don’t need any more, enough is enough. Tourism is killing this village, they are loving us to death.” According to many, tourism has destroyed a sense of family in this community. Many residents explained that when this was a small fishing village, Placencia was more like a family. They say that, of course, there were competitions and rivalries, but not sustained vendettas. Now that land has become so valuable, rivalries have reached a dangerous level. Property values have soared, so the stakes are very high. Beachfront property is worth $500,000 an acre. Consequently, even members of the same family are often bitter rivals. One former business owner says that she let her tour guide license expire because she saw that the Belize Tourism Industry Association was all about high volume. She does not go to their meetings any more because as she puts it, “[That association] is all about helping white people cashing in on Placencia tourism.”

In essence, the range of choices for response after the hurricane for those households that were economically vulnerable was quite narrow and left little opportunity for being able to regain the materialistic part of their lifeway they had prehurricane. The differentiation in resources available to them for reconstruction caused them to seek solace in prayer and to spend time with friends and family—strategies that may have helped them emotionally but did not help them regain economic security. Today, people from all over Belize talk about how Hurricane Iris was “good” for Placencia, because in rebuilding, everything is “nicer” and “better.” But the “better” tourism is one that, in the end, may be self-destructive given population increases, social and cultural losses, and the fragility of the barrier reef upon which the tourism ultimately depends. In this case, the building of a “new Placencia” and promoting neoliberal economic policies in the process has excluded important elements of the local population, a loss that, in the end, will encourage a tourism where the
"unique social charm" of the village is lost to a new face that looks like the mass tourism found in many neighboring locales in the region.

NOTES
1. Responses are coded using local categories wherever possible and relevant. For each indicator, scores are assigned to different responses, and scales are then generated that describe the range of responses. Using qualitative data and cases from individual surveys, scales are then partitioned into four categories: high, medium, and low security, and vulnerability. Using these categories for each of the indicators, locally relevant descriptors of well-being are compared across households and communities.

2. In devising the LS/V Index for each household, employment security is a compilation of three variables and is calculated by summing scores on occupational stability, occupational diversity, and dependency ratio. Occupational stability is scored using the following scale: condition of permanent job = 3 points, seasonal work = 2 points, and occasional work = 1 point. Occupational diversity is scored based on number of sources of household income. And dependency ratio is calculated by the number of workers relative to the number of household members.

3. Defined as an ethic and a set of practices for structuring tourism planning, policy, and development in a way that ensures benefits are optimally distributed among stakeholders and that tourism resources are managed to achieve optimum benefits for all Belizeans.

4. Defined in this study as "very poor persons who are more vulnerable to chronic poverty.”

5. The poverty gap measures the average distance between the poor and the poverty line. An 11.1 percent poverty gap means that it would cost 11.1 percent of the poverty line to move each poor person out of poverty and close the gap between the poor and the nonpoor.
EXPOSING KATRINA
Class, Race, and Displacement
Accompanying her husband, former President George H. W. Bush, on a tour of hurricane relief centers in Houston, Barbara Bush said today, referring to the poor who had lost everything back home and evacuated, “This is working very well for them. And so many of the people in the arena here, you know were under-privileged anyway, so this—this [she chuckles slightly] is working very well for them.”

—Editor & Publisher, September 6, 2005

The politics of life and death are articulated in public and private conversations, in allusions to past and present history, and in unacknowledged desires and fears, as well as in the movements and undertakings of the powerful. In these private and public conversations, allusions, desires and fears, movements, and undertakings, race is not only race, and class is not only class.

And as people talk in this moment, they don’t always express or even know what they want or fear as they’re wanting something or terrified by something. And always, always, power is directing our attention to something other than itself—unless, of course, it needs to show itself as something that comforts. The disaster (both natural and unnatural), the responses to this disaster, and the huge public conversation about the disaster are revealing and heightening the contradictions already present in our social order, including the history of those contradictions, particularly with the way race is inscribed in the unfolding of capitalist expansion, from slavery to neoliberal globalization.

Many things have gone on in the response to Katrina. Things including war on the poor—which is business as usual for this social order—entrapped in the morass of neoliberal prescriptions that further aggravate vulnerability. Those who were already poor (employed or not) when Katrina hit are certainly poorer in the wake of the disaster. Things including both the dynamics of racism in the omissions and commissions of rescue and recovery and the expressions of racism in the larger conversation about survival and security.
Things including the fierce and generally unacknowledged messiness of the
dynamics of racism and classism and the entangling of race and class that live
both in those confusions and in material life exposed so vividly in Katrina’s af­
termath. Racism treats all racialized others (regardless of the specifics of their
circumstances or of their behaviors) as if they are the dangerous class made
visible. And if race is the uneasily but still-recognizable (to the general public
understanding) social determination, class, of course, is the social ordering
and determination most often treated as simply a limiter of consumer choices.
Class is a reality simultaneously and contradictorily made both invisible and
frighteningly apparent in the hypervisibility of the black bodies. The white
poor are intermittently visible, often as the “deserving” poor set against the
“undeserving” black poor. In other words, in the United States, class fades in
and out of view.

What is possible to see and hear in the vicious, or stumbling, or confused,
or simply inarticulate expressions from various people about what was and is
happening along the Gulf Coast is the imagination run wild and fearful. Many
members of the U.S. public were unable to “see” Latinos/Latinas, Asian Amer­
icans, and Asians—members, for example, of a Vietnamese congregation
trapped in their church—poor white people, abandoned foreign tourists: the
vision of complexity is wiped out by the “darkness” so thoroughly on display,
so thoroughly and simplistically discussed.

Racism sideswiped the usually nonraced (poor white people), or the lightly
raced (Latinos/Latinas, Asians, Asian Americans, etc.), or the accidentally and
transiently raced (foreign tourists trapped by the disaster). The heterogeneity
of the trapped is matched by the multiplicity of the forms of entrapment by
what was already in place, or, more to the point, by what wasn’t already in
place—but the complexities are covered by the shadow cast by the people so
multiply and visibly black.

Among those things that were devastatingly in place were plans and re­
 sponsibility for a New Orleans evacuation that were privatized—controlled by
a private contractor, IEM, a consultant to FEMA. But what was most devas­
tatingly already in place was the softest of soft targets—the already poor. One
discussant on the Left Business Observer Listserv referred to the criminal neg­
ligence of the U.S. government’s response as “killing them softly.” What
wasn’t in place: an economic safety net for the poor to begin with, and regard
for what that lack means in the midst of a disaster.

But the middle classes and much of the upper classes—in short, anyone
whose assets stop short of helicopter or private jet ownership or access to same
and who might someday need to get out of town or might need to have help in
a disaster or crisis—ought to be a little anxious right now. (I’m talking about
all of us right now.) What many see as the criminal negligence of FEMA’s op-
erations is also, I think, a form of disciplining aimed at the not-poor and/or the not-black who are not part of this disaster but are consuming it and its lessons from afar. Black poor people, and other poor or even just temporarily poor people, are the canaries in the coal mine. This government is in the process of abandoning us all to varying degrees. And it is that variance that is malleable and mitigated by the specifics of class and/or race.

Whether you are hitchhiking out of a disaster or driving out in a Honda or a Porsche, the structural horrors (material, economic, political) of the devastation of the Gulf Coast now will stretch out its tendrils to all of us. Although the thickness and shape of the tendrils of a disaster will be affected by mitigating factors, what we will increasingly have in common are our rotting infrastructures and the abandonment of a sense of common good materially manifested by our government (and the material consequences of the destruction of that region will hit us all, even if unequally so).

That abandonment of some notion of a common good has shown up for decades in the public acceptance of U.S. disregard and contempt for the outside world. Disregard and contempt aren't containable—they travel out to the world and return home, too. What we've been willing to support in the spread of this and past governments' brutalizing of other countries—other people—has brutalized our own imaginations of what we are as a social order.

The present hypervisibilities, the plight of specific kinds of people in this moment as well as the specifics of expressions of racism directed at black Americans, in addition to what I call the flickering visibilities—the plight of poor white people, of temporarily poor people (displaced tourists, medical professionals, other helpers)—could be a goad toward reconstituting an alternative to the idea of everyone for his or her individual self.

But there's noise that interferes with that signal. When George Bush was talking about rebuilding the house of Trent Lott and sitting on the porch with Lott, this language acted as a shout-out to the racist part of this administration's base because, whatever the complexities of the actual existing Trent Lott, he resonates across the white supremacist part of the United States as a defender of segregation. The resounding noise of that shout-out helps provide cover for the privatization of reconstruction (hello Halliburton) and disaster management (hello IEM), and a reward to the refiners via the lifting of environmental protections—an enrichment that is a shout-out to the richest part of Bush's base.

The casual throwaway racist language of "savages running wild" and of "people who should be grateful that the disaster will provide them with a better life" in the Astrodome, the clichés about black welfare dependency and the bad behavior of "those people" showing that they can't really be saved, and the willingness of those in charge of recovery simply throwing food and water at
victims of this storm—all of these things and more provide cover for other forms of class warfare on the part of the powerful and cover for the work of dismantling, one disaster or crisis at a time if necessary, the idea that our social order can expect its government to do more for its citizenry than to usher public money to what it sees as that money’s “rightful” owners, the corporations that paid for the heads of that government’s election.

The response to this disaster does not have to be planned racism: racism is so much a part of our culture that it is always available as a simple tool of convenience. It can be called into duty and then dismissed. One of the jobs that it does terrifically well, again and again, is to divert attention from what else is happening. The public imagination was focused on the scary blackness of people massed at the Superdome or the Convention Center, standing on the highway, standing on roofs. That vivid visibility also pushes the other people (in their heterogeneity) there out of the picture frame until they are pulled into the picture as representations of the not-black and scary, “properly” behaving, fictions. I am describing a relay of framing movements as these “proper” victims are contrasted to those people spectacularly on display as the visible “lawless” and the “looters” of New Orleans.

Late last night, I was taking a break from obsessing on the Internet and saw Tucker Carlson on CNN doing a follow-up interview with Andre Broussard (president of suburban Jefferson Parish) who, on Sunday, had broken down crying after criticizing the federal government on Meet the Press. Carlson asked Broussard to comment on the awfulness of the looting in New Orleans (cue pictures of burning buildings in New Orleans), and Broussard said, “Well, some of that is going on here too. Our shopping center burned on Wednesday.” Broussard went on to describe what the police and National Guard were having to contend with in his area. It was a moment when the possibility of bad, non-black actors was at least alluded to. It was also a moment that passed really quickly. The comfortably well-off segments of the United States (and/or those who simply want comfort and aren’t too particular about what it costs in other people’s lives) can have that desire for comfort fed by the disciplining of the visible poor—the dangerous classes.

I want to be clear, so I’m going to say this as directly as I can. I’m bringing together four areas of concern: (1) the presence of racism does not mean the absence of class warfare against the poor and working class, (2) a war on the poor does not mean that people of considerable color aren’t also the easier targets, (3) the analytic insufficiency of a U.S. black/white binary around racial thinking does not mean that other “others” can’t be thought about, and (4) the attention being paid to particular subsets of objects of governmental criminal negligence does not mean we shouldn’t all be terrified of the closing down of the idea of a common good.
I'm going to finish here with some attention to "looting"—both the idea and the activity.

All you have to do is tell them they are being attacked, and denounce the pacifists for lack of patriotism and exposing the country to greater danger.—Hermann Göring at the Nuremberg trials

The September 2, 2005, weekend edition of USA Today (online) ran, as one of its subheads (in the online edition, it was to the right of the main headline), “Lawlessness Fosters Fear.” A word here about lawlessness and its class belonging: If we are not a lawless nation from the very top of our government’s hierarchy, I don’t know what we are. (Actually existing criminals ought to be indignant at the expressions of hypocrisy.) We are up to our noses in a lawless war jerry-rigged by lies; we are led by an administration for which laws and regulations that get in the way of the good of corporations are routinely ground under its wheels, and the engine of help that took its time getting to the disaster region is a product of that lawlessness and disregard for its people. Our attention is being directed to the lawlessness of individuals, and we respond with fear: “That could happen here; that could happen to me.” And we are gratified when “order” is talked about and seems to have been restored. Sometimes all that is required for the achievement of that gratification is to see a black male lying on the ground with his hands cuffed behind his back.

In the meantime, we are at the mercy of a lawless overclass that is looting the state and a state that is looting itself for its friends in the overclass (yet another hello to Halliburton), which is invisible to us. The reek of sanctimoniousness and self-righteousness that is drifting outward from the “haves” of the Bush administration in their condemnation of not only looters, people who “didn’t have the sense to leave,” the local governments, and the poor—the poor who, Barbara Bush tells us, were better off in the Astrodome than they’ve ever been in their lives—well, the stench of that self-righteousness rivals for noxiousness the smell of shit from the New Orleans Superdome and Convention Center that people there had to breathe for almost a week.

In the United States, we seem to be really particular about our tolerance of looters. In fact, we have a tiered system for even thinking about them. Within this community of thought, the absolute bottom is occupied by people who steal TVs, jewelry, and/or drugs. Next are those who might barter the TVs or jewelry for drugs; slightly above them are those who steal TVs and might barter them for water, money, clothing, and so on; rising above them are those who are looting food, water, shoes, and/or clothing for their own use or that of others close to them (subsistence looters who nonetheless, as President Bush told us, still should be included in the most dire penalty for looting).
By contrast, occupying the very top tier of looters would be the big state actors, like the Bush administration, looting the national budget for its illegal war and accompanied by the war and disaster profiteers who are engorging themselves and will continue to do so for the foreseeable future but who, I admit, aren’t often photographed carrying away their billions in plastic garbage bags while running down the street. When people start talking about a shoot-to-kill policy for looters, aren’t they in danger of committing the crime of threatening the life of the president of the United States? We might want to think about why it is the petty thief who gets shot while these other looters simply get richer (hello Dick Cheney—I wanted a break from saying “Halliburton”).

Finally, to those who have said and continue to say that this isn’t about race or class, you simply aren’t paying attention. What is happening, of course, is about more than those social facts, but the existence of those social realities within a nation that allows itself to accommodate those realities will be rewarded with all the horrors brought on by the public’s inability to see what has been and continues to be made within the terms of that accommodation. We accept living within a world of unequal division of resources, a dispossession of the commons, described in chapter 1 of this volume. We accept living in a state that is intent upon remaking the world to its accommodation, the extension of empire, elaborated in chapter 3. We accept the tearing down of a material fabric of governmental responsibility for which we pay with our taxes, the abrogation of public responsibility discussed in chapter 2 of this volume. And we accept this in some significant part because class inequality and racial inequality are as American as apple pie. The politics of death are articulated in the life we deny the most vulnerable of our people and the life that is increasingly going to be denied to more and more of us.

NOTE

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Disaster, Displacement, and Employment
Distortion of Labor Markets during Post-Katrina Reconstruction

GREGORY BUTTON AND ANTHONY OLIVER-SMITH

WHEN HURRICANE KATRINA STRUCK THE GULF COAST AT THE END OF AUGUST 2005, it displaced well over 1 million people and by some estimates as many as 1.5 million people. The damage to businesses and communities was severe enough to result in a long-term evacuation of much of the labor force and resulted in what may have been the largest forcibly displaced population in this nation’s history. Unfortunately, at present, we only have a patchwork quilt of reports detailing how much this displacement affected individuals, their households, and the labor market in general. Only through a series of spotty government reports and unrelated microeconomic studies does a picture emerge, however vague, that illuminates for us the extent of the impact. As imperfect as this picture is, it reveals deeply disturbing questions about the long-term fate of many of the evacuees and workers in general. As the Economic Policy Institute declared in a January 2007 examination of unemployment among evacuees, “a large portion are still struggling to find work” (Economic Policy Institute 2007:2). It would appear that eighteen months after the catastrophe many victims of the storm are still struggling just to stay afloat, let alone reconstruct their lives.

In this chapter, we examine the displacement induced by Hurricane Katrina, and in particular the differential employment trends of diverse populations in the reconstruction process. The complexity of contemporary disasters and the displacements they cause are refracted into the process of reconstruction. One of the central issues in the aftermath of a disaster is employment. In this chapter we intend to explore the implications of the fact that contemporary disasters, made more complex by inequality and vulnerability, are uprooting large numbers of people, thereby distorting and restructuring labor markets, and often impeding the recovery process. Most of the literature characterizes disaster-induced displacement as temporary, suggesting that people eventually return. However, this is an oversimplification, as the debate on the term “environmental refugees” highlights questions of both causality and culpability. We will
examine the effects of displacement on refugees/evacuees after their uprooting, as well as macro-level effects on labor markets and workers’ rights, by examining the case of Hurricane Katrina and referencing previous disasters. The distortions created in the post-Katrina labor markets by massive displacements of local people as well as vulnerable immigrant populations confer significant advantages to employers in both the price and the disciplining of labor in the current market-based recovery policies and strategies favored by local and national administrations.

In our discussion of Hurricane Katrina and displaced populations it is important to keep in mind the fact that many of the people forcibly displaced by Hurricane Katrina were members of ethnic populations who have a history of forced displacement. Ethnic groups such as African Americans, Native Americans, Latinos, Acadians (who we know today as Cajuns), and the Vietnamese were among these populations that have previously been forcibly uprooted. In the case of the middle-aged Vietnamese, they have suffered three forced displacements within their own lifetime. It is also important to note as Peacock et al. (1997) have observed, disaster recovery in the United States (and in many other nations) is primarily market-based. Such policies tend to exacerbate the consequences of the preexisting socioeconomic structure, increasing the vulnerability of minority households and thereby increasing the risk of recovery failure. Our in-depth examination of Hurricane Katrina provides a classic example of this process.

Surprisingly, there has been little formal exploration of this topic to date. In part, this failure may be due to the fact that there has been little attempt by scholars to pursue this topic, coupled with the fact that both government and international agencies have not systematically gathered the necessary data to sufficiently document the above-mentioned impacts of disaster and the process of recovery on workers. Admittedly, the massive displacement of the labor force in the wake of a disaster the size of Katrina creates enormous operational hurdles for the government agencies in both their data collection and estimation methodologies; however, in the case of Katrina it would also seem that the lack of the federal administration’s political will to provide fundamental answers to questions about where the 1.5 million evacuees went and what has happened to them over time calls into question the sincerity of their recovery effort. Moreover, even if we grant the administration the benefit of recognizing the enormity of this challenge, at the very least, their “inability” to do so illustrates the need for extraordinary information-gathering processes that need to be established in advance of a catastrophe in order to ensure the ability of federal agencies to change their statistic-gathering operational methodologies to adapt to the crisis as it unfolds.
Migration, whether permanent or temporary, has always been a traditional response or survival strategy of people confronting the prospect, impact, or aftermath of disasters (Hugo 1996). However, today, more than ever, the complex nature of disasters such as Hurricane Katrina in the city of New Orleans bring with them an enormous potential for the uprooting of large numbers of people. The increasing complexity of disasters is rooted in the interplay of social and economic factors in the environment, exacerbating the vulnerability of both people and environments and intensifying their impacts when they occur. Disasters are, in fact, increasing in impact and scope through the combined effects of economic, social, demographic, ideological, and technological factors. Greater numbers of people are more vulnerable to natural and other hazards than ever before, due in part to increases in population, but more so to their location in dangerous areas. Indeed, much of this occupation of hazardous sites is due to forms of economic dislocation prior to the onset of any single disaster event (Stonich 1993; Wisner 2003).

Today, natural disasters, rather than unanticipated and unique events, are seen to be much more explainable in terms of the “normal” order of things, that is, the conditions of inequality and subordination in the society rather than the accidental geophysical features of a place. This perspective has shifted the focus away from the disaster event and toward the vulnerability of peoples embedded in the “on-going societal and man-environment relations that prefigure [disaster]” (Hewitt 1983:24–27). The concept of vulnerability refers to the totality of relationships in a given social situation producing the formation of a condition that, in combination with environmental forces, produces a disaster. Disaster risks and outcomes are thus largely socially produced. This more complex understanding of vulnerability and disasters enables researchers to analyze how social systems generate the conditions that place different kinds of people, often differentiated along axes of class, race, ethnicity, gender, or age, at different levels of risk from the same hazard and different forms of suffering from the same event.

To the degree that disasters force people to relocate either temporarily or permanently, disaster victims have been seen as a subset of the category of environmental refugees. There has been a recent debate over this issue with claims of millions of environmental refugees being produced versus counterclaims that the evidence is uneven, unconvincing, and counterproductive. There is little question that some disasters force people to migrate. The nuclear accident at Chernobyl forced many thousands of Ukrainians to migrate out of the contaminated zone. Had the disaster not occurred, there probably would not have been any significant out-migration. Such cases as Chernobyl with
widespread and long-lasting physical and economic danger seem to be occurring more frequently. The South Asian tsunami clearly displaced millions, and now Hurricane Katrina has uprooted more than 1 million people and left as many as hundreds of thousands permanently displaced.

Since the 1980s researchers have linked the issue of environmental change with human migration, explicitly designating as “environmental refugees” people who are forced to leave their homes, temporarily or permanently, due to the threat, impact, or effects of a hazard or environmental change (El-Hinnawi 1985). Myers (1997) has asserted that recent human-induced environmental change, such as desertification, deforestation, or soil erosion, compounded by natural and man-made disasters, could force as many as 50 million people to migrate from their homes by 2010.

Other researchers dispute the accuracy of the term “environmental refugee,” finding it misleading. They attribute the displacement of people to a complex pattern of factors including political, social, economic, as well as environmental forces (Black 2001; Castles 2002; Wood 2001). Natural disasters are seen to cause temporary displacement, but not some idea of authentic, that is, permanent, migration. Indeed, if permanent migration does occur as the result of a disaster, it is seen as more the result of deficient responses of weak or corrupt states rather than the environment as expressed in the form of a natural hazard impact. Black’s (2001) critique that focusing on environmental factors as causes of migration often obscures the role of political and economic factors is well-taken, and it echoes the position held by most disaster researchers today. Focusing solely on agents reveals little about the political or economic forces that together with agents produce disasters or, for that matter, any forced migration that might ensue. But these objections, in turn, elide the fact that the environment, and its resources as well as its hazards, is always channeled for people through social, economic, and political factors, even in the best of times (Oliver-Smith 2002). It is equally important to remember here that a disaster is also no longer defined in terms of its event aspect only, but in terms of both the processes that set it in motion and the postevent processes of adaptation and adjustment in recovery and reconstruction.

**DISASTER-INDUCED DISPLACEMENT, EMPLOYMENT, AND RECOVERY**

When disasters damage or destroy communities, uprooting people, displacing them far from homes and jobs, the process of recovery is made doubly complex. Uprooted people generally face the daunting task of rebuilding not only personal lives, but also those relationships, networks, and structures that support people as individuals, which we understand as communities. The social destruction wrought by these phenomena takes place at both the individual
level and at the community level. In some cases, survivors of these events re­settle themselves individually or as families in new environments, facing the challenges of integration in new areas. These events/processes often set people on the road, breaking up families and communities. Hurricane Mitch, which devastated Honduras in 1998, forced many people to leave their families to seek work in Mexico, Guatemala, and the United States. Thousands who re­mained behind were still living in provisional shelters more than two years later (Stansbury et al. 2001).

In other contexts, whole communities may be resettled. When a commu­nity is resettled, it is not simply lifted up and set down whole in a new site. In most cases the community is reconfigured in specific ways. Most resettlement projects, particularly in the developing world, directly or indirectly further two fundamental processes, the expansion of the state and integration into re­gional and national market systems. Neither of these processes of inclusion is particularly simple or straightforward, but in most cases, they produce a re­structuring of social, economic, and political relationships toward the priori­ties of the larger society. In many respects, resettlement does not necessarily destroy "local cultures" as much as it appropriates them and restructures them in terms of values and goals often originating from far beyond the local con­text. Such a process involves the reduction of local culture, society, and econ­omy from all their varied expressions to a narrow set of institutions and activities that make them compatible with the purposes of the larger society (Garcia Canclini 1993).

Thus, many forms of reconstruction aid in the aftermath of displacement, whatever the cause, actually constitute development strategies. Varying ac­cording to the model and concept of development of the implementers, some postdisaster aid may be aimed at strengthening local institutions and reducing future vulnerability to hazards, while other strategies may be aimed at trans­forming communities into forms that are more compatible with larger market and state structures (Oliver-Smith 2006).

In general, however, the process of reconstruction has been approached largely as a material problem. The forms of aid and assistance that are mar­shaled to assist these unfortunate people have generally focused on issues of material need in the form of housing, nutrition, and health care. There is no denying that the often-excruciating material needs of the displaced must be addressed, but the question that is often not satisfactorily answered is how they should be addressed. Material aid is often donor designed as largely a transfer process and frequently is delivered in content and form in ways that com­pound the social and psychological effects of destruction and displacement by undermining self-esteem, compromising community integrity and identity, and creating patterns of dependency.
Employment in the aftermath of disaster will therefore be essential from both a material and a psychological standpoint. Employment provides needed income to replace or improve upon those personal and household needs not provided by aid, but it is also a form of action that enables people to return to being actors rather than being acted upon as disaster victims, which can become an essentially passive rather than active role. Disaster and displacement cause many people to lose the means of production, be it land, tools, or access to other resources, and they will be unable to resume normal activities until such resources are obtained. Also important will be the strategy of establishing the new livelihoods particularly if possible on the basis of traditional products, skills, and technology, thus allowing the people to continue with known practices particularly for the initial period of adjustment.

For displaced communities there may be difficult trade-offs between the social and cultural benefits gained by staying together, and the necessity of reconstituting economic resources. Tensions can also become acute when the displaced seek to relocate in existing communities and may compete with a dense host population for scarce social and economic resources such as jobs. However, until people resume a form of livelihood, they remain dependent on external resources, and reconstruction remains incomplete. The tensions between the need for jobs available locally and in the broader region and elsewhere and the goal of staying together must be negotiated in the process of reconstruction and vulnerability reduction.

Generally, the impact of disasters on labor markets is marked, sometimes limiting the supply of jobs because of economic dislocation, sometimes limiting the supply of labor because of displacement. Disaster-induced displacement basically alters the distance and time relationships between homes and jobs. Although much local displacement by disaster tends to be temporary, it may become permanent, particularly if the disaster permanently alters or destroys a local economic base. However, that outcome is usually not entirely the result of the agent alone, but rather government responses in the form of reconstruction plans and programs. The government decision not to reconstruct Homestead Air Force Base, a major regional employer, after Hurricane Andrew led to a permanent alteration of the economy of south Dade County and may account for some of the permanent migration that ensued. The Great Flood of 1927 in the lower Mississippi Valley displaced nearly 700,000 people, approximately 330,000 of whom were African Americans who were subsequently interned in 154 relief “concentration camps” where they were forced to work (www.mvd.usafe.army.mil/MRC-History-Center/gallery/flood/flood2.html). Although there were many reasons for African Americans to leave the South, the flood and its consequences, especially the forced labor in the camps, were the final motivation for migrating for thousands (Barry 1997:417).
When Hurricane Andrew hit Miami-Dade County in 1992, it inflicted nearly $30 billion worth of damage and temporarily displaced roughly 353,000 people. Forty thousand of the displaced (roughly 11 percent) permanently migrated. But, of the 40,000 who migrated, about half (20,000) moved only about a half hour’s drive north, sparking a population boom in Plantation and other Broward County communities. The net loss of 20,000 was soon outstripped by people whose desire to move to Florida was not deterred by the hurricane (Gainesville Sun 2004).

Hurricane Mitch devastated Honduras and Nicaragua in late fall 1998, killing an estimated 11,000 people, destroying basic food and export crops, and crippling infrastructure. The disaster in Honduras produced more than 6,000 dead and 2 million affected people, many left homeless and jobless, and forced to migrate. It is impossible to tell exactly how many people migrated out to La Mosquitia, the last relatively unimpacted rain forest of Central America. Although little data is available, Honduran farmers marginalized to steep hillsides first by the expansion of cattle ranching, shrimp mariculture, commercial melon and banana production, and subsequently to La Mosquitia by the ecological devastation of Hurricane Mitch, likely faced uprooting again as they encroached upon indigenous reserves and protected areas of that rainforest region. These unfortunate people would be triple losers.

An interesting historical note: The impact of Hurricane Mitch and inward migration into the City of New Orleans is not the first occurrence of its kind to affect the city. Johnson (1992) reports that in the wake of the great fire of 1788, the availability of construction jobs probably brought many free people of color into the city. The fire destroyed 856 buildings, or 80 percent of the French colonial structure (Campanella 2006). Johnson notes that in 1785 there were only 563 free people of color living in New Orleans, but by 1803 as many as 1,500 free people of color were living in the city, an increase he speculates was largely due to the employment opportunities brought about by the fire.

Disasters frequently become the outcome of unresolved development problems that produce a particular kind of relationship between natural or physical hazards and the organization and structure of society. Development processes have in many cases led to increases in vulnerability and accentuated impacts of disasters, leading to cases of forced migration. Hurricane Mitch was both the outcome and result of a series of intersecting forces, one of which was rural-to-urban migration, and the trigger event for another series of processes that produced the forced migration of many thousands of people whose multidimensional vulnerability left them after Mitch with few options but to migrate. The development policies that had been implemented over the previous fifty years had led the Honduran environment to the brink of collapse. Hurricane Mitch
was simply a powerful detonator, carrying a series of social, economic, and environmental processes over the edge (Comfort et al. 1999).

When the cleanup of the 1989 Exxon Valdez oil spill was privatized, the labor market in some of the affected coastal communities was disrupted and radically rearranged by the hiring practices of Exxon and its subcontractor, VECO. The starting wage was set at $19.95 an hour. These high wages had several dislodging effects. First, thousands of workers from the lower forty-eight states migrated to Alaska seeking work. Many Alaskans resented the intrusion of these “carpetbaggers,” who were, in their view, depriving them of jobs that they as disaster “victims” thought they were entitled to. Second, because of the high wages, many people living in the coastal communities abandoned their employment with the hopes of getting rich. In many cases this meant that the personnel whose roles were most vital to a community (counselors, teachers, nurses, harbor workers, road crews and maintenance workers, police officers, etc.) during a time of crisis were no longer available to assist communities in their response and recovery efforts at a time their services were needed the most. Third, because cleanup workers were hired in a seemingly arbitrary manner, there was growing resentment over who was or who was not hired, thereby exacerbating social conflict. Social tensions also increased within communities and families because some people felt that working for Exxon and its subcontractor was like working for the Vichy government. (After France’s military defeat in 1940, the new French government, the Vichy regime, willingly collaborated with Nazi Germany.) Siblings, crew members, coworkers, and others fell into fractious relations that in some cases lasted years after the disaster.

Moreover, because some individuals were able to make enormous amounts of money in various ways during the cleanup, the social hierarchy was disrupted. The resultant redistribution of wealth meant, for instance, in the case of a fishing community, that people who were fairly new to the fishing industry and who had arrived many years after those more established were suddenly thrust into more advantageous positions within the industry. This occurred by virtue of the fact that they could purchase the latest state-of-the-art equipment and larger boats more easily than their competitors.

In the native communities these wages altered the social hierarchy in different ways. First, it was not uncommon to find villages in which the only people left behind were the very young and the very old, which resulted at times in neglect and increased vulnerability for those already vulnerable. Second, the community hierarchy was radically rearranged when contractors paid younger individuals higher wages or placed them in supervisory roles, thereby dislodging the village elders from their traditional rank and status. Natives also contended that the contractors were biased against natives and provided the best wages and working conditions to nonnatives. Finally, in both native and non-
native villages, residents employed in the cleanup effort were often absent from their households and communities for long periods of time while they worked in remote cleanup locations, thereby placing additional stress on families and communities during a time of severe crisis (Button 1993).

Disasters and International Migration
Disasters have influenced international migration as well. It is difficult to tell exactly between Hurricane Mitch and the Salvadoran earthquakes of January and February of 2001 how many Central Americans joined the international migrant stream in search of employment in the United States. In December of 1998, the U.S. government issued temporary protected status (TPS) to roughly 86,000 Hondurans and Nicaraguans. Deportation hearings were also suspended temporarily for Salvadorans and Guatemalans, and after the earthquakes, Salvadorans were granted TPS also (Mahler and Ugrina 2006). Another indication is that from November of 1998, just after the hurricane, to January of 1999, U.S. agents along the Texas border caught 6,555 people described as “other than Mexicans,” almost all of them Central Americans, an 86 percent increase over the previous year. There is no telling how many got through undetected. Mexico also caught and expelled 31,995 migrants, a 70 percent increase (McConahay 2000).

In one specific case, an organization referred to as “the Molina Organization” smuggled approximately 200 impoverished young Honduran females, some as young as fourteen, into the United States between December of 1998 and May of 2002. Promised jobs as waitresses and housekeepers in Fort Worth and Dallas, Texas, for an undisclosed fee, they were kept in debt bondage for their passage to the United States and maintenance and forced to work as bar girls and prostitutes (Statement of Jane Boyle, U.S. Senate Committee on the Judiciary 2003). Effects of these migrations on local labor markets are clearly evident in the widespread displacement following Hurricane Katrina, to which we now return for an in-depth examination.

HURRICANE KATRINA AND THE DISPLACED
Following Hurricane Katrina, major population displacement and structural damage severely reduced employment over the following year. According to the Bureau of Labor Statistics’ Monthly Labor Review (2006), over the year changes in employment indicate that employment in St. Bernard Parish, Louisiana, was down by nearly 40 percent in September 2005 from September 2004. In nearby Jefferson and Orleans parishes the employment was down roughly 25 percent. Employment continued to fall sharply after the hurricane and remains dramatically below its August 2005 level. By June 2006, nonfarm payroll employment in the New Orleans metro area was 30 percent below the
level a year earlier. After Hurricane Katrina the unemployment rate for Louisiana increased sharply to 12.1 percent. By December 2005 it began to drop and by June 2006 was almost at its pre-Katrina level. In the New Orleans metro area the unemployment rate rose to 17.7 percent in September 2005 and started falling in December, and by June 2006 it was at 7.2 percent, a rate slightly higher than a year earlier. Any way you look at it, Hurricane Katrina struck a severe blow to the regional economy as the data on Mississippi below attests. It is important to keep in mind that these statistics must be viewed in light of the fact that they do not include the tens of thousands of unemployed evacuees scattered across the nation.

In the State of Mississippi, employment levels in Jackson, Harrison, and Hancock counties declined by approximately 9 percent in September 2005 from the previous September. Employment continued to fall until February 2006, when it returned to its prehurricane level; however, in the Gulfport-Biloxi metro area it was down more than 19 percent in the year ending June 2006. The unemployment rate after the hurricane did not rise quite as high as in Louisiana, rising to 10.4 percent and dropping to pre-Katrina levels by June 2006. In September 2005 the unemployment rate in the Gulfport-Biloxi metro area rose to 22.0 percent. It fell to 12.5 percent in June 2006 but remained significantly higher than the rate a year earlier.

The national data on the evacuees is even more imprecise because the data gathered do not account for all those who were displaced. It is important to note that people living in hotels or shelters, who constitute a large majority of the evacuees, were not included in the scope of the survey. This is significant not only because of the great numbers of evacuees who were excluded from the study, but also because it is safe to assume that evacuees living in such conditions were among the poorest and most vulnerable. A document of their conditions is only recorded, at best, piecemeal by select researchers who were able to secure funding.

According to the U.S. Bureau of Labor Statistics, based on information collected from October 2005 to June 2006, approximately 1 million people aged sixteen years and older evacuated their August 2005 residences for at least some period of time. For these evacuees the Bureau reports that the unemployment rate was 15.4 percent. It is important to note that that 58.7 percent of the evacuees were considered in the labor force; that is, either employed or looking for work. Black evacuees were reported to be five times more likely to be unemployed. Their labor force participation rates during this period were also lower. According to the information the Bureau gathered on evacuees, by June 2006 the unemployment rate was 13.4 percent, and the labor force participation rate had risen to 61.8 percent (Monthly Labor Review and Kosanovich 2006).
Nongovernmental, private research reports on the conditions of evacuees in various parts of the nation provide us with a more fine-grained analysis of their situation. Unfortunately, such studies do not exist for all the major areas of the country in that evacuees are living. They are representative of the enormous challenges the evacuees face. One such study conducted by a team from Rice University that issued a report in September 2006 provides us with some insights about the conditions of the evacuees in Houston, Texas, where approximately 120,000 evacuees remained at the time and remain until this day (Wilson and Stein 2006). Their unemployment remained a major problem for the evacuees in the study. According to this report less than 20 percent were employed and three-quarters of them earned less than $15,000 a year. Nearly half of them had no health insurance, and 98 percent of them were black. Sixty percent of the respondents reported that prior to Hurricane Katrina they were employed. Employment and housing were the two biggest challenges to these dislocated populations that, as we will demonstrate, confronted those who returned to their former communities and those who in a different migration sought work in the afflicted regions of the Gulf Coast.

Many of the evacuees attribute some of their employment difficulties to transportation problems. Houston is the fourth-largest city in the country and is a huge sprawling metro area that is not easily navigated by public transportation. In interviews conducted at the Houston Astrodome in September 2005, evacuees were queried about their met and unmet needs (Button 2005–2006). During the course of these in-depth interviews, when evacuees were asked what were some of the greatest challenges that they faced, many replied that they had great difficulty getting around the city seeking assistance and looking for employment. Some stated that while they thought they would stay in Houston for a while, they worried about how they would negotiate such a sprawling metro area.

These same concerns were also expressed by evacuees living in Austin, Texas, in February 2006, who told of the enormous difficulties of getting around a large urban area (Button 2005–2006). In this case their plight was made more difficult by the fact that when they were assigned housing by the city authorities, most of the housing that was available was on the periphery of the city. In some cases some of the available housing they were placed in was not even conveniently located to public transportation. The catch-22 for the evacuees was that if they were somehow lucky enough to purchase a car, once they registered it the federal government viewed them as permanently relocated and disqualified them from many relief benefits—including housing vouchers (Button forthcoming).

The plight of evacuees is also made evident in a major study by the Texas Health and Human Services Commission (2006), which conducted a survey in

*Disaster, Displacement, and Employment*
May and June 2006. Among other things the study clearly demonstrates that the evacuees made limited progress in recovering from Hurricane Katrina. Seventy-one percent of the evacuees reported being employed prior to the hurricane, whereas in May 2006 only 30 percent reported being employed. According to the responses, 87 percent of those employed before Katrina worked full-time and 13 percent worked part-time. Another study conducted by the Mailman School of Public Health at Columbia University (Abramson et al. 2007) investigated the conditions of evacuees in Mississippi. The study refers to what they term as the “poverty penalty.” According to its findings households that were termed either working class or working poor at the time Hurricane Katrina struck were the most vulnerable to severe economic loss. This is evidenced by the fact that “53% of households with an annual income below $10,000 lost all salaried jobs in the household after the hurricane, compared to 15% of the households with an annual income above $20,000” (p. 2).

In yet another study, by Elliot and Pais (2006), which echoes some of the conclusions of the Columbia study, race and class are shown to play a significant role in the vulnerability of evacuees and their ability to recover. This study demonstrates “that all else being equal,” black workers from the City of New Orleans were 3.8 times more likely to report losing their prehurricane jobs than white workers. Low-income blacks were reported to be especially vulnerable. Those who had a household income of $10,000 to $20,000 were twice as likely to have lost their employment than blacks with higher household incomes ranging from $40,000 to $50,000. In another words, low-income blacks, not just low-income workers in general or blacks in general, were much more likely to lose their jobs in a disaster. All these studies confirm earlier studies that observed that preexisting inequities are often reinforced and exaggerated after a disaster occurs (Bolin and Bolten 1986; Bolin and Stanford 1998; Hewitt 1997; Peacock et al. 1997; Tierney 1988). As Peacock and Zhang (2005:2) in their study of Hurricane Andrew convincingly demonstrate, “minority populations and marginalized groups are often the hardest hit, and yet tend to be excluded from post-disaster decision-making processes and have limited access to reconstruction and recovery resources.”

THE EXPLOITATION OF WORKERS DURING RECONSTRUCTION

Many of the evacuees hoped to eventually return home and find employment in the reconstruction efforts along the Gulf Coast. A coalition of low-income groups in New Orleans, Community Labor United, issued a statement saying, “we are calling for evacuees from our community to actively participate in the rebuilding of New Orleans” (Klein 2005:15). These hopes were soon vanquished by government practices and the privatization of the reconstruction effort, which led to substantial labor abuses due to lack of government oversight.
The all too common practice of using national and transnational labor in the reconstruction period following disasters, and the exploitation of labor in general, is amply illustrated in the case of Hurricane Katrina. While over a million evacuees left the afflicted Gulf Coast region, several thousand Latino workers (as well as other, smaller ethnic groups), mostly from Texas and Florida, poured into New Orleans and the Gulfport-Biloxi area looking for reconstruction work. The *Los Angeles Times* ran a cartoon showing an African American on foot with suitcases leaving New Orleans as a Mexican worker with tools in hand walked toward the city (cited in Donato and Hakimzadeh 2006).

This worker migration to New Orleans was triggered by President Bush’s actions on September 8, 2005, when he lifted the 1931 Davis-Bacon Act, which required federal contractors to pay at least the average regional wage. Following this act, the Department of Homeland Security temporarily suspended the requirement of employers to require employees to prove their U.S. citizenship—supposedly to assist hurricane survivors who may have lost their identity papers as a result of the catastrophe—thus opening the door to immigrants and undocumented workers to be exploited. The Department of Labor, following Bush’s executive order, lifted federal wage restrictions for sixty days. The Department also suspended (September 9, 2005) Executive Order 11246, which requires federal contractors to submit written affirmative action and nondiscrimination plans that would ensure equal opportunity for employment (because of intense pressure from civil rights groups the order was lifted December 9, 2005). Labor conditions were also compromised when on August 20, 2005, the Occupational Safety and Health Administration suspended the enforcement of job safety and health standards in hurricane-affected counties. By November 3, 2005, the provisions of the Davis-Bacon Act were basically reinstated because of political pressure. Whether some of the federal regulations regarding labor conditions were maintained or reinstated, it can be argued that the above actions created a climate for worker exploitation.

These actions also set the stage for the use of undocumented and documented workers displacing local citizens and evacuees from having a preferred status in gaining reconstruction jobs and thereby depriving them of resuming the role of actors rather than disaster victims, as well as ensuring to some significant degree that they remain dependent on external aid for assistance. According to the provisions of the Stafford Act, preferential treatment is supposed to go to local workers following a disaster; however, this statement is qualified by something of a loophole that states, “to the extent feasible and practicable.”

On October 18, 2005, the *Times-Picayune* (Varney 2005) ran a front-page story titled, in large, bold caps, “NUEVO ORLEANs?” in which it reported that a “huge influx” of Latino workers, mostly from Texas, composed the majority.
of workers on job sites. Mayor Nagin, in his awkward attempt to say that locals should be hired first, drew strong criticism from civil rights groups when he questioned, “How do I ensure New Orleans is not overrun by Mexican workers?”

Unfortunately, there are no official government estimates about how many Latinos migrated to the “Gulf Opportunity Zone.” The president of the Gulf Coast Latin American Association told the press that by November 2005, 30,000 Latinos had migrated (Donato and Hakimzadeh 2006). New Orleans locals were incensed over the hiring of nonlocals for reconstruction projects and the lowering of hourly wages. One black worker at Mayor Nagin’s first town hall meeting after the hurricane yelled, “They are bringing in Mexicans and expecting us to work for the same money. Is slavery over or what?” (Campo-Flores 2005a:1). In New Orleans rumors abounded about illegal workers being brought in from Mexico, Central America, and other parts of the country to do cleanup and construction work. However, one comprehensive report concluded that the majority (87 percent) of undocumented workers who went to New Orleans seeking work had already been living in the country within the six months prior (Fletcher, Phuong, and Patrick 2006).

African Americans began alleging that contractors were biased toward hiring Latino workers over black people. Stories circulated about how some contractors had allegedly called the National Immigration Service just days before payday and reported their undocumented workers in order to avoid having to pay them (Button 2005–2006). In a city in which the pre-Katrina Hispanic population was just 3 percent, one suddenly witnessed the unprecedented sight in New Orleans of large groups of Latino men, along with some African American men in gas station parking lots, in front of Home Depot, as well as other areas around the city, waiting to be hired by subcontractors. The largest daily gathering of waiting workers was in Lee Circle, where even the casual passerby could see workers living in nearby devastated homes and cars. In Spanish-language papers in Texas and Florida, ads suddenly appeared offering jobs to the Hispanic community. As rumors of these hiring practices spread to evacuees living in Houston, Dallas, Austin, and Atlanta, there was growing resentment among the evacuees that they, the locals, who had lost their homes, their jobs, and in some cases their family members to Hurricane Katrina, were being denied the opportunity for employment in rebuilding their neighborhoods and city (Button 2005–2006). One evacuee in Austin stated that such practices were just another example of the “racism of the Bush administration and contractors” (Button 2005–2006:116). Another evacuee, temporarily living in Austin, expressed the sentiment that “they [Latinos] will take over our jobs and homes by the time we return and we will have nothing” (Button 2005–2006:116).
Reports of similar practices began occurring in Mississippi as well. An AP report (Pritchard 2005) stated that in Gulfport “several dozen men living in makeshift bunks in a hanger-like building said they were owed tens of thousands of dollars.” One of the authors talked with workers living without heat or electricity in many of the tent cities that sprang up around New Orleans, who repeatedly told the same story of having to purchase their tents and then pay $200–$300 dollars a month rent. They also complained that they were being charged money to take cold showers (Button 2005–2006).

According to one source (Browne-Dianis et al. 2006) employer nonpayment is not a crime under Mississippi law, and because there is not a state labor department it is difficult to actually gauge the extent of the problem. While the State of Louisiana does have a Department of Labor, it does not have a section that deals with wage claims because it doesn’t have a minimum wage law. In fact, according to a report issued by the New Orleans Worker Justice Coalition, workers had few avenues of recourse to report any of the abuses they were suffering because in Louisiana the U.S. Department of Labor had only four bilingual investigators and but one in Mississippi according to the same report.

Troubled by these reports, The Immigrant Justice Project issued a report, “Broken Levees, Broken Promises: New Orleans Migrant Workers in Their Own Words” (2006). Here is what some workers had to say:

“I am here every morning at 6 a.m. to wait for work. There’s nothing reliable. With each new job, there is a new risk of not getting paid.”

“I have been cheated by three employers in two months. I did the work. I am only asking what’s fair—that I be paid for work I’ve done.”

“It makes one feel cheated—what they have done. After all any human being that has been exploited feels bad.”

“When our bosses talked with us it was like they were talking to animals.”

Then in February 2006, the Immigrant Justice Project filed two lawsuits in federal court. One was brought against the Balfour USA Group, Inc. and its subcontractors. This major disaster reconstruction company was hired to restore major public facilities such as the Tulane Hospital. The suit alleged that the workers were often forced to work seven days a week, up to twelve hours a day, to remove mold and other toxins from buildings, and that Balfour “unlawfully used a subcontractor system to avoid paying any overtime to the workers” (Southern Poverty Law Center 2006:1). Balfour’s response was unexpected and revealing. Instead of fighting the suit with further litigation, it conducted an internal review of its subcontractors’ practices and concluded that some of its subcontractors had not been paying overtime to its workers. In September 2006, the company settled the lawsuit with the Southern Poverty Law Center and reached an agreement to ensure workers received full wages (Southern Poverty Law Center 2006).
The other suit was filed against the LVI Environmental Services of New Orleans, Inc., which was hired to clean public schools, for also using a subcontractor to avoid paying wages. The suit further alleged that one of its major subcontractors, D&L, Environmental, Inc. "failed to pay many of its migrant workers anything much for their labor." According to the Southern Poverty Law Center, large contractors that have either Federal Emergency Management Agency (FEMA) or other government contracts have been using a subcontracting system in order to increase profits by cheating workers. Similar allegations were made against a firm owned by Halliburton, KBR, which has a $12 million contract to clean a navy base in Gulfport, Mississippi. After waiting many weeks to be paid, a number of workers left the job site (Pritchard 2005). Halliburton/KBR had not acknowledged having any undocumented workers cleaning military bases despite reports to the contrary. While most subcontractors working with the firm refuse to acknowledge their connection and discuss working conditions, at least one contractor has admitted his connection to KBR and his use of workers at a naval base. The Texas-based Halliburton/KBR insisted that it maintained a strict Code of Business Conduct that all its subcontractors are expected to follow (Lovato 2005). U.S. Senator Mary Landrieu, responding to complaints that several Louisiana electricians who had been hired to work at the Belle Chasse Naval Air Station were being replaced by workers receiving less pay, asked the Immigration and Customs Agency to investigate rumors that the electricians were being replaced by un-

Figure 8.1. A home in St. Bernard Parish, which was damaged by Hurricane Katrina and the Murphy oil spill that occurred during the hurricane. Photo by Gregory Button.
documented workers. In response to her request, immigration agents temporarily held 100 workers at the base. The workers had been hired by BE&K, a subcontractor hired by Halliburton (Alpert 2005).

KBR, a subsidiary of Halliburton, received a billion dollar, noncompetitive contract from FEMA to conduct various tasks in the cleanup effort. Unfortunately, this kind of contractual agreement was the rule and not the exception in the wake of Hurricane Katrina. In September 2005, 51 percent of the total FEMA contracts were awarded without full and open competition—they were "no-bid" contracts. By October, this percentage increased to 93 percent. Even as late as December 2006, 57 percent of the contract dollar value was with non-competitive contracts. According to a House of Representatives report (August 2006) on waste and abuse, by June of 2006 more than $10.6 billion in contracts had been awarded and only 30 percent of these contracts were open and competitive. In most of these instances there was excessive reliance on subcontractors, thus contracts were often set up with multiple layers of subcontractors between the government and the subcontractor that performed the work of reconstruction. This type of arrangement was highly inefficient and expensive to the taxpayer because it multiplied expenses unnecessarily and made oversight more difficult. According to the Government Accounting Office, FEMA lacked the necessary staff for proper oversight. The most blatant and costly example of how much these multiple layers of contractors cost the taxpayer is the "blue roof" contracts. These contracts, which were to place blue tarps on damaged roofs, had so many subcontractors involved that according to a report in the Washington Post (March 20, 2006) the contracts were in some instances 1,700 percent higher than the actual costs. In another report, it stated that taxpayers ended up paying on the average $2,480 per roof for a job that should have cost $300 (A. Davis 2005). While the contractors and subcontractors made enormous profits and benefited from the suspension of labor and health and safety regulations, the workers gained little in comparison—and at times nothing—when the subcontractors left town without paying their wages.

The fact that so many of these major federal contractors and subcontractors were based in regions other than the most damaged areas also generated controversy and resentment. In fact, FEMA awarded only 18 percent of contract dollars to the hardest hit states. Just as controversial was the fact that Homeland Security awarded billions of dollars of money through no-bid contracts. Further fueling resentment, FEMA awarded less than 2 percent of the contract dollars to minority businesses. Nor did the federal government enforce its local-contractor and local-employee preferences that established guidelines to ensure contracts went to local businesses or local workers.

Concerned by mounting reports of abuse circulating on street corners and in the local media, the Payson Center for International Development and
Technology Transfer at Tulane University and the International Human Rights Law Clinic and the Human Rights Center at the University of California, Berkeley, launched an investigation. In June 2006 they issued a study of workers' rights violations in the reconstruction of New Orleans. Key informants told the researchers that the “employers had a bias in hiring Latino immigrants over African-Americans.” These key informants also said that some of the employers preferred Latinos because in their opinion, “Latinos have a reputation for industriousness and a willingness to tolerate the difficult and uncomfortable working conditions involved in debris removal and demolition work” (Fletcher, Phuong, and Patrick 2006:11).

The same study also found that 98 percent of the workers were men and almost half the workers were Latino, of which 54 percent were undocumented, which means that one-quarter of the workforce was undocumented. The study also found that because federal and state authorities failed to properly monitor the worksites, both types of workers were made more vulnerable to exploitation and abuse. Some workers stated that they had to work under dangerous conditions in which there were potentially harmful substances, and they were not provided adequate protective equipment. One of the authors actually witnessed, on several occasions, Mexican workers removing insulation and other toxic materials without respirators, gloves, or protective clothing.

Undocumented workers also received discriminatory treatment. A third of the undocumented workers claim they received less money than they expected, compared to the same complaint by 15 percent of the documented workers. Undocumented workers were similarly at risk for exploitation in obtaining payment. Whereas 13 percent of the documented workers complained of difficulty in getting paid, 28 percent of the undocumented workers made the same claim. Undocumented workers were also more vulnerable to exploitation than documented workers in other ways as well. For instance, undocumented workers tended to be younger. The mean age of the documented worker was forty-one years old compared to thirty years old for the undocumented workers. According to the findings of the report only 55 percent of the undocumented workers had an education above primary school compared to 96 percent of the documented workers and U.S. citizens. Moreover, wages for the undocumented workers were lower than those of documented workers. The average hourly wage of an undocumented worker was $10.00 compared to $16.50 for documented workers (even when adjusted for the type of work performed).

Workers in the survey reported that they often did not receive additional pay for working more than a forty-hour week (Button 2005–2006). Only 29 percent of the workers surveyed reported being paid for a longer workweek. When workers did receive more pay, undocumented workers tended to just
receive the normal hourly wage for additional work whereas 74 percent of the documented workers frequently reported receiving 1.5 times their normal wages.

If the above conditions for documented and undocumented workers were not bad enough, there were also reports of human trafficking of foreign workers from as far away as Southeast Asia. Because of the circumstances surrounding the conditions of their visa, their language barriers, and their lack of familiarity with the customs and laws of the country, these individuals were even more vulnerable to manipulation and exploitation. The workers were officially designated “nonimmigrant workers” who were allowed limited entry into the country. According to this conditional status, their sponsoring employers could only hire them if they could prove there were no U.S. citizens willing and able to do the work for which they were hired. Moreover, their stay in the country was conditional on the fact that the foreign workers must work for their sponsors. If they were fired or quit, for whatever reasons, they were not allowed to work for anyone else and were required to leave the country or be subject to deportation and or imprisonment. One group of workers from Thailand was forced to live in a New Orleans hotel that was filthy and had no “electricity, lights, hot water or potable water.” In the end, the guest workers were not paid (Greenhouse 2007). These conditions alone provide an ideal opportunity for exploitation by their sponsor. Many of these workers were solicited by contractors who lied to them about the location and nature of the work they would be doing, the wages they would receive, and their living conditions.

There are reports of sponsors seizing the workers’ passports, locking them in their living quarters, and threatening them with violence or deportation. While there appear to be no reliable numbers of how many trafficked workers were brought to the Gulf Coast, we do know from several sources that such practice occurred. From affidavits taken from some of these workers we can get an idea of their plight. One worker from Thailand complained that he and his companions were detained in their hotel and not allowed to leave except to go to work. Workers telling similar stories also stated that if they had to purchase food or do other errands, they were never allowed to go anywhere without an escort. Other workers told of being forced to live with many other workers in small quarters. Some legal documents allege that workers who were recruited to work as agricultural workers in North Carolina ended up in New Orleans instead, while others reported that their contractors disappeared and did not pay them their wages (Browne-Dianis et al. 2006).

Workers who migrated to the Gulf Coast often shared similar sociodemographic characteristics of many of the hardest hit evacuees who faced employment and housing shortages in their new temporary locations. Whether people moved away from the hurricane-afflicted areas, or toward them, they
were uprooted, driven by poverty, and faced many of the same systemic structural inequalities in their displacement. The specificities of their struggle to survive may have varied, but the underlying denominators of race and class, among the poor, largely shaped the challenges they faced.

**THE PLIGHT OF WORKERS IN GENERAL IN NEW ORLEANS**

Regardless of whether the workers in New Orleans were migrants, returning evacuees, or people who had managed to stay in place, they all faced tremendous barriers to affordable housing and safe, stable employment. Employment and housing were the largest obstacles to all workers—just as they were to the evacuees. Finding both housing and employment proved to be almost impossible. As one African American man stated: “It seems you can either live in this city or work in this city, but you can’t do both” (Browne-Dianis et al. 2006). The difficulty in finding housing led to, among other things, the break up of families. Many returning evacuees left their families behind in Houston, Dallas, and Atlanta because of the housing shortage. In many cases, their spouses left these cities to find work in northern cities, leaving their children behind in the care of relatives or friends. It was not uncommon to hear evacuees recount how their families were spread all over the country (Button 2005-2006). Families were inclined to leave their children behind even if a spouse returned with them to New Orleans because of the lack of available schooling. Ironically, even at the time of this submission in March 2007, one of the major reasons why so few schools have reopened is because the lack of housing in the city has discouraged teachers from returning and the recruitment of new teachers. At the same time Latinos and other “migrant” workers complained of having to leave their families behind as well.

When businesses tried to reopen, the greatest predicament they faced was finding a stable workforce that had safe and reliable housing. While there existed a labor pool eager to work, workers could not return without housing. Some employers such as a supermarket in the Uptown area enticed workers with free temporary living space in air-conditioned tractor-trailers in their parking lot (Button 2005–2006). In the first weeks, and even months of recovery, many businesses were open only limited hours because they could not find enough workers to cover regular hours of business. Returning evacuees were confronted with inflated motel and hotel fees. Apartments that normally went for $200–$300 a month were going for $1,000 a month. Just as evacuees in other states faced housing costs far in excess of their previous living conditions in New Orleans and along the Coast, returning evacuees and migrant workers were faced with price gouging and steep rents.

Many evacuees and workers slept in flooded and molding abandoned buildings, bombed-out vehicles, or in the open in parks. Tent cities sprang up
over the metro area. Some workers lived in FEMA shelters in distant communities, spending long hours commuting to work. Thousands of workers who had lived in public housing could not return to the housing projects even if they were untouched by the flooding and storm, as many of them were, because the federal government closed all the projects. People who had lived in public housing who could afford other housing were often stigmatized and faced housing discrimination. Other evacuees were faced with the dilemma of having to continue to pay the mortgage for their storm-damaged or flooded homes and pay rent on a place to live while they waited for assistance, insurance settlements, or a FEMA trailer.

While 112,000 low-income homes were damaged by the disaster, many of the 7,100 public housing apartments were not damaged or not damaged beyond repair (Quigley 2005). Local, state, and federal authorities were opposed to reopening the housing projects, and many livable units were boarded up with steel doors within days after the storm. Some politicians saw the situation as an opportunity to do away with public housing in the metro area. Richard Baker, a Louisiana state congressman boldly declared, “We finally cleaned up public housing in New Orleans. We couldn’t do it, but God did” (M. Davis 2005). Actually neither God nor “Mother Nature” can be blamed since most of the units were unscathed. The New Orleans City Council president, Oliver Thomas, was just as harsh in his comments about public housing residents. He stated the city didn’t want “them” back unless they were going to work: “We don’t need soap opera watchers all day.” His message was if you want to re-claim your apartments, you’d better want to work (Salvidge 2006).

What Thomas seemed to ignore is that the majority of the residents were children, mothers, the disabled, and the elderly. People who had lived in public housing and could not return and could afford other housing and were discouraged from returning to the city. Those who did return were stigmatized by the statements made in the press by local and state politicians. Depicted as drug dealers and parasites living off the state, they faced housing and job discrimination when they tried to make their way back into the city. Some observers see the plan as “racially discriminatory.” Bill Quigley of the Loyola University Law School, who is representing the poor in a lawsuit to stop the plan, has stated, “This is a government sanctioned diaspora of New Orleans’ poorest African-American citizens” (Cass and Whoriskey 2006:1).

The federal Department of Housing and Urban Development (HUD) expressed a different rationale for demolishing more than 5,000 housing units within the city. They described the projects as dehumanizing and emblematic of urban poverty. However, in this case, most of the housing projects did not resemble the dense housing projects of the 1960s. Rather, many were some of the best housing projects ever built in the country. Most were built on a human
scale and were architecturally compatible with the surrounding historic neighborhoods. Moreover, some of these buildings were very well designed and constructed with a quality of materials that could not be replicated today. The brick, tile, and ironwork bespeak the aspiring middle-class rather than urban poor, and the layout of the grounds and landscaping was just as impressive before they were paved over by HUD (see also Oursoussoff 2006).

Nevertheless, HUD is demolishing four of the city’s largest housing projects in favor of building new developments with private investors, thereby providing yet another opportunity for private capital to profit from the storm and also preventing the poorest of the evacuees from being able to return home. Unfortunately, programs like Louisiana’s Road Home program, which provides assistance to returning evacuees, is only for the middle-class. Renters do not qualify for assistance, demonstrating once again that recovery funds often reinforce marginalization (Girard and Peacock 1997).

To many residents this approach reminds them of what happened in 2002 when the city demolished the St. Thomas housing project and built the “mixed income” River Garden Housing. Only 25 percent of the new units were for affordable housing and the rest were for market-rate units. Part of the “revitalized” land was used to build the first Orleans Parish Wal-Mart. To some, the revitalization project ended up looking more like corporate profiteering than improved housing opportunities for the poor.

To some degree this housing policy followed the pattern of previous disasters in the United States. In general, it has been noted by other researchers that there is usually a reluctance to replace low-rent housing after a disaster (Phillips 1993). This was definitely the case in the aftermath of Hurricane Andrew as well. The housing shortage that followed this South Florida disaster was increased by the increased lack of availability of low-income housing and led to, as in the case of Hurricane Katrina, landlords raising rents and discriminating against the very poor similar to what has happened in New Orleans (Peacock et al. 1997).

**CONCLUSION**

The case of Hurricane Katrina powerfully illustrates, once again, the fact that low-income and minority households and neighborhoods can, in the wake of a disaster, suffer a decline in their socioeconomic status, suffer increased vulnerability, and even fail to regain their predisaster living status (Bolin and Stanford 1998; Peacock et al. 1997). Because these populations lack access to the kinds of resources that can buffer the impact of the disaster, they cannot recover their losses or escape discrimination and gain equity in the recovery process. As a result these populations are pushed more deeply into a hole from which it is increasingly difficult to escape. The conservative market-based re-
covery policies tend to only reinforce the preexisting failures of the sociocultural system. The situation is further exacerbated, as we have seen above, when those few progressive, preexisting government policies that exist in the labor sector are either suspended or not enforced.

Many of the emerging disaster trends and characteristics that have been noted for Katrina and other disasters will very likely increase the number and scale of forced migrations in the relatively near future. The combination of increasing population, population density, increasing poverty, and occupation of hazardous sites has accentuated vulnerability to both natural and technological hazards and increases the probability of forced migrations. Technology has also vastly increased the numbers of hazards to which populations are exposed. When socio-natural disasters trigger technological disasters, the resulting complex process may force people to migrate because the disaster impacts, in combination with local environmental contamination, make the environment uninhabitable. While many of the changes associated with increasing state and market integration have established more resilient infrastructures in some regions of the world, they have also frequently undermined traditional adaptations of rural populations to natural hazards. In addition, the effects of global climate changes, including increased risks of flooding, storms, deforestation, desertification, soil erosion, and sea level rise increase the probability of disasters contributing to internal and international forced migration. The physical and social processes recently triggered by Hurricane Katrina underscore that emerging reality. The catastrophic losses from Hurricane Katrina demonstrate in horrific fashion the urgent need to develop the conceptual, strategic, and material tools to confront the increasing challenges of natural hazards made even more potent and complex by climate change, increasing population densities, and environmental degradation in the twenty-first century.
CHAPTER 9

Class Inequality, Liberal Bad Faith, and Neoliberalism

The True Disaster of Katrina

Adolph Reed Jr.

Classifying the Hurricane

I was in New Orleans visiting my mother and other relatives less than a week before Katrina hit. Even though we already had an eye on the approaching hurricane, I had no thought, when I boarded the plane to leave, that the city I’ve known all my life would never be the same again. I don’t have space or words to catalog the horrors and outrages associated with the plight of New Orleans and its people. In any event, the basic story is now well known, and we’re entering the stage at which further details mainly feed the voyeuristic sentimentalism that will help the momentarily startled corporate news media retreat gracefully to their more familiar role as court heralds. The bigger picture will disappear in the minutiae of timelines and discrete actions. What will be lost is the central point that the destruction was not an “act of God.” Nor was it simply the product of incompetence, lack of empathy, or cronyism. Those exist in abundance, to be sure, but they are symptoms, not ultimate causes. What happened in New Orleans is the culmination of twenty-five years of disparagement of any idea of public responsibility; of a concerted effort—led by the right but as part of a bipartisan consensus—to reduce government’s functions to enhancing plunder by corporations and the wealthy and punishing everyone else, undermining any notion of social solidarity.

To paraphrase historian Barbara Fields (e.g., 1982), race is a language through which American capitalism’s class contradictions are commonly expressed. Class will almost certainly turn out to be a better predictor than race of who was able to evacuate, who drowned, who was left to fester in the Superdome or on overpasses, who is stuck in shelters in Houston or Baton Rouge, or who is randomly dispersed to the four winds. I’m certain that class is also a better predictor than race of whose emotional attachments to place will be factored into plans for reconstructing the city.

Of course, in a case of devastation as vast as this, class position provides imperfect insulation. All my very well-connected, petit-bourgeois family in New
Orleans are now spread across Mississippi and south Louisiana with no hint of when they will return home or what they’ll have to return to. Some may have lost their homes and all their belongings. But most of them evacuated before the storm. No one died or was in grave danger of dying; no one was left on an overpass, in the Superdome, or at the convention center. They were fortunate but hardly unique among the city’s black population, and class had everything to do with the terms of their survival.

Natural disasters can magnify existing patterns of inequality. The people who were swept aside or simply overlooked in this catastrophe were the same ones who were already swept aside in a model of urban revitalization that, in New Orleans as everywhere else, is predicated on their removal. Their presence is treated as an eyesore, a retardant of property values, proof by definition that the spaces they occupy are underutilized. And it’s not simply because they’re black. They embody another, more specific category, the equivalent of what used to be known, in the heyday of racial taxonomy, as a “subrace.” They are a population against which others—blacks as well as whites—measure their own civic worth. Those who were the greatest victims of the disaster were invisible in preparation and response, just as they were the largely invisible, low-wage props supporting the tourism industry’s mythos of New Orleans as the city of constant carnival. They enter public discussion only as a problem to be rectified or contained, never as subjects of political action with their own voices and needs. White elites fret about how best to move them out of the way; black elites ventriloquize them and smooth their removal.

Race is too blunt an analytical tool even when inequality is expressed in glaring racial disparities. Its meanings are too vague. We can see already that the charges of racial insensitivity and neglect threaten to divert the focus of the Katrina outrage to a secondary debate about how Bush feels about blacks and whether the sources of the travesty visited upon poor New Orleanians were “color blind” or racist. Beyond that, a racial critique can lead nowhere except to demands for black participation in decision-making around reconstruction. But which black people? What plans? Reconstruction on what terms? I’ve seen too many black- and Latino-led municipal governments and housing authorities fuel real estate speculation with tax giveaways and zoning variances, rationalizing massive displacement of poor and other working-class people with sleight-of-hand about mixed-income occupancy and appeals to the sanctity of market forces.

We have to be clear that what happened in New Orleans is an extreme and criminally tragic coming home to roost of the con that cutting public spending makes for a better society. It is a shocking foretaste of a future that many more of us will experience less dramatically, often quietly as individuals, as we lose pensions, union protection, access to health care and public education,
Social Security, and bankruptcy and tort protection, and as we are called upon to feed an endless war machine.

UNEQUAL FOOTING IN THE “SMALLER FOOTPRINT”

A year after the hurricane, social infrastructure is at best spotty in most of the city. Only 21 percent of Orleans Parish public schools had opened by the end of the 2005/2006 school year. Fewer than half of the city’s bus routes and less than a fifth of its buses are operating. The levee system hasn’t been adequately repaired or upgraded, though the new hurricane season officially opened on June 1. (The Army Corps of Engineers has apologized for its tardiness.)

Meanwhile, privatizers and developers lurk everywhere. Most of the schools that have reopened have done so as charter schools. Both mayor and council can imagine only scenarios in which the “private sector” will be stimulated to come to the rescue and lead a renaissance. This means that they can imagine only policies aimed at boosting investor confidence—cutting spending precisely when they should be increasing it—or drawing on corporate “expertise.” Speculators are chomping at the bit to act on redevelopment plans that would reconstruct the city as a theme park for wholesale titillation with resorts, casinos, and upscale housing.

Before the city was dry, the refrain could be heard all through the media: New Orleans could come back with a “smaller footprint,” as a whiter city with fewer poor people. A group of 200 respectable sociologists called for dispersal of displaced poor New Orleanians to other locales, presenting their proposal—which allows poor people no legitimate commitment to place—as a poverty program.3 City Council President Oliver Thomas complained in February that government programs and agencies have “pampered” poor people and proclaimed that they should not be encouraged to return. As he put it, “We don’t need soap opera watchers right now.” At least one other black councilmember expressed support of his view, as did the acting head of the Housing Authority of New Orleans.

Mayor Nagin speaks emphatically of his support for all displaced New Orleanians’ right to return, but that support rings hollow in a context in which only property owners are seen as stakeholders. Landlords began evicting tenants without a hint of due process as soon as the water receded, and rumors spread of possibilities for extracting exorbitant rents from construction workers. The state officially prohibited evictions before October 25, but that prohibition was academic for the tens of thousands of people dispersed in shelters around the region and nation. And even that minimal right was flagrantly ignored. The developers are winning, and renters have no effective voice. No plans have been seriously considered that would replace the rental housing (90 percent of which was classified as low-income affordable) destroyed by Katrina.
and subsequent flooding. Indeed, the federal Department of Housing and Urban Development and the Housing Authority of New Orleans have announced plans to raze existing low-income public housing and replace it with "mixed-income" occupancy developments, which will further reduce the potential number of affordable units in the city.

The "Silver Lining" and "Moving to Opportunity"4

David Brooks weighed in first, in a September 8, 2005, column in the New York Times under the title, "Katrina’s Silver Lining." How can such a colossal natural disaster that devastated an entire city and displaced most of its population have "a silver lining"? Because, according to Brooks, it provided an opportunity to "break up zones of concentrated poverty," and thus "to break the cycle of poverty." The key, though, is to relocate the poor elsewhere, and to replace them with middle-class families who will rebuild the city. "If we just put up new buildings and allow the same people to move back into their old neighborhoods," Brooks warned, "then urban New Orleans will become just as rundown and dysfunctional as before."

On closer examination, the campaign against "concentrated poverty" is a scheme for making poverty invisible. The policy is based on an antiurban bias that is as frivolous as it is deep-seated, as though the romanticized small towns across the nation are not plagued with the litany of "urban" problems. Whenever there is chronic joblessness and poverty, and no matter its color, there are high rates of crime, alcoholism, drugs, school dropouts, domestic violence, and mental health issues, especially among the poor youth who pass up the option to rescue themselves by joining the army and fighting America’s imperial wars. To echo C. Wright Mills (e.g., 1959), when poverty is spread thin, then these behaviors can be dismissed as individual aberrations stemming from moral blemishes, rather than a social problem demanding political action.

Besides, what kind of policy simply moves poor into somebody else’s backyard, without addressing the root causes of poverty itself, and in the process disrupts the personal networks and community bonds of these indigent people? Contrary to the claim of the petition, the “careful studies” that have evaluated the “moving to opportunity” programs report very mixed results. Why should one think otherwise? Unless the uprooted families are provided with jobs and opportunities that are the sine qua non of stable families and communities, “move to opportunity” is only a spurious theory and an empty slogan.

The great fallacy of the “moving to opportunity” programs is that, by definition, they reach only a small percentage of the poverty population (and typically those who are both motivated and qualified to participate in the program). Left behind are masses to fend for themselves, particularly since the
"moving to opportunity" programs are themselves used as an excuse to disinvest in these poor black communities that are written off as beyond redemption. Moving to opportunity becomes a perverse euphemism for policy abdication of the poor people left behind who are in desperate need of programs, services, and jobs.

Here, finally, is what is most sinister and myopic about the "moving to opportunity" concept. It is not part of a comprehensive policy to attack poverty and racism or to rid the United States of impoverished ghettos that pockmark the national landscape. Rather the policy is enacted in places where poor blacks occupy valuable real estate, as was the case for Cabrini Green in Chicago. After Cabrini Green was imploded, and its displaced residents sent off with Section-8s, median sales prices of single-unit homes in the vicinity soared from $138,000 to $700,000 during the 1980s, and the area lost 7,000 African Americans and gained 4,000 whites. It is only a matter of time before we read upbeat news accounts about the gentrifying neighborhoods surrounding the Vieux Carré.

This initiative comes at a time when ACORN and other advocacy groups and grassroots activists in New Orleans have championed "the right of return" for even its poorest citizens displaced by Katrina. According to the National Low Income Housing Coalition, more than 140,000 units of housing were destroyed, the majority of them affordable for low-income families. But the Housing Authority of New Orleans has shut down its public-housing operations, and informed landlords of people assisted by federal rent vouchers that government rent subsidies for impacted units have been suspended indefinitely. According to Mike Howells, an organizer with a local human rights group, "sensing an opportunity to enhance the fortunes of real estate interests and to dump a form of public assistance that mainly benefits poor working class locals, Washington and local authorities are using Hurricane Katrina as a pretext for effectively gutting government subsidized housing in New Orleans."

Sure enough, the key player on Mayor Nagin's "Bring New Orleans Back Commission" is Joe Canizaro, a billionaire local developer and one of President Bush's "pioneers," that is, individuals who raised at least $100,000 for the Bush presidential campaign. The commission initially retained the Urban Land Institute—a real estate development industry organization on whose board Canizaro sits—to propose a framework for pursuing reconstruction. Unsurprisingly, that proposal called for a form of market-based triage. It recommended that reconstruction efforts should be focused in proportion to areas' market value and further suggested that rebuilding of New Orleans' East and the Lower Ninth Ward be deferred indefinitely. What else could we have expected? Asking such an outfit how to rebuild a devastated city is like asking a fox how to organize a chicken coop.
My boat-lifted cousin Ann works for the municipal Parks and Recreation Department. She needed to stay in the city to be available to respond in the storm’s wake. She was preparing to leave for work the bright, clear morning after the storm, anticipating what conditions would be like around town but feeling relieved that the city had dodged the worst. Then she saw water running down the street and couldn’t figure out where it was coming from. Within an hour, it covered the fire hydrant at the curb. The fact is that some people chose to ride out the storm in town because, like my cousin Ann, they had commitments to be on-site to keep the city functioning and help return it to order. Some stayed for more idiosyncratic reasons, not least because they expected their homes to withstand the hurricane, which, incidentally, most did. The vast majority who didn’t evacuate as the storm approached, however, were either too poor or too frail to leave, or both.

Two months before Katrina, Mayor Ray Nagin’s administration determined that it couldn’t afford to provide public transportation to evacuate residents in the event of a major storm. So the city produced DVDs to distribute in poor neighborhoods, alerting residents that they would be on their own. There was no attempt, as part of the evacuation plan, to provide transportation for the nearly 100,000 New Orleanians who didn’t own dependable cars and couldn’t afford to pay their way out of the city. This was triage without the name or the courage of its convictions. That decision—to shrug shoulders and conclude that the municipality couldn’t afford to mobilize adequately for evacuating up to a quarter of its population—speaks to the real sources of the devastation of New Orleans and the snail’s pace of its recovery. Every determination of what can or can’t be afforded depends on a calculation of costs and benefits and the relative weight of the interests that compete for use of resources. The Nagin administration couldn’t afford to deploy enough buses as part of its evacuation plan because it gave higher priority to dedicating funds to other purposes—such as subsidizing development and keeping taxes and fees low.

The fetish of “efficient” government—code for public policy that is designed to serve the narrow interests of business and the affluent—is the ultimate cause of the city’s devastation. Remember that the city survived the hurricane. It flooded because the levees failed. The levees on the Seventeenth Street and London Avenue canals failed because, in the words of the Independent Levee Investigation Team, “safety was exchanged for efficiency and reduced costs.” This was the result of federal underfunding, the Corps of Engineers’ skimping, state and local officials’ temporizing, and a lack of adequate government oversight—or, in neoliberal parlance, cutting government red tape. Where the breech occurred on the Seventeenth Street Canal, the
Corps had made concessions in sturdiness of construction to accommodate real estate developers’ desire to stuff as much new upscale housing as possible into that neighborhood. The levee on the Industrial Canal failed because of the Mississippi River–Gulf Outlet’s extreme vulnerability to storm surge. MR-GO, as it is called, is a forty-year-old white elephant of pure corporate welfare.

The notion that government services are wasteful and unnecessary—the neoliberal idolatry that the market can take care of everything that needs to be taken care of—got exposed for the flim-flam that it is.

**UNDONE BY NEOLIBERALISM**

In October 2005, returning from my first trip to New Orleans since the week before the storm, I wound up in conversation with a forty-something white doctor who lives in Jackson, Mississippi. As a native Floridian, she had a sense of the damage that a category-four or -five storm could produce even as far inland as Jackson. So, when Katrina was upgraded on the weekend before landfall, she headed for the city’s main storm shelter to volunteer. She was shocked when she arrived to find that no other doctors had volunteered. She expressed surprise and dismay that “people just didn’t step up.” When I suggested that was one reason we needed a strong central government—to mobilize responses to such crises—she immediately and animatedly dissented that she didn’t believe in “big government.” When I asked who, then, was to have “stepped up,” her response was vague—individual doctors, unspecified voluntary groups. She had no conception that there are some things only large public institutions can do in a centrally organized way. This brings to mind Margaret Thatcher’s infamous quip, that there is “no such thing [as society] . . . there are individual men and women and there are families.” In his *Brief History of Neoliberalism* (2005), David Harvey quotes Thatcher’s succinct statement of the neoliberal ideological program: “Economics are the method, but the object is to change the soul” (23). The goal of this change is acceptance, as the unquestioned natural order of things, that private is always better than public, and that the main functions of government are to enhance opportunities for the investor class and suppress wages for everyone else. Hurricane Katrina and reactions to it throw into relief how successful that program has been.

**NOTES**

1. This piece was originally published in the October 3, 2005, issue of The Nation. Reprinted with permission.


4. This section is part of an article, “Liberal Bad Faith in the Wake of Hurricane Kat­rina,” authored by Reed and Stephen Steinberg in the May 4, 2006, issue of the Black Commentator (www.blackcommentator.com). Reprinted with permission.

5. This section was part of “When Government Shrugs.”

6. This piece was originally published in the August 31, 2006, issue of The Nation. Reprinted with permission.
PROLONGING RECOVERY

Bypassing Accountability and Transparency
The destruction of the Twin Towers of the World Trade Center on September 11, 2001, will no doubt be remembered as the single biggest non-natural catastrophe to have affected the United States since Pearl Harbor. The destruction of the physical landscape of portions of New York, Washington, D.C., and Pennsylvania pales in comparison to the intense emotional devastation felt by the nation as a whole and, in particular, New Yorkers who endured the destruction of the World Trade Center and the aftermath of this horrific event (Greenberg 2003).

In New York City the death toll was immense; more than 2,700 people died in their workplaces, on their way to work, and on the two airplanes that flew into the World Trade Center. Thousands more scrambled for their lives when the two towers, among the tallest in the world, collapsed from the planes’ impact. For days after the attacks, there was a desperate search and rescue operation in the hopes of finding survivors. Lower Manhattan, typically a bustling and animated metropolis, certainly the center of the nation’s economic life—housing the iconic Wall Street, commercial complexes, and the seat of New York City’s government offices—appeared unusually frozen in time and space. The prosperous residential neighborhoods of Tribeca and Battery Park City and the bustling immigrant and tourist district of Chinatown and the historic Lower East Side seemed to stand still.

While residents and workers in Lower Manhattan from all walks of life grappled with their personal grief and mourning, plans to allocate postdisaster federal resources were charted along political and commercial agendas, supporting Naomi Klein’s argument about disaster assistance strategies in many parts of the world. The central role granted to private corporations in postdisaster recovery strategies, as Klein notes, constitutes yet another wave of damage to the psyche and survival possibilities, particularly of vulnerable groups affected by a catastrophic event. This chapter documents the uneven allocation of federal rebuilding monies committed toward the economic
development and recovery of New York City. I show how an alarming proportion of federal funds went to powerful financial and real estate interests. Funding skewed toward the increasingly affluent neighborhoods surrounding Ground Zero favored residents with political clout, helping fuel the gentrification process that has exacerbated the economic vulnerabilities of poor and lower-middle-class residents in Lower Manhattan. Although they affected a wide range of industries, low-wage workers felt the brunt of the attacks. The lopsidedness of the allocations represents a tragically missed opportunity that could have assisted the reemployment and housing needs of low-income workers after 9/11.

I begin with a documentation of the neighborhoods that were the most impacted economically by the terrorist attacks, followed by a discussion of shifts in federal procedures that led to a lack of transparency, enabling the disproportionate allocation of economic development resources to wealthy financial firms, luxury-housing developers, and politically connected organizations in New York City. I discuss how federal funds were used to compensate businesses not based on need or ability to recoup monies after the attacks but by their access to decision makers. I then discuss how the lack of diversity among decision makers prohibited investment in urgent community priorities such as the creation of affordable housing, job creation, and improvements in local transportation infrastructure given the inherent lack of formal political power among low-wage workers compared to the city’s business elite.

This chapter is based on research conducted by the project I have directed for the past seven years, Good Jobs New York (GJNY) and shows how in the aftermath of 9/11 rules that normally restrict federal funding to primarily benefit low- and moderate-income communities were stripped out, now legally steering money to large businesses and wealthy neighborhoods. I draw upon previous reports produced by GJNY that were based on an extensive review of materials from the Lower Manhattan Development Corporation (LMDC), and numerous city and state public authorities charged with distributing 9/11 economic development resources and other publicly available information. In addition I rely on information gleaned by GJNY staff who attended numerous public meetings and official board meetings of these agencies.

The context in which the misallocation of recovery efforts occurred has to do with the governance issues prevailing in the city at the time of the World Trade Center destruction. A lack of representation by city officials in the rebuilding efforts gave then Governor Pataki nearly free reign in the development of programs created shortly after the attacks. This was due in part to the citywide primary elections held on September 11, 2001—and rescheduled. Then Mayor Giuliani and nearly the entire city council, due to term limits, were unable to run for reelection, creating a vacuum on the city level that was filled by powerful state officials, who were not up for election, namely Pataki.
Instead of focusing on redeveloping Lower Manhattan, newly elected Mayor Bloomberg seemed to draw a line in the sand with the governor and used his leverage on substantial economic development in other parts of the city—namely Manhattan’s Far West Side and the City’s Olympic 2012 bid.

In early 2006, the *Daily News* ran a series of reports about lax management of the rebuilding efforts. In response to the exposé, in July of 2006, Congress held hearings before a subcommittee of the Committee on Homeland Security. While the committee found that New York City and State took preventative measures for fraud prevention and was proactive in conducting audits, there were concerns about communication processes and how contracts were awarded (U.S. House of Representatives 2006a). Drawing on my organization’s expertise and that of others who advocate for low-income people in New York City, in this chapter I offer an alternative perspective to how resources could have benefited a larger swath of people.

**CONSTRUCTING THE VICTIMS:**

**THE MEDIA, THE PUBLIC, AND OFFICIAL DISTORTIONS**

The terrifying images of the two airplanes flying into the office buildings at the World Trade Center (WTC) dominated the media coverage of the day. Yet, the impact of 9/11 went well beyond the wealthy firms housed in the WTC and surrounding area. Many types of workers were impacted, ranging from Chinatown garments workers to employees at the city’s two airports, located miles away in the borough of Queens.

Most Americans and public officials assumed that the economic brunt of the attacks fell on the Finance, Insurance, and Real Estate (FIRE) sector due to the location of the attacks at the WTC—the center of America’s financial district. These perceptions contributed greatly to the subsequent decisions surrounding recovery funding allocations. Though workers across the spectrum faced hardships after 9/11, many of the resulting layoffs were concentrated in low- and moderate-wage industries such as restaurants, air transport, hotel, retail, building services, and garment manufacturing (Fiscal Policy Institute 2002). The economic devastation affected thousands of small businesses in New York City, especially those physically isolated when parts of Lower Manhattan were closed off to traffic for weeks after the attacks. The low-income, immigrant neighborhoods of Chinatown and the Lower East Side suffered severe economic consequences due to their proximity to Ground Zero. Additionally the attacks created disruptions that affected the larger city economy and businesses and workers in all five boroughs.

Low-wage workers throughout New York City were chiefly impacted. According to analysis by the Fiscal Policy Institute, 60 percent of the more than 100,000 workers who were likely to have been laid off had an average wage of
only eleven dollars an hour. The majority of unemployment claims filed in the weeks following September 11, 2001, that were related to the attacks didn’t come from Manhattan but from the boroughs of the Bronx, Brooklyn, and Queens. Queens, home to John F. Kennedy and LaGuardia airports, saw a staggering decline of jobs and work hours.\(^2\)

The garment industry—largely based in Chinatown—was the industry hardest hit by reduced work volume, as hundreds of small manufacturers and contractors were placed in peril. In the first two weeks after the attacks, three-quarters of Chinatown’s workforce, approximately 25,000 people, lost their jobs. In the three months following, forty garment factories shut down as a result of the street closings, with twenty-five more closing their doors by January 2002. One year after the attacks, 60 percent of remaining garment workers were unemployed or working reduced hours, and businesses in the area continued to experience substantial losses, with 70 percent of restaurants, 65 percent of the remaining garment factories, and 50 percent of jewelry stores reporting declines in sales of more than 20 percent from the summer of 2001. Wages for Chinatown’s remaining garment workers declined nearly 50 percent from $5.96 to $3.07 per hour after 9/11, in stark contrast to average New York wage of $13.89 in 2001. This is disconcerting because subminimum wage levels reflect the prevalence of unregulated working conditions in this industry (Asian American Federation of New York 2002).

Incomes for the residents of Chinatown and the Lower East Side are some of the lowest in New York City. The Lower East Side is home to a large percentage of the city’s public housing developments, thousands of units of rent-regulated housing, a strong artistic community, and diverse ethnic neighborhoods, housing largely Asian and Latino immigrants. Despite gentrification trends, currently more strongly felt in the Lower East Side than Chinatown, the average income in these areas is $28,500, compared to other neighborhoods comprising Lower Manhattan, Tribeca, Battery Park City, and Wall Street, whose average income is $110,000 (NYC Dept. of City Planning 2007). Since the 2000 census, incomes have most assuredly increased due to the population growth in the area and the influx of luxury housing. Ironically even before 9/11, policies were put in place that began the conversion of office to residential space contributing to Wall Street’s growing population.

**FEDERAL FUNDING INITIATIVES**

In response to the attacks, $20 billion in aid via the Job Creation and Worker Assistance Act of 2002 (an unprecedented amount of federal monies prior to the 2005 hurricanes on the Gulf Coast) was allocated to New York City to help the rebuilding and recovery efforts (U.S. House of Representatives 2006b). These funds helped to rebuild public transportation and communication in-
Figure 10.1. New York's Liberty Zone located in lower Manhattan. Map courtesy of Regional Plan Association 2004.
rastructure and were intended to assist current and future businesses and residents in an effort generate economic growth. An area of Lower Manhattan called the Liberty Zone where tax credits and cash grants were allocated was carved out (see figure 10.1).

Residents and businesses in the Liberty Zone were eligible for benefits through a variety of programs such as cash grants (via U.S. Department of Housing and Urban Development’s Community Development Block Grant program—CDBG), Liberty Bonds (triple tax-exempt Private Activity Bonds providing low-interest loans for construction of office and residential buildings) and bridge loans for small firms. Also included in the package were tax credits. The Worker Opportunity Tax Credit (WOTC) is traditionally used to encourage employers to hire people with limited employment skills such as those receiving public assistance or recently in the criminal justice system. After 9/11 WOTC was applicable to many firms employing workers in the Liberty Zone.

Another program called the Accelerated Depreciation Allowance program was not used as expected, and the remaining credits estimated at $2 billion have become a political football waiting congressional approval to be transferred into cash grants. There is strong support from former governor Pataki and New York’s U.S. Senator Charles E. Schumer to use these funds to help build a rail link connecting Lower Manhattan to the suburbs of Long Island and John F. Kennedy Airport (LMDC 2004). Yet the use of these funds for a JFK Rail Link has come under scrutiny from advocacy groups citing the need for investment in more urgent downtown transportation projects that would make this link feasible (TSTC 2004).

As a result, this left the allocation of Community Development Block Grants (CDBG) and Liberty Bonds of most concern to community advocates because of their flexible uses and opportunities for public input. Following are descriptions of these programs and examples of how advocates worked to leverage more equitable use of these funds.

**CDBG Grants**

New York State officials created a variety of recovery programs backed by $2.7 billion in CDBG funds, including the WTC Business Recovery Grants, Small Firm Attraction and Retention Grants, Job Creation and Retention Grants and Loans, Bridge and WTC Recovery Loans, and a Residential Grant Program:

**WTC Business Recovery Grants:** Compensation to businesses and nonprofits with fewer than 500 employees for economic losses. Grants for three to twenty-five days lost revenues depending on location.

**Small Firm Attraction and Retention Grants:** Grants for businesses remaining in or relocating to Lower Manhattan.
Text Box 10.1. Who Allocates 9/11 Funds?

**New York State**
- Empire State Development Corporation—The ESDC is the state economic development authority that designed the business recovery and assistance to individuals programs. ESDC allocated the first $700,000 of CDBG grants.
- Lower Manhattan Development Corporation—LMDC is a subsidiary of the ESDC created after 9/11 to direct the rebuilding of Lower Manhattan and allocate $2 billion in case grants.
- Liberty Development Corporation—LDC is also a subsidiary of the Empire State Development Corporation. The LDC allocates the state’s portion of commercial Liberty Bonds.
- New York State Housing Finance Agency—HFA allocates the state’s portion of the residential Liberty Bonds.

**New York City**
- New York City Industrial Development Agency—The IDA allocates the city’s portion of the commercial Liberty Bonds.
- New York City Housing Development Corporation—HDC allocates the city’s portion of the housing Liberty Bonds.

Job Creation and Retention Grants and Loans: Grants, loan guarantees, and low-interest loans for employees with more than 200 employees.
Bridge and WTC Recovery Loans: Aimed at small businesses.
Residential Grant Program: Cash grants of up to $12,000 for two years benefiting tenants at the time of the attacks as well as to recruit new ones.

**Liberty Bonds**
Also part of the Job Creation and Worker Assistance Act, Congress authorized $8 billion in “Liberty Bonds” allowing the state and city to issue up to $8 billion in tax-exempt “private activity bonds” (PAB) for the reconstruction of New York City. PABs are often referred to as Industrial Revenue bonds (IRB). Private activity bonds are issued by public entities, but the proceeds are supposed to be used for private activities that have a “public purpose.” Interest rates for these bonds are lower than corporate bonds because the interest paid is not taxable by the federal, state, or local governments. I will discuss governance issues and the outcomes of the CDBG and Liberty Bond programs below.

In addition, New York State created administrative programs to market these programs and set up fraud prevention measures. However, it is unclear
how officials keep track of subsidized firms’ job creation and retention efforts. Of the programs listed above, the residential grant programs were most closely watched by the LMDC.

GOVERNANCE AND ACCOUNTABILITY CONCERNS: THE LMDC

In its efforts to administer approximately $2 billion in cash grants and to coordinate the rebuilding, the state created a public authority called the Lower Manhattan Development Corporation (LMDC). As the subsidiary of another public authority, the Empire State Development Corporation (ESDC), the LMDC displays many of the accountability and transparency problems that plague the state’s other public authorities (Hevesi 2005). These include difficulty in accessing certain documents, lack of meaningful public input in decision making, and vaguely defined standards for awarding and evaluating grants. Problematic allocation of economic development funds stand in contradiction to the relatively extensive public hearing process the LMDC has conducted on decisions about the WTC Site and Memorial. The LMDC goals, as spelled out in its mission statement, notes a transparent and participatory process for economic development:

- Make decisions based on an inclusive and open public process
- Assist the rapid revitalization of Lower Manhattan in a manner that does not preclude desirable future development plans
- Support the economic vitality of Lower Manhattan as the financial capital of the world with new office space
- Develop a comprehensive, coherent plan for transit access to Lower Manhattan that expands regional and local connections and improves transit facilities
- Promote sustainability and excellence in design for environmentally sensitive development.

LMDC’s goals, while worthy, represented only a portion of the broad range of community needs created by the economic impact of the 9/11 attacks. Noticeably absent from the list, for example, is mitigation of the disasters’ negative impact on pressing economic concerns such as high unemployment, soaring housing costs, and depleting rent regulations that affect the majority of low-income New York households (Waters and Bach 2006). Pressure due to the increased shortage of jobs and affordable housing affected low- and middle-income New Yorkers disproportionately, making it even more important that rebuilding funds were allocated more equitably.

The LMDC’s sixteen-member board was responsible for approving the allocation of the grants. Governor George Pataki and Mayor Rudolph Giuliani appointed board members, as did Mayor Michael Bloomberg after he won
election in 2001. The LMDC board disproportionately represented powerful real estate and corporate interests, excluding experts in affordable housing and workforce development initiatives or residents and businesses in hard-hit Chinatown. Only one community resident, representing the wealthy neighborhood of Tribeca, was on the board and one labor official representing the construction industry. The priorities of these board members were reflected in the allocation of grants. For example, three years after the attacks, GJNY released a catalog of federal funding allocations reporting that the majority of the $117 million in capital grants have gone to the wealthy Tribeca and Financial District neighborhoods, not the low-income communities of the Lower East Side and Chinatown (GJNY 2006a).

Board members consistently recused themselves from votes on projects with which they have ties. But the significance of their recusals is diminished since nearly all of the projects brought before the board have been unanimously approved. While newer board members have helped to diversify the board, these members were appointed only after the majority of the funds were earmarked, and there are still no representatives from Chinatown and the Lower East Side, and no advocates or experts in housing or workforce development. As a result the LMDC implemented the redevelopment plans of its elite board.

In fact, LMDC board members’ companies, organizations, and affiliates benefited from the programs so routinely that board members had to regularly recuse themselves from voting on projects. More than $112.5 million in grants were awarded to firms that board members had affiliations with. For example, nearly $5 million went to the Downtown Alliance, a businesses organization that board member Carl Weisbrod was president of until July of 2005. An additional $9 million went to organizations Mr. Weisbrod had ties with (GJNY 2006a). In addition, $3.5 million has gone to the Tribeca Film Festival. At the time board member Madelyn Wils was president and CEO of the Tribeca Film Institute. Approximately another $9 million went to an organization Ms. Wils had ties to (2006b).

Groups without ties to LMDC board members have reported difficulty in accessing information about the status of their funding proposals. Most vocal was a group of restaurant workers from Windows on the World, the restaurant on top of the north tower, who hoped to open a cooperative restaurant in Lower Manhattan. The group succeeded, but without any 9/11 assistance, and, moreover, the restaurant is in the Greenwich Village area, not Lower Manhattan (Louis 2004). Combined with the frequency of approvals for projects with board member connections and the lack of assistance to less politically connected groups, LMDC policies were open to questions about whether board members’ interests and ties influenced decision making, despite recusals.
CDBG Program: What Went Wrong?

Congress provided New York with flexible and streamlined rebuilding programs by waiving nineteen requirements pertaining to Community Development Block Grants (CDBG), including that the majority of these grants be for activities that benefit low- and moderate-income communities and that public hearings must be held prior to the allocation of funds, in an effort to “empower” members of the community (U.S. House of Representatives 2006a:35).

The manner in which local officials handled the cash grant program created a situation where public input was greatly limited and the equitable distribution of resources was compromised. Hundreds of millions of dollars in CDBG funds were given to some of the biggest names in business, including Bank of New York, Deloitte & Touche, and Goldman Sachs, even while high-profile recipients such as American Express and HIP Healthcare publicly stated that these subsidies had no impact on their decision to move back downtown. Historically, incentives rarely influenced site-location decisions for such large firms, but these funds could have made an enormous impact for struggling businesses such as those in Chinatown (LeRoy 2005).

Modest funds have been earmarked to benefit low-income residents and community projects. For example, in the fall of 2006, the LMDC and local officials announced $45 million for community initiatives that include funding for parks and cultural and recreational facilities downtown (LMDC 2006). Despite the desperate need for affordable housing in the area—and Mayor Bloomberg’s early call for $200 million—only $50 million was allocated, years after it was initially promised. According to the LMDC (2005), the $50 million created 232 new affordable housing units and helped preserve more than 2,800 units in Lower Manhattan. While the LMDC had commissioned numerous studies that cost more than $14 million in the areas of economic development, housing, local retail, and transportation, the agency had no clear procedure for releasing them. This made it difficult to determine how the LMDC utilized the study findings in deciding the expenditure of funds. The most expensive study, $3 million to analyze access alternatives between Lower Manhattan and JFK Airport and Long Island, was completed but not immediately released.

Small Business and Affordable Housing Outcomes

Savvy firms exploited the program established to help small businesses, the Small Business Recovery Grants. The program geared toward small businesses conjures up images of the local pizzeria, the cobbler, or restaurant. However, a New York Times report showed that a majority of these grants were allocated to wealthy law firms and brokerage houses (Wyatt and Fried 2003). In June of 2003, the Asian American Business Development Center released a survey showing that less than 50 percent of the businesses that tried to get a grant...
from LMDC received one. Furthermore, the Center reports that the average grant award to Lower Manhattan businesses was $33,680 as compared to only $7,829 for Chinatown businesses (U.S. House of Representatives 2006a:36).

*Liberty Bonds: What Went Wrong*

Triple tax-exempt bonds are often an invaluable resource for a wide range of businesses that require government assistance to finance capital projects. However, it would not be an understatement to say that the allocation of $8 billion in Private Activity Bonds—called “Liberty Bonds”—has greatly benefited the real estate industry at the expense of low- and moderate-income New Yorkers.

Split between residential and commercial uses, the congressional design of the Liberty Bond program, as with the CDBG grants, all but ensured that the bonds would exclusively subsidize large real estate projects. This was done by requiring extremely large spaces to be developed, neglecting to require building affordable housing units with the bonds, ignoring the housing crisis in New York City and the capital needs of industrial businesses and small commercial developments in and outside Lower Manhattan. The complexity of allocating Liberty Bonds via four different authorities diluted the public’s ability to participate. Fortunately, the 1986 Tax Equity and Fiscal Responsibility Act (TEFRA) requires a hearing prior to the allocation of private activity bonds, and the myriad authorities did hold hearings. However, each differed in its public hearing announcement procedure, public hearing process, access to materials prior to hearings, and voting schedule by board members.

*Liberty Bonds: Commercial Use*

Congress restricted the use of Liberty Bonds to commercial real estate projects mostly located in the Liberty Zone. For the $2 billion in bonds that could be used outside the Liberty Zone, projects had to include at least 100,000 square feet of commercial space. While this tax-exempt financing tool could have served to diversify the New York City economy by supporting smaller, growing businesses, all of the commercial Liberty Bonds were used to finance high-end office space and to a lesser extent, hotels. It is understandable that after the attacks, efforts to promote building—in a brick-and-mortar sense—would be pushed. Construction jobs in New York City, especially in Lower Manhattan, are well-paying union jobs. However, this alone does not justify the unnecessary use of the bonds to finance Class-A office developments in the most desirable office markets in the world, considering the recipients had the resources to build without taxpayer subsidization.

A case in point, is the approval of $650 million in Liberty Bonds for Bank of America in midtown Manhattan over Chinatown. If bonds were allocated based on need, and more businesses were eligible, a broader group of firms
might have benefited. Except for the approximately $3.5 billion in Liberty Bonds for the actual WTC site, the largest allocation of Liberty Bonds—$1.65 billion—went to Goldman Sachs to remain downtown, where the company has been located for 136 years. A Goldman spokesperson had said that the company would only look to build its new headquarters in Manhattan—leaving open the possibility of a move to midtown—after the firm expressed legitimate security concerns related to a proposed tunnel under the potential site of its building. With profits of $10.1 billion in 2006, Goldman wasn’t hinging its headquarters bets on cheap financing. What it lacked—and needed to make a sound location decision—was a clear understanding of the rebuilding process from public officials. Not until Goldman considered a move to midtown did the governor address the firm’s valid security concerns of a proposed tunnel near where the firm wanted to build. After announcing a tunnel would not be built, Goldman received a consolation prize—an increase of $650 million from the originally proposed $1 billion in Liberty Bonds for a total of $1.65 billion, $25 million in CDBG funds, and up to $150 million in tax breaks.

**Liberty Bonds: Residential Use**

Typically, the federal government requires housing projects financed with federally tax-exempt bonds to set aside 20 percent of the units for affordable housing. This was waived for Liberty Bonds. The vast majority of housing units built with Liberty Bonds are market rate and unaffordable to most New Yorkers. Nearly all of the units rent at market rates ranging from studios for $2,062 per month to three-bedrooms for $6,267 per month. Many of the projects set aside only 5 percent of the units in each building for nonmarket rates. While nonmarket, these units are targeted to households that earn approximately $94,200 per year for a family of four with rents ranging from $1,649 per month for a studio to $2,449 per month for a three-bedroom.

Considering the median household income in New York is $38,293, these apartments are out of reach to the vast majority of residents. This includes those commonly hailed as heroes of 9/11: New York City police officers, firefighters, rescue workers, and teachers. The small nonmarket rent set-aside and the high income requirement make these proposals a major departure from the long-standing “80/20” affordable housing program of the New York State Housing Finance Agency (NYSHFA), the agency that allocated Governor Pataki’s portion of the Liberty Bonds. The 80/20 program, which meets the Federal Tax Code requirements for housing financed with federally tax-exempt bonds, sets aside 20 percent of the units for households making, at most, half the NYC area median income. In contrast, the Liberty Bond Program sets aside far fewer units for households earning 50 percent more than the New York City area median income.
Skyrocketing rents reflect that Lower Manhattan has become the most desirable place to live in New York City, though unaffordable to the majority (Dunlap 2004). In fact, the approximately 350 units set aside for moderate income are mostly studios and one-bedrooms (2004). The New York City Housing Development Corporation (HDC) did not set aside the 5 percent nonmarket rate units the state did in its allocation. Instead, HDC charged a 3 percent developer’s fee on the bond application, which would then be used for developing affordable housing in other areas of the city, primarily in the boroughs. While Mayor Bloomberg certainly deserves credit for thinking outside the box and generating new revenues for affordable housing, relegating low- and moderate-income New Yorkers to the periphery of the city suggests a double standard. Catering to developers and landlords by creating only luxury housing with Liberty Bonds has also exacerbated the increasing high rents in Chinatown and the Lower East Side.

REBUILDING THE WORLD TRADE CENTER SITE
The planned 1,776-foot Freedom Tower is the symbolic centerpiece of the reconstructed World Trade Center site, which will altogether be composed of 8.8 million square feet of office space in four towers. However, there are serious questions about the economic viability of the $2.88 billion project, which have been raised by civic and public policy organizations, prominent developers, and even Mayor Bloomberg and the new governor, Elliot Spitzer. The tower would be located further from public transportation than several of its competing buildings, and potential corporate tenants may be reluctant to take space in a building viewed as a terrorist target. In fact, the tower’s design was reworked due to security concerns expressed by the New York City Police Department. In addition, there is an enormous amount of new office space coming on the Manhattan market during the years in which the Freedom Tower is scheduled to be open for business, implying that a massive speculative office tower in Lower Manhattan may not revitalize an area that is increasingly becoming residential.

There were many doubts about the state’s commitment to publicly subsidizing speculative office space at the WTC site, despite the insistence of officials. Nonetheless, there was a commitment to various forms of subsidies to ensure that the tower is built and occupied. For instance, the Freedom Tower is relying on tenant commitments from federal and state government agencies for about 40 percent of the building. The state has tentatively agreed to pay $59 per square foot for space in the Freedom Tower, or about $24.5 million a year, which is $4 million to $9 million a year more than projected rents in 2012 in buildings occupied by the state (Bagli 2006). This is eerily reminiscent of the original World Trade Center development, which was largely considered a real
estate failure because it flooded the Lower Manhattan office market and had to rely on state agencies to occupy almost 3 million square feet of space.

Former governor Pataki pledged other subsidies for the Freedom Tower. It will most likely be constructed with approximately $700 million in Liberty Bonds, and New York State will contribute $250 million in capital funds that the governor had at his discretion under the Port Authority’s Regional Transportation Program. In addition, the New York State legislature passed numerous subsidies for tenants of the WTC site, which were spearheaded by State Assembly Speaker and representative of Lower Manhattan Sheldon Silver. Under the program, dubbed the “Marshall Plan” for Lower Manhattan, World Trade Center tenants will receive several tax exemptions and a rent subsidy of $5 per square foot for up to twenty years (GJNY 2006b).

Governor Spitzer and to a lesser extent Mayor Bloomberg, who assumed office after most of these plans had been approved, have expressed concerns about the Freedom Tower plan. The mayor ultimately decided to lend his support for the tower in the fall of 2006, when he urged that development accelerate at Ground Zero. Spitzer, who once described the economic prospects for the office building “very much in doubt,” decided to support the project after assuming office while reiterating that “this should not be interpreted to mean this is the project I would have designed at its initiation” (Confessore 2006).

**CONCLUSION AND LESSONS LEARNED**

There were positive stories to come out of the rebuilding and recovery efforts after 9/11. People all over the United States assisted in the heroic rescue efforts. The cleanup of the site finished well ahead of schedule.11 New Yorkers joined together, envisioning an equitably rebuilt Lower Manhattan, learning about transportation, urban planning, housing, and employment issues. Many were eager to participate in the rebuilding efforts, most prominently through “Listening to the City,”12 a day-long event that brought together 4,500 people from the tri-state area to debate how to rebuild Lower Manhattan. Creation of affordable housing, job training programs, and expanding local transportation were high on the list of desired outcomes of a renewed Lower Manhattan. Groups such as the Civic Alliance, the Labor Community Advocacy Network (LCAN), Imagine New York, Rebuild Downtown Our Town, New York New Visions, 9/11 Environmental Action, and the Liberty Bond Housing Coalition were formed to educate their neighbors and colleagues about being actively involved in the rebuilding process.

To its credit, the LMDC did have regular monthly board meetings and provided details of proposed expenditures, but it did not have a public hearing process. It held only one public hearing in April 2005 with a handful of board members in attendance, and other times the agency held invitation-only work-
shops in different neighborhoods of Lower Manhattan. The creation of groups and new collaborative efforts were important parts of the city’s healing process, yet their influence was diluted by the fact that major decisions were made shortly after the attacks and set in stone and tone much of how the rebuilding would take place. Solutions these groups propose for future rebuilding efforts include:

1. Broad constituencies must be at the decision-making table at the onset of program designs and on the boards associated with the allocation of funds.
2. Application for funds should include timetables and guidelines.
3. Public hearings should occur in the locale impacted, during times that encourage community participation and with decision makers present.
4. Money-back guarantees—also called clawbacks—must be in all subsidy agreements.
5. Reports commissioned by rebuilding authorities must be released immediately upon completion, not when an agency is politically motivated to do so.
6. All capital projects should adhere to strong environmental standards and encourage purchases from local manufacturers.13

NOTES

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2. According to a study by researchers at the Fiscal Policy Institute, the higher incidence of 9/11-induced unemployment and underemployment among workers in low-wage occupations meant that household wage earnings fell by double digits in New York City in the six months after the attacks (Parrott and Cooke 2005).
3. Accelerated depreciation allows firms to deduct the decreased value of property on their taxes. For a more detailed description of this program, read “What Is Accelerated Depreciation and What Does It Mean for Lower Manhattan and NYC?” (GJNY 2002).
4. A complete description of programs is available at GJNY’s “Reconstruction Watch” report series 2 through 6.
5. The LMDC is a subsidiary of the Empire State Development Corporation, another state authority that allocated the initial $700 million of the $2.7 billion prior to the LMDC’s creation.
6. Page 35 details waivers given to the CDBG grants via the Job Creation and Worker Assistance Act of 2002. Congress provided nineteen waivers associated with the allocation of CDBG grants.
7. Excerpts of quotes can be found at www.goodjobsny.org/quotes.htm.
10. Since the mid-1960s, the WTC site had been in the hands of the Port Authority of New York and New Jersey, a public authority that developed, owned, and leases out the spaces of the towers.
11. It should be noted that rescue workers and residents have raised concern about the health impacts of working on and around the WTC site and are encouraging that funds be used to treat and track those whose health has been damaged. For more information, visit the NYC Health Registry, www.nyc.gov, and the World Trade Center Environmental Organization, www.wtceo.org.
12. Visit http://www.civic-alliance.org for details and follow-up reports about the Listening to the City event.
Bhopal, in the central Indian state of Madhya Pradesh, is the location of one of the greatest human-induced disasters in history, often referred to as the Hiroshima of the chemical industry. The intent of this chapter is to explain why human-induced disasters are not just a moment in time, but have a long economic, political, and social history prior to the event as well as consequences during the immediate aftermath, and for multiple years thereafter. Aspects of corporate non-accountability and the promotion of international public relations to stimulate increased profits are presented along with local residents’ predicaments and needs. Union Carbide, after creating the most deadly chemically induced disasters, has deserted the city of Bhopal, and has left behind the victims and their families in a state of deprivation that extends beyond poverty. The monetary strengths of an international corporation and corruption within the Indian government outweigh the weaker protest strengths of the general public.

BREWING BHOPAL: THE MAKING OF A DISASTER
The concoction of the brew that led to the release of methyl isocyanate gases by Union Carbide began long before the 1984 incident. Other ingredients that should be considered a part of this lethal cocktail include the laxity in the enforcement of safety standards by the Indian government and Union Carbide Corporation (UCC), their joint apathy toward the risk of secondary exposure by slum dwellers surrounding the plant, and the failure to establish a safety zone, to name a few. The fact that UCC provided land deeds to squatters on the borders of factory land in order to improve the company’s image (Lapierre and Moro 2002:167–69) might also be considered to have added a vital element to the impact of the deadly brew. The backdrop of high poverty and unemployment in Madhya Pradesh state, high rates of rural to urban out-migration by those seeking work, and industrial development as the remedy for the latter concern could be added to the mix. The poor health and nutrition status of
slum residents and the increased health risks associated with their exposure to pesticides, given the close proximity of slum communities that grew with the establishment of the Union Carbide plant in 1969, is certainly a factor that aggravated the fatality of the brew. The element of risk posed by housing adjacent to a pesticide factory appears to have been minimized, as the degree of risk was cast relative to the broader social and economic context (Tilt 2006). With the relatively higher incomes it offered, work in the facility conveyed a status symbol for squatter communities accustomed to low wages and poverty, obscuring the possibility of risk from a major accident. Given these considerations, the only concern was the foul odor of pesticide manufacture detected in the air over Bhopal.

This paper documents the events leading up to the Bhopal gas leak disaster, the factors that contributed to it, the risks that could have been avoided, and the wholly inadequate responses in the midst of the incident and in its aftermath. I draw on historical research, official and scholarly documentation, and ethnographic data I collected together with a local research team in 2006, twenty years after the incident.

The Bhopal pesticide-producing plant was a joint venture between the government of India and the U.S.-based Union Carbide Corporation.1 The latter owned 50.9 percent, while Union Carbide India Limited (UCIL), created in 1934, controlled stock in the remaining 49.1 percent.2 As reported by Amnesty International (2005), “UCC maintained extensive corporate, managerial, technical and operational control over UCIL, including over budgets, policy decisions, operating manuals and reports” (Derr and McNamara 2003:192–93). Indian chemical engineers were trained in the United States to oversee the plant operation and train additional local staff (Gunn 2003). The overwhelming majority of residents in Bhopal had no idea that the plant was producing one of the most dangerous compounds ever conceived by the chemical industry. The factory was designed to mix Sevin, a pesticide popular during India’s Green Revolution, using the key ingredient methyl isocyanate (MIC)—a highly volatile compound. The deadliness of MIC was kept secret by UCC from India’s government and people even though UCC reports noted instant death in rats after MIC inhalation or exposure. In addition, UCC did not publicly disclose that MIC decomposed into other fatal compounds, including hydrocyanide acid in the presence of heat or water (Narayan 1990). Although two UCC studies revealed an antidote involving the injection of sodium trisulfate if inhalation occurred, this information was not included in the documentation justifying the building of local MIC production facilities, added ten years later to the initial plant (Lapierre and Moro 2002:50; Narayan 1990). When a few cattle died after drinking well water near the factory, the results of water
analysis performed by UCC were quickly buried. The cattle were replaced, but the contamination continued (Lapierre and Moro 2002:141).

As UCIL sought to maximize its profits, it was placed under the chairmanship of Warren Anderson, CEO of UCC (Cohen 1999), who introduced cost-saving measures, such as decreasing training, factory personnel layoffs, and cutbacks to maintenance and safety procedures (Gunn 2003:114; Derr and McNamara 2003:194–95). A UCC safety audit in 1982 identified sixty-one hazards, thirty of them major and eleven in the high-risk category involving the MIC units. The audit revealed that the four safety systems were inoperative: one had been shut down to save money, two were broken, and the last was improperly designed (Derr and McNamara 2003:194). Unfortunately, UCC ignored the recommendations made in the audit report (Derr and McNamara 2003:195). Compounding the problem was that minimum training was given to local plant personnel. The last of the American employees were removed two years before the 1984 disaster (Derr and McNamara 2003:295). Their departure coincided with UCC plans to close the plant. The degree of negligence and unsafe practices increased as a result. For example, necessary MIC refrigeration was frequently turned off to save money. Moreover, the warning siren was disconnected to avoid disturbing the public whenever the numerous minor leaks occurred (Gunn 2003:115; Derr and McNamara 2003:125). Such cost-saving measures are indicative of the industry’s profit orientation at the expense of the community.

**Release of Toxic Gases: The Unfolding of the Acute Disaster**

On the night of December 2, 1984, the first MIC tank was filled beyond recommended capacity and the reserve tank used for overflow was also full (Derr and McNamara 2003:195). Refrigeration of MIC had been off for several days, leaving the gas at the ambient temperature of twenty degrees Centigrade, instead of the recommended zero degrees (Stringer et al. 2002). One of the tanks had a faulty valve, along with a leaking pipe, identified a week earlier (Gunn 2003:115). The scrubber meant to neutralize escaping MIC was empty, and the flare tower designed to burn off gases from the scrubber was under repair (Kurzman 1987:50–57). Consequently a toxic cloud composed mainly of forty tons of MIC floated over the ground originating about 11 p.m. on December 2 and started to envelop the area just after midnight (McPhate 2004). The gases hovered over densely populated makeshift homes and beyond the railroad station. This MIC cloud, covering an area of forty square kilometers, affected approximately 1 million people (Kurzman 1987:58; Sambhavna Trust 1998:7). Lacking instructions on proper safety precautions, the public ran away from the factory and unknowingly in the direction of the
gas flow. Not all people ran, as victims were found still in their beds (Lapierre and Moro 2002:350).

Public officials did not announce warnings regarding the toxic cloud for some hours afterward, only giving precautions to place a wet cloth over one’s nose and mouth, long after many deaths had occurred (Lapierre and Moro 2002:313–15). The city was in a state of panic, with most individuals attempting desperately to escape, trampling over fallen bodies and being separated from each other (i.e., parents from children). People frothed blood at the mouth, coughed yellow fluid, eyes were burned, and some people went blind. In the morning after the gas release, the streets were covered with human bodies, and carcasses of cattle, goats, and dogs (Sarangi 2004). Estimates of immediate human deaths range from 3,000 to 8,000 (Stringer et al. 2002). The identified dead were given proper burial with huge funeral pyres (Lapierre and Moro 2002:354). Steam shovels were used for mass burials of other remains (Sarangi 2004).

Hospitals and clinics were overrun with patients requiring immediate intervention, and hospital officials established a makeshift tent in the city after daybreak on December 3 in order to accommodate all those requiring care. Food and many of the supplies were donated by nearby residents who were unaffected by the gases (Lapierre and Moro 2002). Most physicians did not know that MIC, when in contact with fluid, broke down into hydrocyanide acid (Lapierre and Moro 2002:346). Incorrect antidotes were thus administered for several days until UCC announced the correct treatment (Sarangi 2004).

The Immediate Aftermath: The Foul Odor of Corporate Unaccountability
Attributing blame for the gas leak launched a crisis of unaccountability. Union Carbide denied responsibility, claiming a disgruntled worker deliberately added water to the MIC tank, creating the toxic gas. The claim of sabotage was backed up by UCC research (Union Carbide Corporation 2005). UCC placed additional blame on the victims, arguing that running increased inhalation, and that failure to cover their faces with a wet cloth had increased fatalities (Sarangi 2004). Civil society worldwide blamed UCC. Investigations by national and international scientific teams found that poor maintenance, equipment failure, and operating problems created the disaster. UCC’s discontinuation of needed refrigeration systems for storing MIC and the safety systems’ failure contributed to the release (Derr and McNamara 2003:195). Workers on the evening shift on December 2 were instructed to clean the pipes leading to the MIC tanks with water, even though supervisors knew a valve was broken (Gunn 2003:115). There was no doubt about the mechanisms that compounded the creation of the deadly cloud of MIC. Water entered a MIC
storage tank creating an exothermic reaction. The pressure in the tank rose with extreme force, resulting in a breakage of the pressure valve. Failure of the backup scrubber and flare tower allowed four tons of MIC and its breakdown products to escape (Reisch 2004).

When I conducted research two decades later, most survivors in the areas near the factory preferred not to discuss the actual accident, focusing instead on more recent deaths of household members and continuing illness many endured. Nonetheless, the lack of a meaningful public alarm, and the absence of a simple instruction to cover one’s mouth and nose with a wet cloth, and to stay quiet, form the basis of many victims’ continuing anger. Depression over the deaths of kin and feelings of helplessness persist. In their discussions of what happened, survivors noted the resulting illness and death that is continuing part of their lives. A large number of unaffected individuals also expressed anger about the incident and the ongoing lack of victim compensation, services, and other interventions.

**The Lingering Remnants of Union Carbide**

The three main stakeholder groups, UCC, the government of India, and the impacted communities, continue to haggle over the issues of financial settlement, environmental conditions, and the health implications. This section focuses on the more hidden issue of social consequences emerging from the overt conditions. UCC has been beleaguered by its tarnished image and the financial burdens of providing compensation for the Bhopal victims. Although UCC attempted to minimize news regarding the extent and implications of the disaster, immediately trying to regain the trust of the international public, worldwide headline coverage of the disaster triggered a sharp decline in the price of the company’s stock. A high-ranking employee of UCC told me the company line: “The media is overstressing the number of deaths and injuries. [CEO] Anderson’s visit resulted in the conclusion that only several hundred people died and the MIC exposure symptoms were temporary” (May 16, 2003). According to UCC reports (UCC 2005), Anderson and a technical team visited Bhopal on December 6, three days after the incident, trying to prevent the company from appearing cruel or irresponsible to its shareholders. UCC claims the team included “international medical experts, as well as supplies and equipment to work with the local Bhopal medical community” (UCC 2005). The UCC report implies their assistance was accepted. Such was not the case. The local police immediately placed the group under house arrest, as they were accused of “culpable homicide causing death by negligence, by making the atmosphere noxious to health, negligent conduct with respect to poisonous substance and mischief in the killing of livestock”
(Lapierre and Moro 2002:362). By that point, people were holding rallies and flying banners calling for Anderson's death. Anderson and his team were flown to New Delhi for a swift departure from India. The arrest was not just for Anderson's safety but was also engineered to create personal prestige for the upcoming election of the incumbent chief minister of the state. He used the arrest to generate public support and to protest UCC plans to use the remaining MIC in local production (Lapierre and Moro 2002:364–65).

What appears to be the greatest ambulance chase in history began within days of the disaster, with ravenous American lawyers flooded to the area to sign up victims for compensation in U.S. courts. Lawsuits were to be tried in the United States, with lawyers obtaining one-third of the settlement (Baxi 2004). The national government quickly passed the Bhopal Gas Leak Disaster Act, granting India the right to represent all victims and the exclusive right to settlement, thus denying outsiders from capitalizing on the event (Baxi 2004). Since the noxious fumes of the gas leak had altogether affected hundreds of thousands, the task of identifying victims was complicated. In order to facilitate the identification process, the affected area was divided into three segments, based on the distance from the factory. A census was undertaken to determine who was actually in their homes at the time. Only those residents were listed as victims. Community members were quick to point out to me the fallacies and discrepancies of the census—some affected residents were still living with relatives in other places, and others were at the site as visitors. In addition, multitudes of deaths occurred at the railway station, listed as furthest from the gas release and assumed to be those individuals least affected. Complicating the issue were the many affected individuals at the station who resided outside of Bhopal (Lapierre and Moro 2002:313–20).

The UCC report on the incident stressed the monetary "donations" and assistance with social and medical programs it included in their initial December 1986 settlement offer of $350 million that was rejected (UCC 2005). UCC then claimed that all MIC exposure claims were settled in 1989, with the lump sum of $470 million for the exposed individuals (Cohen 1999; McPhate 2004). Stock prices increased by two dollars on the day Union Carbide settled the case with the Indian government (Cohen 1999). The state government of Madhya Pradesh was given part of this money for distribution to victims (Reisch 2004). Approximately 55,000 people were identified as having "valid" injury claims before the compensation courts set up in Bhopal. The processed claimants, with approved symptoms and census documentation, received a grand total of $400 each in compensation for personal injuries. Individuals with illnesses or conditions not recognized by the government, such as immune deficiencies, received no payment. Families of another 1,600 who died within four years as
a direct result of exposure also went without payment (Sambhavna Trust 1998:17; Cohen 1999). Many others continue to have permanent injuries but were undocumented due to the manner the census was conducted. In the end, not all the settlement money was distributed. The remaining $345 million is earning interest in government accounts (McPhate 2004). Victims have been promised this money, but no distribution has yet occurred. The head of Bhopal’s disaster office claimed this was because of a backlog of more than 1 million lodged claims (McPhate 2004). Most compensated victims reported that the initial settlement in 1986 was sufficient only to pay for past medical bills. Hospitals that were meant for victims were not built until after 1998. Administration irregularities and financial misappropriation have delayed both construction and treatment, with a few individuals being overcompensated, while others received limited compensation (Sambhavna Trust 1998:18).

Dow Chemical Corporation acquired Union Carbide in 2001 and claims the $470 million paid by UCC for compensation to victims abrogates Dow of any responsibility. Dow points instead to the Indian government as the responsible party (Kumar 2004). Others, both victims and concerned individuals, disagree. A group of Dow shareholders, urged by the activists from the International Campaign for Justice in Bhopal, applied pressure for the company to clean up the site and to provide proper rehabilitation for survivors and their children (Bhopal.net/blog). Led by two survivors, a resolution for an assessment of the Bhopal situation was presented at Dow’s 2004 stockholders meeting. The activists presented a resolution calling for additional medical and economic rehabilitation, plus environmental restoration. The motion was defeated on the grounds that the company’s reputation would be placed in jeopardy (Kumar 2004). Meanwhile, the Indian government has monetary gains from unpaid claims, and Dow remains free of any continuing financial responsibility.

THE ENVIRONMENTAL FALLOUT FROM UNION CARBIDE

The environmental degradation of Bhopal began long before December 1984. More than 1,500 tons of chemicals were released into the atmosphere between 1969 and 1984 (Chouhan, cited in Sambhavna Trust 1998:11). An open solar evaporation pond was built to contain the factory’s toxic discharge and was in use for seven years (Mahapatra et al. 2003). UCC fled India immediately after the disaster, leaving behind a stockpile of 2,000 metric tons of lethal chemicals that were only found in December 1999 when factory doors were opened for inspection (Bodanyi 2004). Multiple metal barrels and cloth bags of toxicants were found in a state of decay with the contents spilling out and being washed into water supplies. The evaporation pond remained open until 1990, when
the toxic soil was bulldozed into a large hill on the plant’s grounds (Sarangi 2004). High levels of mercury; lead; and other metals, pesticides, and solvents are in the soil (Mahapatra et al. 2003). As I saw in 2005, the hill of unplanted contaminated soil remains a favorite play spot for children. Fences around the main buildings do not prevent cattle from grazing on the 90 acres of company ground, resulting in contaminated milk, a dietary mainstay for many of the families. Heavy metals and other contaminants are found in breast milk, indicating human absorption of the pollution (Nair, cited in Mahapatra et al. 2003).

Union Carbide claims that waste removal in the first ten years after the disaster amounted to $2 million and denies further responsibility for the present situation (McPhate 2004). Yet the resulting contamination today remains a public health quagmire. The Indian government kept secret the information it acquired as early as 1991 on broad-range water contamination, allowed by the Official Secrets Act. In 1996, national authorities ordered the Madhya Pradesh government to restore the wells, but no such action took place (Mahapatra et al. 2003). Experts questioned the safety of the water quality ten years after that. The Greenpeace Research Laboratory at the University of Exeter in Britain examined the residents’ community borehole wells. Water in more than 200 wells, used for daily needs, was found unfit for human consumption (Greenpeace Research Laboratories 2002). High levels of assorted metals, including chromium, mercury, copper, nickel, and lead, as well as volatile organochlorine compounds, including pesticides, chloroform, carbon tetrachloride, tetrachloroethene, and chlorobenzenes, had seeped into the well water serving the areas north to the plant (Stringer and Johnston 2002). Many of these chemicals were above the recommended daily intake limit. Heavy metals, organochlorines, and solvents all have the potential to interfere with brain, organ, and general physiological functioning as they disrupt normal endocrine functions (Guillette and Crain 2000).

At least 20,000 people have no choice but to use the contaminated hand pumps (Kumar 2004). Public uproar in 2004 led to the daily provision by the Madhya Pradesh (MP) government for one tank of 10,000 liters of clean water to each of the tested areas. As I observed, the demand for water outstrips availability, with many families relying on contaminated wells for the needed supply for cooking, drinking, and washing. The safety of water in other surrounding areas remains unknown, as no provisions have been made for testing water at additional sites. The Center for Scientific and Industrial Research, the MP government, and Dow Chemical continue to argue over who is responsible for cleanup (Mahapatra et al. 2003). Meanwhile, area residents continue to have additional exposure to these toxic materials. In February 2006, fifty survivors marched from Bhopal to New Delhi for a sit-down strike to protest the failure to clean up the area. They wanted the government to put pressure on UCC and Dow to take a
more active role in promoting a safer ecological environment. Again, the UCC claimed the responsibility for the removal of toxic compounds lies with the government, as they had previously paid compensation (Kumar 2004).

**Bhopal’s “Gas Disease”: The Long- and Short-term Health Impacts**

In 1984, the city of Bhopal was in the process of industrialization. Rapid population growth, including squatters, resulted in an acute shortage of infrastructure and services, including electricity, transportation, and communication for the many slum areas. Illiterate residents of the area lived in poverty, while other area residents had higher incomes from buying and selling land, or the higher wages at UCIL. Both economic groups were afflicted with “Bhopal Gas Disease.” UCC has never identified all the additional released compounds, citing trade secrecy. Up to eleven different compounds were released (Mahapatra et al. 2003). Hydrogen cyanide, carbon monoxide, and phosgene have been suggested as other components of the cloud (Eckerman 1995; Stringer et al. 2002). What information the Centre for Scientific and Industrial Research had found remains hidden with the secrecy act (Mahapatra et al. 2003).

Immediately following the gas release, a thin white powder soon covered everything and later turned green. Residents had no information on the components of the powder or how to cope with contamination of food and clothing (Eckerman 1995). During the first days and weeks, hospitals were overwhelmed with victims, yet physicians had no idea of effects of MIC and other compounds on the human body, hearing only: “It is only like a tear gas” (Eckerman 1995). UCC later provided instructions but then recalled the initial treatment as incorrect (Stringer et al. 2002). Two months passed when the Gandhi Medical College in conjunction with the Indian Council on Medical Research recommended sodium thiosulphate as proper treatment (Eckerman 1995). Meanwhile, autopsies revealed massive pulmonary edema, hemorrhages, gastrointestinal congestion, and swelling and lack of oxygen to the brain, with each one indicating cyanide poisoning. Autopsies, one year later, revealed continuing cyanide toxicity (Sriramachari and Chandra 2000). The Indian Council of Medical Research (ICMR) in the following three years found ongoing illness and increased death rates among the exposed (Narayan 1990). All government research ended four years after the disaster, and many of the reports are still unavailable to the outside world (Sarangi 2004).

The spontaneous abortion rate in Bhopal increased immediately after the disaster, and females in their reproductive years experienced menstrual disorders. One survivor I talked with had experienced menopause at age seventeen, immediately after exposure. Men and women alike developed continuing pathologies involving the eyes, lungs, and immune and muscular systems (Narayan 1990). Officials say nearly 1,500 people have died since the disaster.
from various gas-induced diseases. Activists place the death toll at 3,300 to include those who have died from toxic material in the soil and water (Kumar 2004).

Contaminants in the human body affect various organs and hormone producers. One outcome is decreased thyroid hormone production, controlling such functions as immunity from infection and energy production (Leatherland 2000). The rate of infectious disease in the contaminated areas is high, especially tuberculosis. The gas victims are more susceptible due to lung infection, and with a lack of immune response due to ongoing water contamination and past lung damage from MIC, the TB rate in these areas is extremely high, even for those nonexposed but drinking the water (Cohen 1999; Leatherland 2000).

Twenty years after the incident, adults in 461 families who had been affected by one or more of the factory's contaminants, including MIC, were interviewed by a community-based research team led by myself. Major health complaints involved shortness of breath, gastrointestinal problems, tearing and weak eyesight, poor memory, and headache. Of particular concern to many of the victims was continuing lack of stamina and chronic fatigue. Physical work is limited to two to four hours a day (Guillette 2004). Low stamina levels appear to be influenced by either gas or water exposure, or a combination of the two. The women in these groups also had more problems with menstrual cycles and pregnancy, including an increased number of pregnancy losses and stillborns (Guillette 2004).

Parents' exposure to contaminants, such as MIC and those found in the ground water, may also prompt genetic and epigenetic changes that affect future generations. Gene mutation, resulting in the malformation of organs, has occurred in some cases (Goswami 1986). Epigenetic changes are those that alter the expression of genes through changes within cells, without affecting actual gene makeup. The testing of the children of exposed parents, either to MIC or just water, or a combination of the two, demonstrated assorted deficiencies that are reflective of epigenetic alterations with an effect during uterine development. Growth retardation was evident. We employed a modified Indian IQ test to examine mental abilities. The children exhibited deficits in all areas tested including problem solving and perceptual organization. Physiological changes involving neuromuscular behaviors, such as poor balance and coordination, were much poorer than in the control group of children. The second generation of children had much slower heart and respiratory rates after heavy exercise. Most striking is the impact on the time of puberty. Mothers' average age of menarche was thirteen years of age, with daughters now reaching menarche on the average of fourteen years, some as late as eighteen years. Controls reach menarche at thirteen, similar to their mothers. The female offspring of exposed mothers also have increased menstrual problems. Sons also exhibit signs of delayed puberty
(Guillette 2004). These noted epigenetic changes can be passed to future generations. There has been no formal recognition of the impacts of exposure on the second generation of the MIC exposed or those with other chemical exposures in the settlement processes. But the documented epigenetic alterations will affect the earning power and marriage prospects of the exposed parents' offspring.

The perception of ongoing health risks for many in the affected slums is tempered by their daily needs. As one resident said: “They say it is bad for you to use the water, but often there is no choice.” Denial of threats to longevity is also common: “I’ve been drinking the water for a long time and my health has stayed the same.” The pathologies related to exposures for the living are now chronic. The victims stress their need to grudgingly accept the limitations imposed on their bodies as they go about daily life, as minimal medical intervention is possible. The fees for treatment at the existing public facilities, including the one built for victims, are beyond the reach of many. A few free nongovernmental organization (NGO) clinics exist near the factory. Treatment is usually based on homeopathic medicine and other alternative therapies, as victims cannot afford manufactured pharmaceuticals. The physicians say they see multiple cases of anemia that are overlooked because of the patients’ monetary limitations in purchasing iron-rich foods.

External as well as internal assistance occurred immediately with the onset of Bhopal Gas Disease. Satinath Sarangi, a metallurgical engineer, was one of the first outsiders to mobilize the community. Initially, he was overwhelmed with the numbers of dead, the numbers with continuing symptoms, and the lack of knowledge regarding health interventions. According to Sarangi, survivors encountered physicians at local clinics and hospitals who initially had no knowledge of proper treatment. He believes that wrongly treated symptoms contributed to the continuing poor health situation. He remained in Bhopal, leaving his profession, to establish the Peoples Health and Documentation Clinic, to become a victims’ advocate, and to mobilize the participation of newly formed international NGOs with the aim of keeping the disaster in the eyes of the public and to advocate for research efforts (Sarangi 2004). The clinic established itself under the auspices of Sambhavna Trust in 1995. The activists associated with the Trust are concentrated in the neighborhoods nearest the factory. Involving the residents of these communities near the factory grounds and working with the other NGOs in the area, the Trust organizes various protests and marches. International NGOs have also come to the aid of the victims. The International Medical Appeal for Bhopal, based in San Francisco, California, has the aim of providing medical care, drugs, and counseling. In addition, the International Campaign for Justice promotes continued worldwide recognition of the situation. The residents of Bhopal, not just
the victims, remain angry that Warren Anderson has never faced judgment for his role in the disaster. The New Delhi government, under pressure from activists in 2003, sought to extradite Anderson from the United States to face charges of culpable homicide in a Bhopal court (McPhate 2004). The U.S. authorities rejected the request. Anderson, now in his eighties, may never face judicial proceedings, but his infamously legacy will live on. Resentment of Anderson's lack of culpability permeates responses to daily uncertainties and chronic problems. Twenty years after the disaster, signs calling for the hanging of Anderson still abound in the neighborhood by the factory.

The Cloud over Bhopal: The Aftereffects of Trauma
An overlooked aspect of the Union Carbide disaster is related to the less tangible personal and social aftereffects. Depression and post-traumatic stress disorder are common among the exposed residents (Eckerman 1995). Today, the victims who resided and those who continue to live near the factory avoid discussing the night of the disaster in terms of their own actions and reactions. The most frequent comments revolved around a spouse or child who died with no accompanying information. A group of MIC survivors, found living in unaffected neighborhoods several kilometers away, are more open about the gas cloud. One woman, who returned to the area the following day, stated, “Only the birds were alive, as they flew above the cloud.” The long history of failed rehabilitative events has caused most to feel that little will ever be corrected, regardless of their place of residency.

Within a year, the state administration faced public pressure for rehabilitation services, including the training of individuals for employment in areas not requiring hard labor. Large companies offered to assist in this process but were identified as exploitative in terms of wanting cheap land and labor. This rehabilitation program eventually failed, as it lacked expertise and leadership (Rajan 2002). In 1992 a five-year action plan for rehabilitation was launched, but nothing occurred on the ground. This plan was considered a failure in 1999 as the state government refused to assume such a huge task (Mahapatra et al. 2003).

Available employment for the affected is usually physically demanding because of their lack of education. Nearly half of the men surveyed had no formal education, with higher rates among the women. Another third had only limited primary education (Guillette 2004). Exposed people's continued limited physical endurance prevents full-time employment. In turn, the lack of money prevents the young from attending school, because of school expenses or because of children's need to contribute to household income. Children under the age of twelve work hard labor in stores or salvaging recyclable items in trash sites, creating a circle of poverty.
Typically in the affected communities, a marriage is arranged soon after a girl reaches puberty. Many women I interviewed cited that marriage for their daughters has become increasingly difficult. Initially, men refused to marry the exposed girls, fearing infertility or deformed children (Sarangi 2004). This fear prevails, but is now secondary to exposed families’ inability to pay for proper marriage practices. According to my research, the average marriage age for children without exposed parents is fourteen years, whereas girls with exposed parent(s) marry between sixteen and eighteen years of age. Although the caste system is banned, the system is alive in the minds of individuals in terms of marriage. Several mothers complained that for this reason their teenage daughters had to marry “beneath them.” Such sons-in-law were viewed as “no-gooders” and poor providers, with the married couple frequently living in, and supported by, the wife’s family household.

CONCLUSION: WILL THE CLOUD OVER BHOPAL EVER DISSIPATE?
The Union Carbide disaster in Bhopal was both an environmental nightmare and a human tragedy. The goal of profit-making in Bhopal began long before the actual disaster, with UCC compromising on safety and maintenance to increase its falling economic returns. UCC did not act out of humanitarian concern. Social responsibility was pushed aside for economic gain, with the surrounding community, and later the disaster victims, seen as troublesome by-products of manufacturing (Mahapatra et al. 2003; Baxi 2004). Today the pesticide factory and grounds remain abandoned and contaminated, continuing to directly expose individuals to the toxic chemicals that have seeped into nearby communities, subjecting them to additional chemical exposures. Continuing in this line of profit-making, Dow does not want a follow-up study of Bhopal, as it could tarnish its reputation, its finances, and its expansion (Singhania 2004).

Inadequate, untruthful, and missing data on MIC exposure treatment and long-term effects each had a role in minimizing the seriousness of the incident in order to maintain the stockholders’ concept of controllable outcomes. Profits came from the shareholders’ perception of company security, as negative perceptions of a company can destroy any earnings. Dow, including the Union Carbide subsidiary, spent large sums on promoting public relationships to rebuild the UCC image around the developing world (Derr and McNamara 2003). Responsibility toward its shareholders—requiring a positive perception—was at odds with social responsibility. Critics contend that companies care more about being seen in a good light than actually making responsible decisions. UCC shareholder management with an increase in profits became more important than management of the disaster consequences.
Social, environmental, and public health concerns are external to corporate profit motives (Cohen 1999). The corporate structure of the UCC was effective in removing internal individual responsibility, both in terminology and personhood: Why should Anderson be responsible for the slums and the poor? Victims of industrial disaster are dehumanized in the process—the 1989 annual report of Union Carbide stated that the incident cost them forty-three cents per share, thus equating affected individuals’ suffering with forty-three cents per share (Cohen 1999). Meanwhile, the victims remain ill or die with claims lost in a hopeless case of bureaucracy. UCC has long considered surrounding communities as disposable people (Baxi 2004). The victims include some of the poorest people of India. Their efforts to obtain justice and human rights in all areas have been obstructed in every way by the actions of this wealthy, international company.

UCC, with its direct control over all factory operations, seems to have relieved India of any direct responsibility for the incident. The government of India has received little blame, even with its 49 percent ownership. The government also appears to be profiteering from withholding money and its perception regarding its lack of responsibility. The lack of public access, as based on the Official Secrets Act, to government-approved research performed during the four years following the incident could indicate a continuing desire to minimize the ramifications of exposure, thus minimizing the need for governmental intervention. The government has practically abandoned the victims, with much of the settlement money going to bureaucrats and $370 million still in the hands of the government. The affected individuals have been shut out of any decision-making process.

Bhopal is a symbol of abuses and technological failures that are becoming more common in today’s world. The disaster and its aftermath have become an important warning about the dangerous aspects of globalization. Union Carbide’s role in both allowing conditions for the gas leak and its minimal compensation to the victims has given other international corporations a strong incentive to opt for identifying potential disaster risks on their own in order to reduce incurring liability (Singhania 2004). The chemical industry is thus allowed internal control over toxic substances it releases (Reisch 2004). Regrettably, repeated accidents show that the industry’s safety record indicates voluntary measures do little to ensure public safety. Oil and chemical spill data over a twenty-year period average 1,800 accidents per year with no downward trend (Reisch 2004). More than twenty-five human-induced environmental disasters have occurred as of 2003 (Gunn 2003). Each one adds additional contamination to the Earth’s environment. Regardless of the nature and use of the 8,000 chemicals on the market today, all eventually end up in the environment and in human bodies.
Corporations continue to “shop around” for the weakest environmental and public health protection measures and the cheapest labor costs, frequently with support of the World Trade Organization (WTO) or its predecessor, the Global Agreement on Tariffs and Trade (GATT) (Cohen 1999). Bhopal, as “Hiroshima of the chemical industry,” is repeated over and over again on a smaller scale. The resulting small impacts of contaminated water, air, and land will add up to massive ecological and social destruction. The “benefit vs. risk assessment” approach, in which profits are weighed against unseen human and environmental harm, must change. A corresponding approach is applied postdisaster, with industry minimizing economic loss with disregard for continuing social, economic, and health risks to the community.

Bhopal also serves as an excellent example of how public support should help abate a wrong. Local residents have garnered worldwide support for an International Campaign for Justice in Bhopal. The resulting international pressure for justice promoted the daily supply of safe drinking water and forced the Indian government to order UCC to clean up the environment and extricate Anderson (Bodanyi 2004). While the government has taken minimal action in these areas, the new laws are a step forward. The Bhopal Campaign, although representing a long struggle, represents a struggle for human rights and justice. The simple fact that the public can, and will, protest and take action when rights are pushed aside has important implications for industrial globalization. Concerned citizens and activist groups view the health of the people, society, and environment as of paramount importance for local and global sustainability. At the same time, the manner in which any such campaign is directed after a disaster must be presented in a manner responsive to the needs of those directly affected.

Monetary compensation and sentencing Anderson will not, by themselves, resolve this disaster. The categorization of victims was faulty, excluding some actual victims and portraying heavily exposed as the lesser exposed. The diversity of the group is overlooked, including religion, present economic status, education, and levels of health within the entire family. Granted, many live in poverty, but poverty alone is not their main concern. They live in a situation of deprivation, exacerbated by past and present toxic exposure. “Deprivation can be understood through the interlinking dimensions of physical weakness, isolation, income poverty, vulnerability and powerlessness” (Chambers 1997:7). UCC’s actions and inactions coupled with Indian government corruption and graft perpetuate the deprivation. No amount of money can compensate for the denial of human rights, environmental and cultural abuse, and lack of social responsibility in this case.

New victims of “Bhopal Gas Disease” occur daily, poisoned with multiple residual compounds from the manufacturing plant, signaling the need to
consider the second generation of survivors. Yet to date, no consideration has been given to transgenerational effects extending beyond pregnancy loss and birth defects. The altered epigenetic programming resulting in mental and physical deficits, as found in the offspring of the victims exposed to MIC and/or water contamination, almost guarantees a compromised state of health for them as well. Intervention must move beyond direct payment to MIC victims and environmental cleanup to include improving the limited infrastructure, education and rehabilitation services, access to medical care, and provisioning of employment suitable for the individuals. Provisions must be made for the present children to overcome the "poverty trap" (Chambers 1997) and hence succeed in life.

The ongoing debates concerning who was responsible for the gas release, and whether paid compensation and environmental cleanup is sufficient, will not be easily solved. The Campaign for Justice calls for a national commission to be established to oversee the process. In my view, however, given the ongoing debates about attributing responsibility, including the actions and responses of government and industry, an international commission has far more potential for arbitrating in an unbiased manner, responsive to the concerns registered by the affected populations and citizens' groups. Hopefully, the time will come when a recognized "International Commission for Arbitration of Human-Induced Disasters" will no longer be required.

NOTES

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1. UCC, an American company, was regarded as forward looking, caring for employees and environment alike.
2. An unknown amount of the Indian stock sales to individual citizens and those controlled by the government did not interfere with the ongoing plans.
DIVIDENDS OF CONFLICT

Reconstruction as Reform
"Haiti is finished!" was a common expression among Haitian people during the two-year interim period following President Jean-Bertrand Aristide’s departure from Haiti on February 29, 2004, aboard a U.S. military plane. References to Haiti’s erasure off the world map provide clues to Haitian people’s sense of negation as a nation subordinated to the dictates of international powers. Born from the first and only slave revolt to succeed in free nationhood, Haiti was again under foreign control in its bicentennial year. The interim period following Aristide’s departure seemed to many Haitian people to signal the parallel disappearance of Haiti, from many perspectives—the loss of loved ones, livelihoods, capacity to meet subsistence needs, and the loss of their history as a nation and a society. In this chapter I refer to these subjective understandings in order to examine the events following Aristide’s forced departure and their cumulative impact on Haitian society from the analytical lens of Naomi Klein’s “disaster capitalism” (2005, 2007). As argued in the introduction, while they may have separate triggers, “natural disasters” and postconflict situations share much in common. As I show in this chapter, the local constraints—a delicate political situation and a government dependent on donor agencies’ goodwill—as well as institutional responses are identical.

Before dawn on February 29, 2004, Haitian president Jean-Bertrand Aristide left the country on a U.S. military plane bound for the Central African Republic. Aristide left the country following a three-week armed “insurrection” led by demobilized army members and paramilitary forces and a groundswell of street protests by an assemblage of groups that had paralyzed Pòtoprens for months. Explaining or analyzing the forces that led up to Aristide’s forced departure (some call it “resignation” while others call it a “modern kidnapping”
or “coup d'état”) is outside the scope of this chapter, and heatedly debated (e.g., Bogdanich and Nordberg 2006; Bohning 2004; Chomsky, Farmer, and Goodman 2004; Dupuy 2005; Deibert and Peck 2005; Organisation des travaileurs revolutionnaires 2005). Instead, this chapter focuses on the aftermath of this swift change. While the “Aristide question” will undoubtedly be debated for years to come, there is little disagreement among the vast majority of the Haitian people living in Haiti at the time that the two-year transition period that followed (2004–2006) was worse.

This chapter briefly outlines two deteriorations during the interim period: an increase in violence and a worsening of the economic crisis. I examine how this violent interim period set the stage for the promotion of private capital interests and the effects of the latter on everyday Haitian people struggling to make sense of the events and make ends meet. In concluding this chapter I will discuss the broader social, political, economic, and geopolitical significance of Haiti’s interim context, raising concerns and issues for transnational solidarity.

I came to this study by virtue of my own lived experience as a scholar whose research and daily living were inevitably circumscribed by the events that unfolded during the period that is the subject of this chapter. While I went to Haiti to conduct dissertation research on women’s nongovernmental organizations (NGOs), I could not help but notice the unfolding crisis. This subject dominated conversations I participated in—formal and informal—as well as observed. What follows is a detailed discussion coming from a multiplicity of perspectives and analyses. The information in this chapter comes from twenty-four months of participant observation in Haiti with two women’s NGOs spanning the contemporary political and economic crisis, complemented by archival and interview research with governmental and international organization representatives, in Pòtoprens, Brussels, Geneva, and Washington.3

"EN ROUTE TO DISAPPEARING"
The day after Aristide left, a U.S.-led multinational force of around 4,500 troops came to restore order. As stipulated in the Haitian constitution, the president of the Cour de Cassation (Haiti’s “Supreme Court”) took his oath of office as interim president. Boniface Alexandre promised to lead Haiti through its transition to democracy, overseeing a round of elections and promising a return to peace and order. Within a week, a “Council of the Wise” was chosen by a tripartite committee named by the Aristide government, its opposition, and the international community. Given the deadlock that gripped Haitian politics, this gave effective control of the process to the international community representative, as the warring factions were likely to cancel the other’s vote. According to Georges, an artist and NGO professional, “If I follow the
unfolding of the Haitian political situation, we can see that Latortue is a gift, or some kind of donation. . . . No one, nobody knows who proposed Latortue. That is, it was a proposition of some kind of dominant class.” U.S. Secretary of State Colin Powell admitted as much in a Fox News Channel interview: “We are working hard with the new council of eminent persons that has been created to come up with a new prime minister” (reported in AFP, March 9, 2004).

This council selected Boca Raton UN retiree Gérard Latortue as interim prime minister and approved his appointment of ministers. Latortue was widely regarded as a puppet of the international community. He was ridiculed in a popular Kanaval song in 2005, by Demele: “Haiti has two presidents. One on high and one below. One you see, one you never see. . . . One has a back, the other doesn’t have a face.” There are several double-entendres,4 but the main point is that the interim government was seen as doing the bidding of the international community. Some, like Georges, explain it as a system of necessary patronage, “The prime minister and president do not speak a day without saying ‘the international community.’ . . . You are left with the impression that the country does not exist, cannot exist without speaking about the international community.” The interim government, obliged to the international community for securing its position, was especially eager to please international organizations. International organizations seized what the Office of Transition Initiatives has called the “window of opportunity” to take charge of the rebuilding process, benefiting private capital interests in four ways. First, the interim context provided direct transfers to private multinational corporations through contracts. Second, the interim context provided inroads into structural adjustment measures. The interim government also specifically promoted privatization in a process called the CCI, the Cadre de Coopération Intérimaire (in English, the Interim Cooperation Framework). In addition to privatization, the plan provided legitimacy and further development of export-oriented development. Capital interests were also served by a climate of repression, of workers and other populations.

With foreign troops on the ground and a foreign-approved interim government in place, the international community was quick to promise a sure return of development aid. The Inter-American Development Bank (IDB) unblocked $535 million in loans and began dispersal of its first “tranche” (French for slice, as a slice of cake, also official international development terminology for conditioned portion of the total loan) in mid-2004.5 Other private-sphere Bretton Woods groups such as the World Bank and the International Monetary Fund (IMF) followed suit, flushing the interim government with very badly needed funds that had been held up since 2000, and in some cases, before. Soon after the installation of Latortue’s government, the UN and World Bank with assistance from the IDB and the European Union (EU) or-
ganized a framework for coordinating their efforts, employing experts to prepare specific policy directives for the interim governments. The interim government compiled these reports and submitted the CCI to the international community at a donor’s meeting hosted by the World Bank on July 19–20, 2004. In the next section I document people’s perceptions of the interim period and their lived realities. To many people, like Joanna, playing with the French phrase of “developing country,” Haiti was a country “en route to disappearing.”

THE END OF HAITI

The period following Aristide’s forced departure was worse than its antecedent. Of the thirty-four people I interviewed who addressed the topic, everyone said that the 2004–2006 interim period was worse than even the nadir of the preceding “political crisis.” In fact, only one person could remember a period in Haiti’s history that was worse. In the late 1950s, François Duvalier was just consolidating power through a campaign of extermination, employing the infamous tonton makout—death squads personally loyal to Duvalier—to kill his enemies in the middle of the night, with corpses left hanging in public squares, when entire families were made to “disappear.” As such, the notion of erasure resonates in the Haitian psyche as one that they have encountered time after time throughout the nation’s history, highlighted by the proverb “the people’s pencil does not have an eraser.” While many people were preoccupied with the immediate and unpredictable physical violence that they faced, what Paul Farmer calls “episodic violence” (2003:350), the interim period also saw a rapid deterioration in Haiti’s economy—an erosion of their material quality of life, what Farmer (2004) calls “structural violence,” the long-term structural forces of inequality and domination within the world system, including slavery, colonialism, and imperialism. Haiti’s vulnerability to so-called natural disasters has been consequently deepened.

How Lives Are “Finished”: Experiences of “Episodic Violence” in the Interim Period

Haiti’s “episodic violence” framed both the media accounts—so-called mainstream and alternative sources—as well as interviews I conducted. Monique, a former factory worker currently employed as an NGO janitor, provides insight into Haitian people’s internalization of violence:

For myself, I see that things are more difficult. Because now you walk on top of cadavers. No one is spared. You go out. If you return, you say, thank you Jesus. You sleep, you wake up in your bed, thank you Jesus. Because . . . other people, who go out together disappear in the streets, in a car . . . you, you go out, you
are in fear, you enter, you are in fear. You see my hair? I used to have long hair. It's this stress . . . that caused me to lose my hair. Stress.

Monique's testimony was a response to the question about the “current situation” (sitiyasyon aktyél) in most of the interviews. It is possible that my presence in Haiti and role as an anthropologist might have encouraged flourish and exaggeration for rhetorical effect. However, living in Haiti it was impossible not to witness the deterioration. Each day as I would go to one of the NGO offices, I would walk past people living in the neighborhood huddled by a battery-powered radio, and would receive an update as to which neighborhoods were “forbidden.” Some of my neighbors who had at this point stopped calling me “Blan” (Haitian term for foreigner and white person), or “My Blan,” had decided that I was going to be around for a while, not leaving the country when the U.S. government asked us to (while not providing the means), and they had accepted that I was trying to help. Since they knew I was alone, and wanting to talk with people of all classes, they saw it that I knew exactly where to avoid each day. By this time I was also relatively integrated into the two women's NGOs, and my presence didn’t immediately stop or alter conversations. Neighbors' and coworkers' stories corroborated one another.

A general climate of fear and intimidation prevailed all over the city during the first half of March 2004, after the so-called rebels let everyone loose from jail while the police fled, and as they took over new territory. These fears were eventually localized following the arrival of the U.S.-led Multinational Force (MIF) that had secured areas such as the international airport, certain government buildings such as the prime minister's residence/office, and Chammmas (French: Champs-de-Mars), the symbolic center of the Haitian nation that houses the National Palace. Banks were also heavily patrolled. When the Brazilian-led MINUSTAH force took over in June, they had replaced the U.S.-led MIF’s occupation of buildings and makeshift camps—including former factories and hotels, as it proved more profitable for these owners to rent their space to MINUSTAH than stay open for business. It appeared to many that Brazil was serving as the proxy for the United States, serving U.S. interests. Yvette exclaims, “the Americans hide their face, they send Brazilians, Argentines . . . he’s hidden but he’s the one in command!”8 This common perception was reinforced symbolically, as white armored personnel carriers and tanks that were ubiquitous in Pòtoprens and many national highways in the provinces were emblazoned with the English acronym “UN.” In French, Spanish, or Portuguese, the acronym would be NU or ONU.

Following this first month, the violence was perceived to have been largely contained to certain zones, but this zone gradually grew. During this early interim period (late March–late September 2004), the violence was centered

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around areas of Sitesolèy and Bèlè, poor urban neighborhoods that were home to large pockets of Aristide supporters. The U.S.-led MIF had successfully contained pro-Aristide protests to Bèlè, sweeping supporters off Chan­nmas, the national plaza (see figure 12.1). Pòtoprens residents referred to these two areas as “forbidden zones.” Over time, this forbidden zone grew, enveloping Fònasyonal, Delma 2, Lasalin, Matisan, Pòsmachan, and Kafou Ayewopò.

Following a prison break on February 19, 2005, when 481 inmates fled the National Penitentiary in Pòtoprens after an armed commando—most of whom were never reapprehended—there was a distinct rise in kidnappings and overall violence. Nazon and Kafou Fèy became perennial sites of violence, followed by Delma, a mixed-income but largely middle-class suburb of Pòtoprens that housed the export-processing zone and Haiti’s international airport. By the end of May 2005, the zone of violence had reached nearly all of Pòtoprens, including mixed-income neighborhoods of Kriswa and Kanape-Vêt, and the violence spiked again in July, followed by a slow rise during the election period, between November 2005 through January 2006.9

In addition to a spatial analysis, the rise in violence could be tracked numerically. According to the AP, “some 50 people” were killed during the four-
month period leading up to the “armed rebellion” in February 2004, which killed “about 80.” By contrast, in the month of March 2004 an estimated 800 bodies were deposited at the national morgue. A single Doctors Without Borders hospital treated 2,500 gun wounds in a sixteen-month period that began in October 2004, after a violent clash involving MINUSTAH, the Haitian police, and Aristide supporters that took place on September 30, the anniversary of the 1991 coup against Aristide. An article in the *Lancet*, Britain’s flagship medical journal, estimated 8,000 murders in Pòtoprens during the two-year interim period, and 35,000 incidents of sexual violence committed against women (Kolbe and Hutson 2006).

Apart from the rising number of victims of gun violence, there was also a rise in kidnappings. In 2005, kidnapping quickly became known as a “lucrative business.” A Haitian colleague at a women’s NGO had to flee the country because she was the only member of her family not to have been kidnapped or killed. The UN reported on the incidents with an absurd amount of precision, for example, telling people not to buy apples because someone was kidnapped while getting out of his car to buy apples. During the beginning stages, according to keen observers of the situation, people who drove new SUVs or cars or were being driven by a chauffeur were the likely targets—that is, people who appeared wealthy. However, after the ineffectual response to the prison break, no one was spared. Individuals as poor as Monique, who lived in Sitesolèy herself, became victims:

Myself, myself . . . they pulled a gun on me. . . . Yes! I had eight, eight [Haitian]10 dollars (about one U.S. dollar) in my hand. Eight dollars to feed my children. And when they pulled the gun on me I told them I didn’t have anything on me, I only have eight dollars. And they told me, you’ll give me five that you have with you. I gave the five dollars, and I kept three!

Everyone that I spoke with knew someone who had been the victim of a kidnapping or an attempted kidnapping. Given the willingness on the part of kidnappers to quickly negotiate for the ransom, and given how low they were willing to negotiate, it seemed clear to everyone that an economic motivation was behind the wave of kidnapping. Mme. Auguste, an NGO veteran, recounted a story about a boy of thirteen in her neighborhood whom she asked to bring down some coconuts in a tree for her. After he came down, “like this I said, ‘Here’s ten goud.’ He said, ‘What can I do with the ten goud, why didn’t you give me a gun instead?’ I said, ‘What will you do with the gun?’ He said, ‘You don’t have a gun. If I had a gun I won’t come to climb the coconut tree for you for ten goud, I will look for money outside.’” Many people shared this idea that the roots of the violence were economic: People needed to feed their families. An NGO director argued that this class of kidnappers was not “well

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integrated” into Haitian society, not knowing who and where to target, because the political and economic elites remained for the most part unscathed (Schuller 2006b). In addition, according to secondhand accounts, many kidnappers spoke English, suggesting involvement by U.S. deportees, averaging more than thirty per month—some of whom had never seen Haiti—following the PATRIOT Act.

Setting Up the Finish

The episodic violence that Haitian people experienced during the 2004–2006 interim period was compounded and reproduced by the steady deterioration of Haiti’s economy and decline in the material quality of life, an aspect of what Farmer calls “structural violence” (2004). One of the primary indicators of the economic problems was a loss of factory jobs. According to the Ministry of Social Affairs and several NGO employees, while there were approximately 20,000 jobs in the fall of 2003, before the triggering of the episodic violence, there were only an estimated 12,000–14,000 left by the middle of 2005. A brief discussion and explanation for this loss of jobs is below. Even those who were fortunate enough to keep a paying job in the formal sector (5–15 percent of the population, depending on estimates) found it difficult to cope with the substantial price hikes in staple goods like rice, corn, beans, and oil during this period. In the mixed, middle-income neighborhood where I lived, a gwo mamit (coffee can) of Haitian rice used to sell for 75 gaud (while “Miami rice”—imported from the United States—sold for 50 gaud) at the beginning of 2004. At the beginning of 2005, it sold for 125 gaud. A ti mamit (soup can) of Haitian black beans used to sell for 40 gaud (more than the imported beans at 30 gaud), but it became 60 gaud. Prices were lower if bought in large quantities closer to the port. While there are usually several exchanges from the port to the neighborhood, with each person taking a small profit from which to live, including a few gaud to pay for a tap-tap ("public” transport), the system is normally remarkably “efficient” in economic terms, distributing goods quickly, and relatively cheaply, as far as possible and to as many people as possible (Fass 1988). But this market system collapsed during the interim period, as several merchants in the neighborhood closed shop because they could not afford to buy the higher-priced goods, or their customers could not afford to buy what they sold. Operating on the margins of society, many in this class that normally barely eked out a living fell below starvation levels.

In part, the rise in prices for primary subsistence goods resulted from increases in fuel prices. In January 2003, the IMF forced the Aristide government to stop subsidizing the cost of fuel, and this crippled the system, operating as it was with very little profit margin. Prices for a tap-tap ride within a single route shot up from three to five gaud at that time. The fare for one “course”
(equivalent to a route) for taxis, where as many as six adults or teenage school-children would share the car and be deposited where they needed to, also dou-
bled, from seven to fifteen goud. During the 2004–2006 crisis, fares increased
twice, to as much as ten goud for a tap-tap and twenty-five goud for a taxi. In addition to the rise in prices for staple goods and transport during this pe-
riod, housing costs skyrocketed in all but the most impacted neighborhoods
(such as Bèlè and Sitesolèy). In the twelve months following Aristide's depar-
ture, many rents doubled in my mixed-income neighborhood, forcing several
people to relocate to neighborhoods such as Bèlè that were slowly vacated as
the violence deteriorated. Several NGO staff and factory workers also reported
that their rent in other relatively safe neighborhoods shot up as much as 150
to 250 percent. 

Yvette, who was evicted, exclaimed,

Consider that there are people who live in an apartment building for years. Some
who have lived here for ten years, fifteen years, eight years. Now the owner of the
building gives them a paper to tell everyone to look for another house for them
to live in. He's going to rent the building to give MINUSTAH for $1,000 U.S. per
month.

Without exception, members of Haiti's lower classes that I talked to who
owned their homes lived in violence-prone shantytowns such as Sitesolèy. I
know several people who moved into these areas during the interim period be-
cause their housing costs became too expensive. As a result, people living in
places like Sitesolèy, such as Monique or Solange, a factory worker making the
minimum wage of seventy goud ($1.80) per day, are forced to face daily vio-

lence because of their poverty: "In my neighborhood, people who had the abil-
ity to leave, they left. People who remained, they have no choice. It wasn't
good, but now things are really bad."

As demonstrated above, there was a correlation between the complex so-
ciopolitical crisis and rising prices for housing. These increases benefited a
small percentage of landowners. While some commentators have praised
Haiti's informal housing market, unencumbered by legislation, as being one of
the most effective, efficient, and fair in the world (de Soto 2000), a closer
ethnographic look demands attention to the fact that the vast majority of peo-
ple of a certain class (janitor, factory worker, street merchant, or day laborer)
do not own even their ramshackle, eight-foot-square cinder block and
patched-tin-roof houses. Approximately 95 percent of the people I spoke with
in these economic brackets rent their house or patch of land upon which they
are responsible for building a structure. While it might be true that some of
their landlords originate from a similar class, being lucky enough to squat on
empty land before the massive urban migration in the 1980s, 

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whom like my landlord live outside Haiti. Traditional Haitian status divisions defined urban dwellers as elites.

As just shown, the interim period in Haiti following Aristide’s departure was one of the worst in Haiti’s history, marked by a rise and spread of violence, including kidnapping. Structuring this violence was a steady deterioration in the economic situation. Many people in Haiti voiced this unease by the phrase “Haiti is finished!” In the next section of the chapter I will explore the capitalist entrees into Haiti’s deteriorating situation.

**CAPITALIST ENDS**

It is because [foreign powers] have interests in this insecurity, Mark. If they didn’t have interests in it, they would have brought about peace.

—Yvette

At first blush, this passage, suggesting that the international community had interests in the violence, might seem shocking to readers from the United States or other northern countries, or it might seem to reflect a certain paranoia typical of the “Haitian mentality” (cf. Heinl, Heinl, and Heinl 1996; Gold 1991). If not paranoia, then the passage might seem to reflect at the very least propaganda or ideological spin. However, Yvette’s is a common perception among people with whom I spoke. Yvette continued: “Those bandits, where did they find their weapons? The police say that they don’t have munitions, the country has an arms embargo. . . . But the bandits, they find the munitions. Where do they find them? In Haiti do they produce them?” This selection asks questions, both difficult and compelling: How did the arms get in the hands of bandits? What interests would the international community have in the violence? The remainder of this chapter is an attempt to answer this last question.

**CCI: The Finished Product**

Aristide’s sudden departure provided international financial institutions with the opportunity to convene and coordinate their political and economic agenda for Haiti through the CCI process. As noted in the introduction to the volume, the World Bank candidly argued that “the weakened capacity of government often found in postconflict settings magnifies the need for an external aid coordination role” (World Bank 1998:24–25). According to all but one of the donor representatives I interviewed in Pòtoprens, Brussels, and Washington, the CCI is an unparalleled success, a groundbreaking new era in cooperation, especially for a postconflict situation. In addition to the coordinated plan and donor pledges—amounting to just over a billion dollars over a period originally specified for two years—the CCI also calls for a collaborative, donor-led process of implementation.
with the interim government with different donors leading work groups based on their interests and expertise. For example, the World Bank led the team charged with economic governance, the United States Agency for International Development (USAID) with HIV/AIDS, and the EU with education.

The process began at a meeting in Washington on April 22. A team of 250 experts, most of them foreign, went to work assembling a plan, charged with meeting with representatives of Haitian "civil society." As I argued elsewhere (Schuller 2007), the term civil society is ideologically loaded. In Haiti's contemporary context, it was taken up by Aristide's opposition in the ideological struggle (Jean 2002:32). A list of 168 Haitian civil society groups that participated in this process appeared in the annex of the CCI (Interim Cooperation Framework 2004). One group was listed twice, and several umbrella organizations were listed along with constituent members, padding the numbers. A close reading of the titles of the groups suggests that the Group of 184, Aristide's civil society opposition, notably organizations comprising bourgeois interests of the private sector, were overrepresented, 32 of 168 groups. In addition, at least 29 of the groups were foreign, some of them even governmental agencies such as Sweden's International Development Agency. Within a period of three weeks, documents were prepared and assembled into a single document that interim prime minister Latortue presented at a donors' conference hosted by the World Bank on July 19–20, 2004.

The CCI promised a large and specified amount of aid that was not met. This document highlighted almost a billion dollars in unmet financial need. The donors pledged this billion dollars over the interim period, at the time specified to the middle of 2006, by which time a new, constitutionally elected government would have had six months in office after its inauguration on February 7. Despite the pledges, and their relatively widespread dissemination, the funds have been slow to arrive. While it was still possible to view web pages offering exact pledges, the CCI, and documents leading up to the CCI at the time of the submission of this chapter, no such information was available about implementation, funds spent, and results or evaluation. On the assumption that released funds would have been covered in local media following a publicity effort by the donor agency, I developed a spreadsheet of CCI funds pledged and dispersed. While bilateral donors such as the United States and Canada gave funds to the interim government in 2004, it was difficult to track what exactly was part of the CCI process. In addition, in 2004, the IDB had begun disbursing a portion of loans it had earlier approved under Aristide. While individual governments, such as the United States, Canada, and France fronted Latortue's government with grants early on, funds for the CCI mainly trickled in after January 2005, from the World Bank, after the interim government paid $52.7 million in arrears. The World Bank began the process for disbursing $73 million

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for “economic governance” on January 6, 2005. Other donor agencies slowly followed suit. By October 2005, almost twenty months after Aristide left and fifteen months after pledges were made, less than a third ($324 million of $1,084 million) was disbursed (IMF 2005b:28).

By way of explanation, the EU representative pointed to the slow, deliberative process of the EU, itself an experiment in multilateral cooperation (interview with author, June 2005). Some people at the World Bank said that the slowness was expected. Some at USAID pointed their finger at other agencies, saying that the U.S. government has kept its promises. Others at USAID, along with staff at the IMF and IDB, argued that the issue at hand was really Haiti’s “absorptive capacity.” Whatever the reason, the effect has been that very little of the promised improvements have been made. Route National #1 just outside of Gonayiv was submerged under a new lake nine months after Tropical Storm Jeanne struck, and repair work was only begun in the summer of 2006, two years after the storm (see figure 12.2).

The CCI has been severely criticized by Haitian NGOs as being an attempt from foreign powers to take over. Interestingly, seven groups that were listed as participants also denounced the process as representing a loss of sovereignty, as an attempt by the international organizations to obtain greater control. At least one of the organizations listed as a “participant” in the CCI

Figure 12.2. Damage to National Route #1 nine months after Tropical Storm Jeanne. Photograph by Mark Schuller.
process was only sent a single invitation letter for a meeting that staff did not attend. An ad hoc coalition of forty-four organizations pointed out that the process was rushed and coercive: “The CCI’s approach concretely reflects the reality of the occupation of our territory by foreign military forces” (SOFA, PAPDA, and SAKS 2004:3). These groups that were considered “partners” in the process critiqued it for being roughshod; lacking meaningful dialogue and participation; having no mechanisms in place for debate and not enough time to discuss; excluding Kreyòl, the only language of 90 percent of Haiti’s population; and lacking a real dissemination plan (SOFA, PAPDA, and SAKS 2004:4). Two years following the CCI’s passage, a civil society coalition decried the process for its continuing lack of transparency and true participation (CoHE and CoEH 2006). As a result, the process rubber-stamped and gave legitimacy to the interests of the international community, who spent almost $2 million employing the 250 experts, the vast majority of whom were foreign. The plan itself is a vast assemblage of propositions that have been long promulgated by the international community, many of them not specific to Haiti. A coalition argued, “Haiti isn’t Afghanistan, nor Liberia, and still less Iraq. One has to avoid the ‘ready-to-wear’ solutions and procedures that elsewhere in certain national contexts have led to relentless failures” (SOFA, PAPDA, and SAKS 2004:3). The sections that follow will outline these “ready-to-wear” solutions, the first of which is privatization.

Contracting the Finish: Privatization

Privatization was mentioned several times in the CCI as paving the way to development (Interim Cooperation Framework 2004:19, 23, 24, 28). This echoes Latortue’s public promotions of privatization. At a Caribbean conference held in Miami on December 8, 2004, and again at a conference held in Haiti the following week, Latortue said that Haiti needs to get over this notion that privatization is a “mortal sin,” and vowed to do better to privatize the Haitian government’s industries, such as electricity, power, and water.21 State-owned enterprises in service provision (e.g., water, electricity, telecommunications, ports) generate a half billion dollars annually. For example, in 2000, public services generated 8,311.4 million goud in revenue, or $476 million (IMF 2002:42–47). Publicly owned enterprises are among the only productive resources remaining in southern countries like Haiti, the only surplus value to extract from a country already devastated by environmental destruction and centuries of underdevelopment. The interim government also laid the groundwork for privatizing the phone company, and even gave the rights to Columbian contact-period archaeological resources to a foreign company. A former ambassador and high-ranking Aristide government official now critical of Aristide stated that it was clear that this interim period was a context for more and deeper control by foreigners (interview with author, December

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A project outlined by the CCI and taken up by the U.S. government was temporary electricity provision (Interim Cooperation Framework 2004:23). Providing electricity in urban areas, particularly those prone to violent conflict, was outlined as a step in providing security (OTI websites). Given this, and that institutional reinforcement is seen as a key to successful development in the new focus on fragile states (World Bank 1998:2; USAID 2005d:5), it would have made sense that the CCI’s plan, short-lived as it was, focus on developing the institutional capacity of the state-run electric company, EDH. The opposite took place. The U.S. government gave support to a multinational corporation, Alstom Power, which has large operations in the U.S. Gulf Coast, to ship in large generators to provide electricity for Pòtoprens using a U.S. petroleum distributor, Texaco, to provide the carburant. In addition, contracts were drawn for permanent privatization. Since the revenues barely passed through the government-run EDH, service provision was anything but sustainable. For example, a USAID contract expired on March 1, 2005. At least Pòtoprens was without power for a week afterward, despite a steady six-to-ten-hour daily ration for the weeks leading up to this date. Now that the transition period is over, the same situation might again arise once the CCI funds run out, or it is possible that future aid is contingent on privatizing EDH. During president Rene Préval’s first term (1996–2001), multinational organizations successfully obtained the privatization of cement industries as promised by the Governor’s Island Accord (Clement 1997:34).

In the abstract, especially to a northern audience that has been familiarized with privatization of public utilities, this move might appear banal, especially given Haiti’s ranking in 2005 as the “most corrupt” country in the world by Transparency International’s “corruption perception index.” In fact, privatization of public utilities would be disastrous to Haiti’s poor majority. First of all, prices for these daily basic needs would almost certainly increase, pricing it beyond the means of Haiti’s poor majority (80 percent live within a budget of $2 per day or less). For example, monthly local phone service is 225 goud, or $6.25. For those with a tap, water for households is $14.89 per month. While critiques of state-run utilities come from all sectors, business and hotel owners have been particularly vocal and prolific, arguing that they should receive more than residential clients and neighborhoods. Blackouts were a fact of life in Pòtoprens during the research period. But they affected everyone, not just well-to-do people and businesses that own diesel-powered generators. And a public utility has responsibility to provide service to all of the public.

This responsibility is eroding under a logic of privatization. On invitation from the neighborhood association, I visited a shantytown just outside of Pé-
tion-Ville, a wealthy suburb of Pòtoprens, that was only added to the electric grid and received electricity after a long organizing campaign by its neighborhood association. When the transformer blew, a representative from the interim government told this community of 10,000 people that they will never have electricity because it was not a good “return on their investment.” Privatization will only further concentrate these public goods in the hands of the well-to-do. Water is an even more dire concern—already it is a service that few Haitian households have regular access to. The majority of Haiti’s people have a daily chore of walking up to 20 minutes to the nearest tap (if there is one in the area), where usually they have to buy the not-completely-treated water for as much as five goud per gallon.

**Structuring the Finish: Structural Adjustment**

In addition to process and privatization, progressive Haitian NGOs have other criticisms of the CCI. While there were some positive aspects according to these groups, such as gesturing toward women’s equality and decentralization, two main pillars triggered heated criticism. The “economic governance” plan simply legitimated de facto World Bank and IMF control over the country’s finances and planning. While some of the specifics may prove helpful in the long run, like tighter financial accounting measures, the overall plan keeps more power in the hands of international organizations to set priorities through control of the state’s finances. According to Yvette, “they are just selling the country wholesale to the *blan* (Haitian term for foreigner) . . . and our leaders accept.” Joanna, an activist and women’s NGO employee, argued, “In the IMF’s and World Bank’s structural adjustment plan, you will find with every government that comes to power, more and more, they support the IMF’s and World Bank’s plan.”

The CCI also promises Haiti’s cooperation in structural adjustment measures: “The Government is also committed to developing a plan for the clearance of external arrears and ensuring regular debt service” (Interim Cooperation Framework 2004:23). Haiti’s external debt was estimated at $1.4 billion at the end of the transition period, with rising debt service projections: $56.3 million for fiscal year 2005, and $58.3 million for fiscal year 2009 (IMF 2005a:27–28). While this figure seems small compared to some countries in sub-Saharan Africa, forcing Haiti to continue repaying the debt deprives Haiti’s people of services (Schuller 2006a). In 2003, Haiti’s scheduled debt service was $57.4 million, whereas the entire foreign pledges for education, health care, environment, and transportation combined was $39.21 million (IMF 2005a:88; World Bank 2002:vii). In part because of this debt, 500,000 children do not have access to school, and only 35 percent finish primary school (Interim Cooperation Framework 2004:33). Structural adjustment measures include such direct,
forced reduction in social spending. In 2000–2001, the IMF demanded that Haiti reduce its social spending from 3 percent of the gross internal product to 2 percent (Duhaime 2002). In addition to direct cuts, international financial institutions have demanded user fees for services such as education and health care. Education is one of the primary expenses for a family. The average cost of registration and tuition for a low-end Potoprens school was 4,000–4,500 goud a year, about three months’ salary working minimum wage.

On April 14, 2006, following the election of President Préval, the World Bank announced that Haiti would be eligible for the Heavily Indebted Poor Countries (HIPC) program. The HIPC program is a formula for debt cancellation, approved en masse after a proposal at the July 2005 G8 meetings in Gleneagles, Scotland. The earliest Haiti could receive debt cancellation, assuming a best-case scenario, is 2009. Staff at international institutions I interviewed did not know why the boards of directors of their institutions had not approved Haiti before this time. Haitian NGO employees theorized that it was part of their plan to bring Haiti to the brink of disaster by starving Aristide, and as discussed above, the interim government was quick to do the international agencies’ bidding and hence did not raise this issue. In the meantime, Haiti will be paying more than $220 million in debt service. The HIPC program requires that a country successfully implement an IMF staff-monitored program for a period of at least two years. This is the context in which structural adjustment measures (now called Poverty Reduction Plans or Development Policy Loans) are imposed. Another condition is the World Bank’s acceptance of the country’s Poverty Reduction Strategy Paper, the context in which a host of other neoliberal measures are imposed.

Finishing the Peasantry: Other Neoliberal Measures
A third plan within the CCI is a traditional part of the “ready-to-wear” neoliberal program. The proposal for agriculture and food security was a further recitation of globalization, with high-value crops for exports, benefiting few Haitian farmers, and importation of subsidized or monetized (PL-480) rice, draining Haitian peasants’ productive capacity to feed Haiti (Richardson and Grassroots International 1997). U.S. “food security” policy has destroyed national production in two ways, by flooding the market with subsidized U.S. agricultural products, underselling the Haitian peasantry, and by the trade liberalization measures tied to receipt of food aid, for example, removal of protective tariffs (ibid.). Once an exporter of rice, Haiti is now unable to feed itself, producing only 18 percent of rice consumed, importing $200 million per year (MOREPLA and PAPDA 2004). In addition, the interim government authorized T&S Rice, a U.S. company, to operate in Haiti and increase rice imports, further weakening Haiti’s national production. According to a national
coalition and campaign, this move will cost 28,000 jobs (2004:2). Continuing and providing legitimation for these neoliberal policies for food security, an explicit goal in the CCI is to further integrate Haiti into regional markets via the Free Trade Area of Americas (Interim Cooperation Framework 2004:25). The plan for agriculture in the CCI proposes the promotion of specialty items for consumption in the U.S. market—a long-standing USAID platform (e.g., USAID 1997)—instead of for national production and consumption. This export orientation in formal development policy did not begin in the 1980s with USAID, but during the beginning of the “Development Encounter” (Escobar 1995). The first UN mission to Haiti in 1948 outlined coffee export as a primary motor of Haiti’s development (UN 1949). As the ad hoc group of progressive NGOs argued, the best produce gets shipped out, benefiting the United States with cheaper exotic produce, and benefiting a small percentage of Haitian farmers (UNNOH, SOFA, and PAPDA 2004). Over time, this globalization of agriculture has destroyed national production. Joanna expressed the frustration of many others:

We used to have Creole pigs, they destroyed that. We used to have factories that used to make tomato paste, they destroyed that. We used to have factories that used to make milk, they destroyed that. Well, we used to have factories that made sugar, they destroyed that. Let me ask you a question, Mark. If they are truly helping us, if it’s aid they give us, why don’t they rather support our national production, so they can assure that the money, it goes toward production?

The monetization further accelerates both capital flow out of the country and a growing imbalance between rich and poor within Haiti. Neoliberal agricultural measures were a primary “push” factor in the massive urbanization in the 1980s, creating in Marxist terms a “reserve army” of unemployed—the lumpenproletariat—justifying low-wage industrial jobs as beneficial to this desperate and vulnerable population (DeWind and Kinley 1988; Trouillot 1994). The interim period provided the finishing touches on this form of exploitation.

Finishing Touches on Exploitation: Workers’ Rights in the Interim Context

Another plan within the CCI was to create more free trade zones, exploiting Haiti’s “comparative advantage” of extremely low wages (the minimum wage is 70 goud, or about $1.80 per day) and proximity to the United States (Interim Cooperation Framework 2004:9). The creation of a free trade zone in August 2003 with a $20 million World Bank (International Finance Corporation, private sector unit) loan provided jobs to some 1,000 people in a poor, often-abandoned part of the country, in Wanament, on the border with the Dominican Republic. Workers were to have been guaranteed the right to unionize as well as

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other protections as part of international law, maintaining minimum labor standards. However, these de jure protections were violated several times by the Dominican owners, CODEVI.

On March 1, 2004, the day after Aristide left the country, the Dominican owners of CODEVI fired 34 workers without citing cause. This private company used soldiers from the Dominican Army to enforce such a measure on Haitian soil.29 Workers believed that the company was targeting members of SOKOWA, an independent union, organizing to defend their rights and stop employer abuses (interviews with author, July 2004). On June 11, 2004, the company again fired 370 suspected union members following a strike and lockout. Credible evidence was amassed by three observer missions to the Wanament free trade zone, including a team I helped to organize, a team of Haitian doctors, and a team of low-level government functionaries, that workers were injected with birth control without their knowledge in the guise of a tetanus vaccination. They were given shots from two flasks, one clear and one milky. One such woman lost her fetus in her eighth month, after the second vaccination. Three other women also lost their fetuses, and two other women and a man became sterile following this second vaccination. Despite this evidence, including testimony and written documentation from public health officials in the area’s public hospital, the interim government did nothing about it. Workers believed that the interim government did not protect them because they were serving the interests of the foreign owners and the World Bank (interviews with author, July 2004).

Even acknowledging this situation to be somewhat extreme, the political situation was one in which a climate of repression and intimidation of factory workers thrived. As mentioned above, the number of factory jobs declined in the interim period, from 20,000 to an estimate of 14,000. While it may be argued that the factory owners and the other dominant class, large merchants, were merely reacting to the violence by protecting their investments, and thus decapitalizing the country, these classes had received substantial gains during the interim period. In March of 2004, the new government announced that the largest industries and merchants would be exempt from paying taxes for a three-year period. It was among the first acts of the interim government. This, combined with their failure to protect workers in the highly visible campaign just discussed, gave employers the clear message that the interim government was acting to promote their interests, protecting their property and allowing them to oppress workers with impunity. While the prices for basic goods and services have risen since the end of 2003, wages have not increased. However distraught this made Haitian workers, the top concern that most of them had was the climate of fear in the factories. When I asked why they did not speak up, and why the situation deteriorated so much, several people gave me the
same answer: The owners know they have the upper hand. They could, like CODEVI, just fire everyone or all suspected union members, and replace them with others eagerly awaiting the chance to work. Yolette explained, “They don’t want unions in Haiti. When you have a union, they destroy it. They fire everyone who is working because of the union.” Solange decried, “The work they give out, it goes away . . . they don’t need you! Why? They always know they will find someone else outside.” As several workers told me, “There are 50,000 people behind you” waiting for the same job.

It has been suggested that the violence on the streets was the major cause of owners’ closure of factories. This discourse has facilitated policy recommendations and further concessions to this class. For example, Senator Mike Dewine authored the Haiti Economic Recovery Opportunity Act (HERO) that would extend free trade privileges of tax exemption to owners of textile processing factories. Dewine first authored the act in 2003 (S. 2261, 108th Congress), but following the political and economic crisis of 2004, the Senate unanimously voted its passage on July 16, following amendments proposed by Bill Frist, just days before the Washington donors’ conference where the CCI was ratified. The unanimity in which the Senate passed the bill could be interpreted as a united attempt by the U.S. people to help Haiti following its turbulent history. Or it could also be read as an attempt to protect U.S. cotton and manufacturing interests, preempting the World Trade Organization’s (WTO) ruling lifting the quota on Chinese textiles, which went into effect on January 1, 2005. Immediately, this WTO decision impacted textile markets worldwide, including Haiti, possibly equally or more significant to the loss of jobs than the street violence that escalated during the same time. Interestingly, the Senate recalled the bill from the House on September 14. The bill was again proposed in 2005, in Congress’s new session, renamed HOPE, and passed in December 2006, one of the last acts of the Republican-controlled U.S. Congress.

With language identical to the free-trade bill proposed following the Sri Lankan tsunami discussed in Gunewardena’s chapter, the HERO Act exploits a vulnerable situation, advancing a neoliberal reform agenda at the expense of Haiti’s sovereignty. It contains a condition that Haiti must not “engage in activities that undermine United States national security or foreign policy interests”—Section (d)(2). In order to receive tax benefits in the bill, the Haitian government must establish or make progress toward “elimination of barriers to United States trade and investment” (Section [d][1][C]) like “the provision of national treatment and measures to create an environment conducive to domestic and foreign investment.” Interpreting this mandate is left to the U.S. president, who has the authority to certify whether or not Haiti is making progress on these and other issues, such as human rights, national security, and border policing.
All this is not to say that people are not in need of more jobs; in fact, it was the primary concern and priority expressed in most of the interviews with people coming from Haiti’s lower urban status groups. However, this felt need and desperation to stimulate new jobs does not rationalize the specifics of the HOPE Act. Nor does it address the structural underpinnings of Haiti’s urban poverty—the destruction of national production Joanna discussed above. Pòtoprens’s teeming shantytowns, the perennial site of violence during the interim period, were necessitated by the creation of the export-processing zone in the 1970s and 1980s (DeWind and Kinley 1988; Maternowska 2006). The sector’s instability and short-term orientation are obvious to people I interviewed, as are their contributions to the current outcropping of “episodic violence.” Even if the policy did not give perks to Haitian and American textile interests in addition to defending U.S. trade and geopolitical interests, the HERO/HOPE Act bears striking resemblances to these original policies. Criticizing this short-term development strategy, a network of both European and Haitian NGOs cited Haiti’s minister of finance in saying that export-processing industries are “the sector with the least value added and the lowest annual wage” (CoEH and CoHE 2006:2).

The CCI is also notable in its silences. Despite its specificity in pointing to Aristide government abuses, and a vast collection of human development indexes, the CCI does not offer statistics on the concentration of wealth in the hands of a very privileged few in Haiti, the second-most unequal country in the world (Jadotte 2006). As such, the question of the link between Haiti’s extreme inequality and underdevelopment never arises, and so solutions do not get posed. The link between neoliberal measures and the destruction of national production is similarly silenced. Also not mentioned was the external debt, except to mandate Haiti’s dutiful payment of regular debt service.

At a 2002 conference in Monterrey, Mexico, President Bush said, “we must tie greater aid to political and legal and economic reforms” (cited in USAID, 2006 Budget Justification). As just shown, the CCI process is a perfect example of this. Multinational agencies took more of a direct control of the process, promoting a three-week “participatory” framework in which local organizations were used for legitimacy. Georges said, “The donor, when he gives some money, he does not give it in the function of your priorities that you defined. He gives the money in the function in his vision, in his perceptions.” This chapter has outlined four capitalist agendas promoted by the interim context and justified by the donor-led CCI process. The plan promoted, funded, and coordinated by international agencies is a purer form of neoliberalism rejected by Haiti’s people and at least resisted by Haiti’s elected governments: privatization, free-trade zones, export-oriented agriculture, and a monetized food aid that erodes national productive capacity and deepens dependency.
Journalist Don Bohning declared that maybe the time has come for an international protectorate to take over, because of continual state failure (2004). A self-fulfilling prophecy, the discourse of Haiti being a failed state has already become reality. As mirrored by mainstream media coverage, Haiti is usually treated as a special, isolated case, a phenomenon known by scholars as “Haitian exceptionalism.” As many scholars have pointed out (Lawless 1992; Farmer 2003), Haiti is often known by its superlatives: The first and only slave revolt to succeed in forging a free nation, Haiti is now the “poorest country in the hemisphere.” I argued in this chapter that what seems like exceptionalism is rather clarity or precocity. As such, the seemingly endless crises, violence, and environmental degradation are not expressions of an incomprehensibly backward Haitian mentality but rather a clear example and early warning of what might happen to other heavily indebted, low-income countries in other parts of the world if significant changes are not made to the system. I have argued that the 2004–2006 crisis in Haiti is best understood as an early warning for, and clear example of, disaster capitalism.

As I have argued in this chapter, Haiti’s political and economic crisis has been employed/exploited to benefit capital interests in several ways. Local elites have rolled back gains made by workers, peasants, and urban poor. Landlords in mixed-income neighborhoods doubled their rents. Large merchants have received a three-year tax exemption. Haitian factory owners have received these and other tax privileges. But foreign capital interests have benefited even greater: The interim government guaranteed structural reforms such as privatization, structural adjustment, and trade liberalization, both through the process of CCI and through the larger geopolitical environment in the interim period. The interim government has invited and legitimated greater foreign control of Haitian development policy. Definitive steps were taken to privatize remaining state-run utilities, and during the interim context private corporations secured contracts for management and service delivery. Other measures such as economic restructuring were taken, such as new finance legislation, benefiting financial capital. The interim government dutifully repaid the investors of the World Bank, IMF, and IDB at the same time as the tsunami-stricken countries were promised debt cancellation. The CCI also promised Haiti’s further integration into the world economy through export-processing industrialization, export-oriented agriculture, and reduction in trade barriers. Haiti is being finished, en route to disappearing, through disaster capitalism.

CONTESTING THE FINISH: NEW DIRECTIONS IN SOCIAL MOVEMENTS

Haiti’s popular movement—vibrant, creative, defiant, and contradictory (Bell 2001; Racine 1999; Smith 2001)—was weakened, confused, and divided by the
abrupt change in government on the leap year day. But despite the violence—both episodic and structural—and despite the foreign occupation, individuals and groups have been challenging disaster capitalism mentioned in this chapter. Three such movements are especially worth mentioning, offering lessons for northern solidarity movement actors.

In January 2006, following a sustained, year-and-a-half transnational organizing campaign, CODEVI finally recognized SOKOWA and agreed to several conditions that SOKOWA had pushed for, including a gradual increase in salary and reinstatement of any union member who wished to return. Workers kept pressure on Haiti's government, especially local branches, taking their case to Haiti's courts, and achieved step-by-step gains. Workers organized alternative sources of revenue for union members thrown out, and communicated their demands to the Dominican owners and to the world through their union, Batay Ouvriye. In an especially bitter and polarized political field, Batay Ouvriye and their northern partners such as the Haiti Support Group were able to keep pressure on the World Bank and the northern companies, including Levi's and Sara Lee, makers of Hanes, to enforce their codes of conduct to protect the workers.

Following nine months of street protests and bridging political divides (between several factions of Aristide's opposition and Aristide supporters), an ad hoc group of activists were able to secure a decrease in gas prices. They had attained promises that were later broken by the interim government to name a commission to explore the issue. President-elect Préval met with Venezuelan president Hugo Chavez to enter into Petro Caribé, securing lower gas prices for Haiti. In August 2006, Haiti's Parliament overwhelmingly ratified Petro Caribé. As mentioned above, public transport prices returned to pretransition levels for most local routes (five goud).

Finally, two coalitions formed in 2003-2004 to debate and propose alternative development proposals, arguing for land reform, debt cancellation, national production, and worker protection. While the origins of the two coalitions are serendipitous, both groups gained traction through their opposition to the CCI process and proposals. As a result of publicizing what they are against, they are now exploring and creating what they are for. Drawing inspiration from the World Social Forum, one such coalition published a treatise, “Yon Lôt Ayiti Posib” (Another Haiti is Possible) in December 2004, offering a road map of alternatives, an exit strategy for globalization and disaster capitalism. In response to a question about how we northern citizens can help Haiti, ending the interview, Marie, a former factory worker currently engaged in microcommerce said, “Before you can talk about helping Haiti, the best way you can help us in Haiti is to bring back democracy to Washington.”
NOTES

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1. Names are pseudonyms, to protect their individual and organizational identities. Quotations translated from original Kreyòl.

2. I am using the Kreyòl spelling for place names, not the French. “Port-au-Prince” is Pòtoprens.

3. In all, I formally interviewed twenty-one staff and eight clients at one NGO, twenty-two staff and eleven clients at the other, nine Haitian government staff, eight international NGO representatives, twelve donor representatives in Haiti, and twenty-one donor representatives at their international headquarters.

4. These include “pa gen fas” (does not have a face), referring to Boniface, poking fun at his physical appearance.

5. Date is uncertain, because funds were released in 2004 following Latortue’s inauguration; however the IDB website states that funds were released in November 2003, when Aristide still was in office. In fact, this is only the date when the Aristide government paid off its final arrears.

6. “Pays en voie de disparition.”

7. Kreyon pèp la pa gen gonm.

8. An October 2005 interview with a USAID retiree confirmed that it was a deliberate U.S. strategy to have Brazil take the lead.

9. According to one report, the violence spiked in July-August 2005, at 242 officially-recorded deaths of civilian, police, or UN troops (RNDDH 2006:2).

10. The concept of the “Haitian dollar”—one dollar per five gaud, Haiti’s official currency, began because the exchange rate was fixed until after the fall of Duvalier in the late 1980s, when Finance Minister Delatour floated Haiti’s currency at the behest of the IMF. Eight “Haitian dollars” was about one U.S. dollar at the time of the interview.

11. The annual growth in the Consumer Price Index in 2003 was 39.3 percent (World Bank 2005a).

12. The “public” transport was actually a privately owned, publicly regulated system, where routes and fairs were established by the Ministry of Transport, usually in consultation with the Union of Drivers and Car Owners.

13. For example, I knew three children who died from malnutrition.

14. Prices stabilized as of January 2007, in part resulting from the Petro Caribé agreement discussed below: five gaud per tap-tap and twenty gaud for a taxi.

15. According to people I have interviewed, rents even went up in more violence-prone areas such as Kafou Fey and Kafou Ayewopò.
16. This migration was itself triggered by a complex array of push and pull factors, neoliberal policies pushed by international agencies and consented to by Jean-Claude Duvalier (Maternowska 2006).

17. Interestingly, Yvette is not one of Aristide's supporters, proposing a return to the Haitian Army that Aristide dismantled. The army was created as an act of the U.S. Congress during the 1915–1934 U.S. occupation of Haiti, and historically served primarily to control the population, propping up a string of dictators. The army was in firm control after Jean-Claude Duvalier left, ending a twenty-nine-year father-and-son dictatorship, and again after a coup against Aristide on September 30, 1991.

18. To this I would add, the former army and even police with the international arms embargo.

19. The Group of 184 itself lists umbrella organizations as well as individual members. There are far fewer than 184 organizations that can be called members.


21. There was also an exploration of foreign governments collecting customs duties as ships left their ports, after the interim government shut down provincial ports, triggering a strike by dock workers. In 2007, at the behest of the international community, the elected government of Preval-Alexis began steps to privatize the phone company, TELECO.

22. “As the Cambodia and Haiti case studies show, the norms of behavior of the private sector and the degree of corruption and cronyism within or between the private and public sectors may be such that privatization may well not enhance the prospects for sustained, equitable development, and may even make them worse.”

23. Only 8.7 percent of Haitian households have a tap—a fifth (20.7 percent) visit a public fountain, and a fifth (19.4 percent) buy their water. By far the most accessed source is the river—with 34.3 percent (IHSI 2001).

24. During the years following the 1994 return of Aristide, 90 percent of Haiti’s governmental budget was financed externally (Morton 1997:1).

25. I do not have data for rural schools.

26. This includes private as well as public schools. Eighty percent of Haiti’s schoolchildren go to private school (Interim Cooperation Framework 2004:33).

27. Haiti was not on the list of HIPC-eligible countries in this proposal.

28. Scheduled payments—a higher number than the actual disbursements, especially after donors withheld promised aid pending resolution of Haiti’s political crisis—went down from $188.3 million disbursed in FY 2001, $142.59 in 2002, $96.36 in 2003, and $80.34 in 2004 (World Bank 2002:vii).

29. After the flight of Haitian police following the armed insurrection, these demobilized Haitian Army members and Dominican Army soldiers patrolled the area, violating Haiti’s sovereignty.

30. In Haitian Kreyòl, “li” means he, she, or it. I am gendering donors as male to make the sentence read more clearly, and given the implied contextual personification. I could use “they,” but I am also deliberately gendering donors within the male sphere, as Haitian interview subjects, and other scholars, have.
In 2002 Honduras and El Salvador launched aggressive antigang operations, popularly referred to as mano dura,\(^1\) to control what is considered one of the most virulent problems in Central America: youth gangs. In the case of gangs, mano dura refers to aggressive legislature lengthening prison terms coupled with sting operations meant to neutralize the influence of gangs. Guatemala soon followed suit. The laws passed in Guatemala do not match the mano dura approach of its neighbors, and yet the consequences of conceptualizing gangs as a regional issue have had an impact on Guatemala. This new surge of postconflict violence in Guatemala has come almost a decade after the 1996 signing of the Peace Treaties that sought to end a thirty-year war and create a democratic society. Guatemalans lived through a Peace Process that ended a thirty-year civil war and opened the country to a democratic transition. Yet these treaties failed to change the forces that continue to shape the unequal distribution of wealth and resources in society. The state now faces the challenge of dealing with the growing influence of transnational gang networks engaged in an array of criminal activities, while being unable to deliver the promised changes of the Peace Treaties. Gangs and drug trafficking have become the new enemies of the state, and the state has responded in full force by continuing to use repressive measures and fear to control the civilian population. The U.S. involvement in gang prevention is fueled by the desire to create stable democracies in Central America. This internal stability provides the opportunity for U.S. corporations to enter the markets and take advantage of the Free Trade Agreements (i.e., CAFTA-DR).

In this chapter I explore the effects that violence prevention programs and antigang policies have on the ways Guatemalans understand and challenge post-war social violence. While different groups of Guatemalans and the international community agree that violence is a problem, explanations—and hence actions—are informed by class position, gender, and geographical location. State policy is shaped by the dominant-class ideology and interests, which have
become conflated with the U.S. antigang policy and an economic agenda to encourage capitalist development. I show the link between the ideas of democratic transition and security designed to encourage capitalist endeavors. I argue that U.S. economic interests abroad are furthered by political pressure put on these foreign nations. The World Bank and USAID support a political agenda that is inextricably tied to an economic agenda, as I will show in this chapter.

THE DATA
The data for this work come from several sources. First, I rely on a content analysis of USAID documents. Second, I draw on latter newspaper articles from two major Guatemalan newspapers. A third source is field research. The research entailed interviews and field observations conducted in Guatemala during 2002–2003 and follow-up research in the summer of 2006. I conducted over forty-five interviews with women activists. The interviewees were involved in one of three women’s organizations: GAM, the Mutual Support Group; CONAVIGUA, National Widows’ Coordinating Committee; and Madres Angustiadas or Anguished Mothers (MA). I concentrated on these groups because they have organized and engaged in political activity based on their understandings of violence in Guatemala and represent a cross-section of Guatemalan society (see table 13.1).

GAM’s roots can be traced back to 1984 when the group staged the first of many massive protests to demand the whereabouts of disappeared family members. Similar to the experience of the mothers of the Plaza de Mayo in Argentina and elsewhere, GAM grew from the contact among women searching for the disappeared in jails and detention centers. The authorities ignored the women and other family members of the disappeared but unintentionally facilitated their ability to join together and start making inquiries as a group. Today the group continues to search for the disappeared but has expanded its scope to broader demands around human rights. Most women involved in GAM are from low-income families but represent diverse racial and geographical backgrounds.

CONAVIGUA is a group of indigenous rural women who lost their husbands during the civil war or from diseases caused by work on plantations or

<table>
<thead>
<tr>
<th>Group Name</th>
<th>GAM</th>
<th>CONAVIGUA</th>
<th>MA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founding year</td>
<td>1984</td>
<td>1988</td>
<td>1994</td>
</tr>
<tr>
<td>Constituent groups</td>
<td>Ladina leadership; wide-range indigenous involvement</td>
<td>Indigenous leadership; wide range indigenous involvement</td>
<td>Ladina leadership; indigenous constituency</td>
</tr>
</tbody>
</table>
ranches. Initially these women came together in community organizations in order to find ways to meet basic needs (Sandoval Girón 2005). As they demanded that the government meet these needs, they became targets of threats and attacks, leading them to challenge military control and repression in their communities. In 1988 these scattered groups united as an indigenous women’s national organization.

In the early 1990s families from the upper class increasingly became targets of kidnappings for ransom. In 1994 a group of upper-class women whose children had been kidnapped for ransom decided to create Madres Angustiadas. They originally sought to demand that the state prosecute those involved in kidnappings against their family members but soon learned that the key to solving crime was to revamp the justice system. As a result, they continue to demand that the state guarantee their safety and effectively prosecute those engaged in criminal activities, but have also moved to addressing issues of safety, corruption, and access to justice.

**HOW DID WE GET HERE? A HISTORICAL SNAPSHOT**

In the long history of violence in Guatemala nearly everyone has felt the effects of the use of force by the military to hold political power. The conditions—including violence and racial, gender, and social inequalities—that created the basis of many of today’s problems date back to colonial times. Racial inequality has its roots in the Spanish invasion of the region and colonial period (Afflito 2004; Solares 1997). Systems of racial inequality in which indigenous people were excluded and mixed race ladinos and white European males held the positions of power became institutionalized, and these structures of inequality persist today. Although recent estimates of the total indigenous population range from 45 to 55 percent, they have little or no access to resources. Based on the latest United Nations data (PNUD 2003) 57 percent of Guatemalans are poor. Yet, indigenous people are disproportionately represented in the ranks of the poor: “The lowest human development indicators belong to the indigenous population” (PNUD 2003:5). In addition to economic disparity indigenous people have been subjected to extreme forms of repression, especially during the 1980s when they were constructed as the enemies of the state (Jonas 2000).

Guatemala suffered a thirty-year civil war that began soon after the 1954 CIA-backed coup against Jacobo Arbenz (Jonas 2000; Keen 1996). He had instituted a land reform that angered wealthy Guatemalans and U.S. investors, particularly the United Fruit Company. Guerrilla movements rapidly emerged and fought against government military forces. The government launched a campaign to control and destroy these groups. Government-supported death squads started operating around 1970. Between 1980 and 1984 it is estimated that 460 indigenous villages were wiped out as part of the scorched-earth policy set into place.
by the military-run Guatemalan state (Jonas 2000:24; Solares 1997). As a result of these policies, an estimated 1 million persons were displaced and up to 200,000 crossed the border to Mexico to become refugees (Solares 1995; 2000), making the 1980s the war’s most intense years. In 1981 the three major guerrilla groups in Guatemala unified to form the Guatemalan National Revolutionary Union (URNG). It was during this time that women created GAM as a way to demand the state provide information on the disappeared. Soon after GAM organized, the military was persuaded by the United States and other countries to start a transition to a more democratic state. This transition opened up the space for CONA VIGUA, the National Widows’ Coordinating Committee, to organize. CONA VIGUA has developed a political identity as indigenous women who bring about social change and meet basic needs (Rapone and Simpson 1996; Sandoval Girón 2005).

After numerous setbacks, President Alvaro Arzu’s government managed to speed up peace talks with the URNG, accomplishing the signing of a final peace agreement on December 29, 1996. The peace treaties, however, were not the end of violence in Guatemala. They simply marked the beginning of a new set of problems, as crime rates exploded. All forms of violent crimes increased, including kidnappings, car robberies, holdups, and murders (Ministerio de Gobernación 1998). Members of the Guatemalan upper class, who had been fairly protected from disappearances and kidnappings during the civil war, became the targets of a new wave of kidnapping for ransom. The state did little to prosecute those involved. It is within this context that Madres Angustiadas (MA), Anguished Mothers, emerged. The military meanwhile continued to protect its interests by way of murders and threats to human rights activists (Jonas 2000).

In December of 1999 Alfonso Portillo from the right-wing Frente Republicano Guatemalteco, Republican Guatemalan Front (FRG), was elected president. The FRG has been led by Efraín Rios Montt, who headed the military dictatorship from 1982 to 1983 during the worst phase of the scorched-earth campaign in rural Guatemala. The election of Alfonso Portillo is perceived by human rights groups such as GAM, CONA VIGUA, and MA as a backlash to the attempts to make peace in Guatemala. Though the FRG promised economic stability and an end to violence, since 2003 new forms of violence, such as lynchings and gang activity, have emerged in both urban and rural settings. This is in addition to escalating rates of violent crimes.

After four long years under FRG rule, Oscar Berger took office as president of Guatemala in early 2004. A wealthy businessman with close connections to the business sector, Berger has supported neoliberal economic polices. At the same time he has made some efforts to exorcise the demons of the war. In April of 2004 he apologized on behalf of the Guatemalan state for the murder of an
anthropologist studying the internal refugees, Myrna Mack, who was brutally murdered outside her office in 1990. The public apology was the first of a number of other apologies that Berger has made since coming to office. It is possible that the Berger apology came as a result of his wife, Wendy Whitman de Berger, who has a close relationship to the Maryknoll School in Guatemala. Both Whitman de Berger and Mack attended the school and were active within the alumni groups. Even after these apologies, human rights violations continue to escalate and violent crimes are rampant.

There is a geopolitical context that must be considered when analyzing the sources of the Guatemalan armed conflict and the postconflict situation. The civil war took place during the Cold War. During this time period the United States had seen the rise of Castro’s socialist Cuba. The fear that this might happen in other Latin American nations led to the support of authoritarian regimes in the region such as in Chile, Argentina, El Salvador, and Nicaragua (Keen 1996). The United States has used other countries and private citizens to support operations when these could not be done legally by the United States (Huggins 1987). Today the funding that the United States Agency for International Development (USAID) and the World Bank provide fits neatly into this history. These agencies continue to support programs and policies that strengthen the U.S. position in the world and promote transnational capitalist interests (Robinson 2004).

THEORETICAL BACKGROUND
In Guatemala the stepping down of the military regime was sold to the population as a new beginning, an end to violence and economic problems, and the opening for opportunities to modernize. The transition to democracy for Guatemala has not been a smooth one, nor is it complete. What we see is that in the present transition period there is limited democratization, what William Robinson terms polyarchy (2004). Polyarchy refers to the system in which decision-making power is confined to an elite, and mass participation is limited to election time (Robinson 2007:33). Violence seems to be an option for a larger number of actors and is no longer restricted to the military, guerrillas, paramilitary groups, and the elites. Arbitrary violence persists even after the demise of military regimes, and anyone can be a victim of the violence. This daily violence shows the inability of the state to uphold legitimate internal order. Koonings and Kruijt (1999) argue that this new form of violence pits the elite and the military against actors that they had traditionally controlled, and who are now resorting to violence in a democratic society. This context of “democratization” heralds both a convergence and divergence in the understandings of violence. In this transitional stage, the biggest challenges are to create a new understanding of social relations, create credibility in government institutions and politicians,
dismantle existing structures of repression, and fight corruption. These priorities are linked to international donor discourses of agencies such as USAID.

Starting in the 1980s the international donor discourse began to call for the implementation of neoliberal economic policies (Jonas 2000; Keen 1996). These neoliberal policies stipulated that in order for recipient countries to continue to receive aid they would have to adhere to certain changes such as the privatization of state enterprises (telecommunications and electricity), cut back on social programs (education and health care), lift trade barriers (CAFTA), and focus the economy on exports (Jonas 2000:218–19). The focus on exports has resulted in the flourishing of a vast maquiladora industry as a form of industrialization and an alternative to cash crops such as sugar, coffee, and cardamom. This type of industrialization has been described as a “cheap-labor model” (Jonas 2000:219) in which workers are paid the lowest possible wages to increase revenue for the foreign companies that own the maquilas. These low wages coupled with cuts of state-sponsored safety nets such as health care and elderly pensions has resulted in an economic crisis. This crisis can be attributed to the harsh economic sanctions imposed by the United States in Latin America.

With the imposition of economic sanctions on countries such as Guatemala also come ideological associations. The push for democracy is linked to an economic ideology. During the Guatemalan civil war, state-sponsored terrorism came in a variety of forms that included murders, disappearances, and a general sense of fear. These structures of violence have been transformed in the postwar period into new forms of violence such as gangs and organized crime. At the cultural level, violence has become routinized and permeates social, political (Koonings and Kruijt 1999:23), and cultural life.

Gangs, Organized Crime, and How They Came to Be a Problem
The Guatemalan Civilian Police (PNC) released a report in June 2004 stating that there were 25,000 gang members in the country, organized in 254 cells or groups (Hurtado 2004). The United States Federal Bureau of Investigation (FBI) estimates the number at 14,000 active members (Girón 2007). Gangs such as the *Mara Salvatrucha*, also known as MS-13, are linked to both organized crime and drug trafficking. The Salvatrucha gang originated in Los Angeles, California, during the 1980s, at a time in which Salvadorian immigrants came to the United States fleeing the civil war in El Salvador. At the time Guatemalans were also fleeing the civil war in Guatemala and coming to Los Angeles in search of refuge from the war. Once in Los Angeles, Salvadoran immigrants faced attacks from other Hispanic gangs and reacted by forming their own gang, the Mara Salvatrucha. By the mid-1990s the gang had recruited members from other countries, primarily Guatemala, Honduras, and Nicaragua. At the same time, U.S. immigration set out to deport undocumented Central Americans to their countries of
origin. In 2003, the last year for which data are available, the United States de­
ported 40,000 individuals with criminal records back to their home countries in
Central America (*Los Angeles Times* 2005). Once deported, active gang members
reorganized the gangs in San Salvador, Guatemala City, Tegucigalpa, and Man­
agua, creating an international network devoted to drug trafficking, car rob­
beries, human smuggling, and weapon trafficking. The Salvatrucha is one of
the most powerful gangs of the region but far from the only one. Another powerful
gang is the *Mara 18*, or 18th Street gang.

These gangs are highly organized groups that have taken advantage of the
process of globalization. Several news magazine articles argue that Salvatrucha
and Mara 18 are increasing the complexity of their operations by coordinating
activities in U.S. cities with operations in Central America (*Campo-Flores
2005b; Economist* 2006). Gangs and organized crime have taken advantage of
advances in transportation, communications, and financial transactions (such
as electronic transfers) much like legal transnational corporations, to grow
and increase their profits. The fact that the Guatemalan state suffers major
problems only facilitates the movement of illegal transactions. For instance, on
December 31, 2005, more than 500 kilos of cocaine were stolen from a police
storage facility. A few days later newspapers reported that members of the po­
lice had facilitated information and intelligence for the robbery and may have
actively participated in it (*Gouz and Sas* 2006; *Sas* 2006). None of the stolen
drugs were recovered since the recovery operation was also leaked out to the
drug cartel (*Sas* 2006). The judge involved in the case had ordered the drugs
destroyed in mid-December, yet the order was never followed through by the
police, who claimed that they were not informed, even though the antinar­
cotics law required all drugs to be destroyed within a twenty-day period after
the drugs are taken off the streets (*Reynoso and Orantes* 2006). This is an ex­
ample of the complexity of addressing corruption. It is unclear how much and
who was involved in this incident. Therefore there is a perception that gangs
have influenced the justice system and law enforcement through a wide net of
corruption.

There is little consensus to how much violence can be attributed to gangs, but
"perhaps more significant than actual rates is the fact that the problem is widely
perceived and portrayed as one of the most serious facing Guatemala today, and
certainly has a profound impact on many communities" (*Winton* 2005:171).
Often it is not so much the amount of violence as much as the perception of the
violence that leads people to push for policy solutions that deal with the issue
that they feel is most pressing. Even though the understandings of violence are
shared by members of different groups, the explanations of how violence came
about are different. Issues about how similar these explanations are beyond a su­
perficial vocabulary about violence is not clear and need further exploration.
Members of GAM, CONAVIGUA, and MA agree that something needs to be done about the gang problem. This is a site of convergence. Carmela Cunil, a GAM member says, “I think that they [gang members] are doing what they are doing because they don’t have jobs and lack education, they [government] should try to find a way to protect them” (Interview with author 2003). Members of groups such as GAM speak of the lack of opportunities that young men and women have to gain jobs and education, leading them to a desperate situation in which gang involvement is a means to gain access to resources. This is similar to what Ailsa Winton (2005) found when interviewing youth in Guatemala’s urban areas. She argues that in some ways gangs are the manifestation of the need for young people to feel part of a group in situations in which they suffer from multiple forms of exclusions and the lack of other alternatives (Winton 2005).

Members of MA agree that the majority of young people in Guatemala lack opportunities. In my interviews I found that members of MA acknowledged this situation, and they did see a link between lack of opportunities and gang involvement. Nevertheless the main issue for this upper-class group is that gangs may expand to create a direct threat to their way of life. Cristina de Klose, an MA member, says

Gangs have a presence in certain neighborhoods but I would not be surprised that if something preventative is not done, and it needs to be something drastic, they are going to start operating in nicer neighborhoods . . . and not only in the poor areas. As gangs grow they need more territory and they will expand . . . this is what I see as a serious threat. (Interview with author 2003)

Therefore, the upper class’s refusal to acknowledge the link between the civil war, social exclusion, and gangs erases their role in creating the present day situation and continues to write a history in which their economic interests are the solution to the nation’s problems. Those in power can tell their own version of history and erase the parts that do not fit their story. “The erasure of history is subtle and incremental and depends upon the erasure of links across time and space” (Farmer 2004:308). This historical rendering is supported by reports such as the ones by the Economist in which they argue gangs are not only fast growing and expanding but also account for 20–50 percent of all violent crime in El Salvador, Guatemala, and Honduras (Economist 2006:23).

The mainstream media, research centers, the United Nations, NGOs, foreign aid agencies such as USAID, and the government have made efforts to track rates of violence and propose solutions to the problem. It is here that we see a crucial link to disaster capitalism. MA, and other members of the upper class, are aware of the problem of gangs and pose solutions within their inter-
ests. Because of their class position they have more access to resources and policy making. These upper-class interests happen to match with those of foreign institutions.

Yet we must analyze how access to resources serve as the means to improve quality of life. In terms of education, only four out of ten children had access to preschool in 2001 (PNUD 2003:16). More troubling is the rate of educational access for children in the sixteen-to-eighteen-year-old range; only 15.8 percent had access to the equivalent of high school (PNUD 2003:16). This creates structural barriers to improve quality of life. The structural explanations of the sources of violence deal with the consequences of the war, poverty (lack of access to jobs, opportunities), lack of access to education, and structures of inequality (gender, race). These sorts of explanations are most often provided by members of GAM and CONAVIGUA, who argue that some of the violence that has been labeled as criminal is disguised political violence. Luisa Gómez, a GAM founder, says,

We are very concerned about this situation since it appears that violence today is related to people in the government and in past governments. Those involved in the government in the past still hold power and are the ones responsible for violence today. (Interview with author 2003)

These organizations are not alone in their criticism and analysis of the situation. Afflito (2004) found that most of those involved in human rights organizations have come to be victimized during the military regimes, and their pro-justice activities have received threats and persecution, regardless of who is in power. Whereas in the 1980s it was clear who was responsible for violence against human rights activists, today this is not as easy to determine. This creates a situation in which the source and reasons for violence remain unclear and violence becomes routinized (Pandey 2006). This means that day-to-day experiences are affected by a constant witnessing of violence.

Poverty and racism create a situation in which there are few ways to improve the quality of life. Even in cases where the young men and women go to school, once finished they face a tight job market and racism that denies them access to well-paying jobs. In 2002 the literacy rate for indigenous men and women between the ages of fifteen and twenty-four was 77.2 percent compared to 92.2 percent for nonindigenous men and women in the same age group (PNUD 2003:275). Structural racism denies Mayan students access to education. Those few who manage to make it into the higher education system are denied spaces to assert their ethnic identity and at times are forced to give up markers of their identity to survive in the system. Employment rates have had a steady drop since 1989. In 1989 33 percent of the population was employed in the formal
By 2002 employment rates were at 28.7 percent (PNUD 2003:259). With lower access to jobs, individuals seek the means to make a living, even if those means require breaking the law.

Many people are no longer fighting an ideological war pitting left against right, but they are still engaging in groups that challenge the authority of the state. In addition to challenging the existing structures (Winton 2005), gangs give individuals the possibility to gain a degree of respect, access to resources, and a sense of identity that the economic, judicial, and educational system has not been willing or able to provide (Winton 2005). With the threat of gangs, women in rural areas see no difference between the threat to life during the war and today. GAM member Candelaria Majún states,

> It has not changed a lot because right now there is no military in the municipalities but things are almost the same. Now with gang bangers you are scared of going out. Young people are especially in danger. Even if you are not doing anything, they will kill you. There is little, little difference or maybe no difference because you can get killed for nothing; it’s almost the same as la violencia. (Interview with author 2003)

The seemingly random nature of gang violence parallels the random violence against communities during the war.

Structural explanations argue that war, poverty, lack of access to education, racism, and other forms of exclusion do not allow individuals to meet their basic needs. This situation leads to frustration and the search for other alternatives to make a living, leading some groups to crime and violence. Members of GAM and CONAVIGUA for the most part shared these structural explanations. Even though some members of MA did agree that there was an unequal distribution of resources in Guatemala, they were also quick to point out that most of the gang violence could be explained by personal/psychological and moral reasons, a topic I discuss at length elsewhere (Sandoval Girón 2005).

**SHIFTING FUNDING, SINKING DEMOCRACY**

In the last decade funding assistance from the United States has changed its focus both in terms of types of programs and regions that are supported (Finkel 2006). Because of USAID’s definition of civil society, it was able to shift funding in a way that appeared palatable even to human rights groups. USAID defines *civil society* as “the ability of individuals to associate with like-minded individuals, express their views publicly, openly debate public policy, and petition their government. ‘Civil society’ is an increasingly accepted term which best describes the non-governmental, not-for-profit, independent nature of this segment of society” (USAID 2005a). Much of this shift has been driven by U.S. foreign policy in the form of USAID and State Department funding in
conjunction with IMF and World Bank initiatives. The idea rests on the assumption that if a state has an active civil society in which individuals enjoy freedom of expression of independent ideas, this will as a result foster the development of democracy (USAID 2005a).

These changes in funding transformed the types of projects that groups were able to undertake. When funding for gang prevention became available, GAM and CONAVIGUA added new areas such as youth and gang prevention programs in order to meet new needs and secure funding. With this shift in the emphasis of funding to the promotion of civil society came structural changes in the organizations. Organizations such as CONAVIGUA have been forced to end several programs, as expressed by Caridad Tuc.

There was a change in the case of the agencies that were supporting our mobilization efforts for human rights workshops. They did not want to give us more support because they said it was not worth it for women to continue with these struggles since the peace treaties had been signed. They said it was the government’s responsibility to solve the country’s problems. It was a difficult situation and we had to work to get the agencies and the solidarity groups to understand that we still needed their support. We were able to get some money but not all of it. For example, we used to do training in natural medicine, workshops to teach organic compost, and similar projects. There were agencies that did not want to support us because they thought that the state was responsible for all aspects of development. (Interview with author 2003)

GAM, for instance, joined forces with CEIBA to work on gang prevention. CEIBA provides a number of prevention-oriented programs to at risk-youth in urban Guatemala.

USAID has published a number of reports that analyze gangs in Mexico and Central America (e.g., 2006c). These reports serve as the logic behind the move by several U.S. agencies to create and/or implement crime and gang prevention programs. In Guatemala, USAID has implemented the USAID Rule of Law Program to strengthen the justice sector, the Anticorruption Program to increase transparency in the justice system, and the Local Governance Program to decentralize decision-making processes. In a recent conversation with me, Mario Polanco, director of GAM, explained that USAID, PNUD, and World Bank do not give funding directly to organizations such as GAM. Instead USAID hires consulting firms to manage the funding, which at times take between 30 and 45 percent of the funding as overhead and management costs (interview with the author July 11, 2006). In this manner, agencies are serving a dual purpose, first to spread their own political and policy agendas, and second to create jobs for companies based out of the first world. The programs are implemented by Checchi and Company Consulting, Inc., based out of Washington, D.C.; Casals and
Associates, based out of Virginia; and DevTech/International City and Country Managers Association. Interestingly a number of the supervisor positions for projects around the world implemented by these three companies require that applicants are U.S. legal residents or citizens. These projects and the use of U.S.-based companies for implementation create jobs for U.S. consultants but not for locals at the same salary levels. This is evidence of the ways in which neocapitalism is at work.

Social problems, such as gangs and drug use, are noted/conceived/constructed as disasters or sources of potential danger to U.S. policy and therefore in need of interventions. USAID defined gangs as “any durable, street-oriented youth group whose involvement in illegal activity is part of its identity” (Loudis 2006:3). Gangs are perceived as a danger to the Central American region’s political stability and an obstacle for democratization since gangs such as the MS-13 have spread not only in Central America but in a wide region of the United States (Campo-Flores 2005b; Economist 2006; Loudis et al. 2006). This definition of gangs and the dangers that they pose concurs with the upper-class narratives, exemplified by MA.

I suggest that the “gang problem” is a result of U.S. foreign policy toward Central America. In the late 1990s U.S. foreign policy transitioned from Cold War policy to policy that focuses on democracy and governance. The concern during the cold war was the rise of guerrilla groups that challenged the state, while currently, in this postconflict period gangs threaten social stability and as a result threaten capitalist endeavors. The possibility of political instability is a danger and therefore in need of control. For instance, USAID’s conflict management initiatives include conflict assessment and the creation of a “Conflict ‘early warning’ System” (USAID 2006a). This system has been created in conjunction with the U.S. State Department, the CIA, and local governments to focus attention and resources on countries that are a greater risk of violence before the violence erupts (USAID 2006a). In addition, USAID and the U.S. Embassy’s Narcotics Affairs Section (NAS) work with the Guatemalan police to create a “new vision of policing” (Loudis et al. 2006:25). Funding has also been provided to nongovernmental organizations such as CEIBA, the Fundación REMAR, several faith-based groups, and the private sector (Loudis et al. 2006). GAM, CONAVIGUA, and MA agree that the police force needs radical changes to gain the general population’s trust. Nevertheless the local police have a history of corruption and were used during the military dictatorships as agents of repression. This is problematic because in order to gain the trust of the general population, institutions used as agents of repression during the war must radically change their image and strategies, something that has yet to happen in Guatemala. U.S. policy on gangs has been one of aggressive control, therefore these types of programs fall in line with U.S. foreign policy.
The growing problem of gang-related violence in Guatemala is only one small aspect of a larger relationship between security and capitalism that goes beyond the geopolitical importance of Guatemala, and the Central American region. In the context of the newly instituted Free Trade Agreements with Central America and the Dominican Republic (CAFTA-DR), one can observe that social stability is a central priority to both the U.S. government and the Central American governments. In this context we observe the creation of a link between security and free markets, and democracy and open markets (Robinson 2007). With security, markets will be opened up for competitors otherwise not available, and democracy will emerge as people gain freedom to choose the products they buy.

The push to negotiate and approve CAFTA-DR is best expressed by U.S. President George W. Bush who on August 2, 2005, said, "By helping the CAFTA nations build free societies, we'll help them eliminate the lawlessness and instability that terrorists and criminals and drug traffickers feed on. And this will make our country [the United States] safer" (Bush 2005:2). This type of security is linked to the need for social stability to promote capitalist investment and not to create an equal and democratic society. Security for investors and political stability are necessary to provide a business-friendly environment. Investors are more likely to build factories and invest in the country if crime is low and there is political stability. In addition, this social stability is necessary to create access to a young and available workforce to staff the factories owned by transnational corporations or the Guatemalan elite.

Yet the impact of CAFTA is seen far beyond the economic realm. During an April 2005 lecture at the Heritage Foundation, Daniel W. Fisk, senior director of Western Hemispheric affairs for the National Security Council under George W. Bush's administration, argued that opening up the barriers for trade in Central America and the Dominican Republic would result in an increase of "transparency, it will improve governments' ability to govern and the enforce the law" (Fisk 2005:2). In addition, governments were expected to become more adept at handling the problem of gangs and supporting the United States in the fight against terrorism (Fisk 2005). The CIA believes that some al-Qaeda operatives are also gang members. Such is the case of Jose Padilla, who, after being arrested in 2002 on suspicion of planning a terrorist attack, was found to have been involved during the 1990s with a Chicago gang.

On the pretense of promoting security and an end to violence, the United States has pushed several policies and programs in the region to help support capitalist ventures for the benefit of multinational corporations and members of the Guatemalan upper class. The Plan Puebla Panamá (PPP) is the infrastructure component of CAFTA. The PPP was set into place in 2005. The PPP seeks to create the infrastructure necessary to attract foreign capital. The
Guatemalan government has decided to build the controversial Xalalá Dam and to finish the Franja Transversal del Norte (FTN), a highway that stretches from the eastern to the western borders of Guatemala through the highlands. These two projects fit the goals of the PPP—to create a privatized energy grid for the region and the construction of an industrial corridor to connect free trade zones from Mexico to Panamá (O’Neill 2004). The FTN highway is considered key to attract ladino and foreign investment to the Ixil region and connect Guatemala to Mexico and Honduras.

This isolated region remained sparsely populated until the 1960s when the government began to see the area as the source of unexploited wealth with the possibility of producing hydroelectric energy, petroleum extraction, and open-pit mining (Solano 2006). Around that time the region was opened up for large landholders, and small amounts of land were given to cooperatives of landless campesinos that had begun migrating to the area in search for land. In the 1980s, during the worst phase of the civil war, the Ixil region and its inhabitants became the targets of government repression. The area was a site of major armed conflict between guerrilla and government forces, leaving the local inhabitants in the middle of the conflict.

It is unclear how many jobs the construction of the FTN and the extraction of resources such as petroleum and hydroelectric energy will generate. Nevertheless activists such as Genaro Fabián Gregorio argue that these types of resource extraction will not only threaten the rainforest ecosystem but the livelihood of the inhabitants (Fabián Gregorio 2006), while not providing enough benefits to the population (Albacete 2004). The industries slated to benefit most are the oil-extraction corporations, all foreign owned, and the energy industry, owned by locals and some international companies.

State resources are being used to benefit investors by building new roads or by controlling gang activities in areas where gangs have created alternative forms of managing conflict and employment opportunities. This is a key connection, since it is argued that by providing a livelihood you can reduce conflict and end violence, therefore capitalism is perceived as good for Guatemala. In addition, the private sector will control the benefits generated by the FTN, the Xalalá Dam, and other infrastructure built to support capitalist ventures, without guarantees that local populations will have access to the resources generated, such as electricity, or that their livelihood and environment will be preserved (Albacete 2004; Fabián Gregorio 2006). Ixcán activists fear that they will be forcefully removed from their homes and land in the name of capitalist development (Fabián Gregorio 2006). They also fear that if they refuse to move, they will be targeted by the military or police as a security threat and treated as criminals because they are challenging the state’s capitalist agenda. When thinking about the sources of violence, I have argued that there are
structural- and individual-level explanations. In the case of the Ixcan inhabi­
tants, the fear is that because they are choosing to challenge the state for their
own survival they will be perceived as selfish and backward, and their demands
not heard (Fabian Gregorio 2006).

There are two latent consequences of security designed to encourage and pro­
tect capitalist endeavors and U.S. national security. First, Central America, in
particular Guatemala, can act as a buffer to prevent illegal immigration and the
flow of illegal goods (such as drug trafficking) into the United States (Brookes
2005; Bush 2005; Fisk 2005; Graham and McLarty 2005). Second, the region has
the potential and conditions to provide cheap, docile labor for U.S. corpora­
tions and new markets for U.S. exports such as corn, wheat, and beef (U.S.
Trade Representative 2005). Nevertheless, as learned from the 1994 CAFTA
agreements in Mexico, “the percentage of the population living in poverty has
increased from 58.5% to 79%” (Cardenas 2004:29–30) since the signing of the
agreements. This is the uncertain future that Central America faces.

CONCLUSION
The data here show that even though there is a vocabulary of common terms
used to describe violence, the explanations of the sources of violence are radically
different. “Security” policies need to be analyzed within the context of the his­
tory of U.S.–Latin America relations, since the policies lie within this contin­
uum. The Guatemalan civil war can be explained as arising from several factors.
A history of exclusion and exploitation coupled with aggressive state-sponsored
terrorism created conditions that led people to believe that taking up arms was
the only means to survive. In addition, the Cold War played an important role
in the ability of the Guatemalan state to financially support a war. This war left
deep consequences in the economic structures, the cultural lives of individuals
and communities, the national psyche, and on Guatemalan culture.

In the postwar period, people from different social classes are beginning to
speak of violence in some similar ways, in part because they are experiencing
similar frustrations. For instance, the frustration with the justice system is not
one particular to poor women but women from the upper class have also ex­
perienced it when trying to access the system in search of justice. The rampant
corruption and impunity around crimes created a generalized sense of disrup­
tion and frustration among people (Afflito 2004). Some of the reasons for this
convergence are an increased use of a common language to describe acts of vi­
olence and the export of U.S. policies designed to combat problems that the
United States had prioritized (gangs and drug trafficking).

Such a divergence emerges from the explanations of the roots of violence and
the proposed solutions to problems. These understandings of violence are per­
meated by personal experiences, the long-term effects of violence and fear, and

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the individual’s ability to protect herself from violence. The differences matter because they provide a sketch for researchers and policy makers to understand a complex issue. In addition, these differences show that even though activists, the government, and the international community may share a vocabulary about a problem, the policies they will put forth are deeply informed by their differences. By understanding the differences we are able to create policies that address the diversity of lived experiences and the particularities of the lives of Guatemalan youth. There is a close relationship between the Guatemalan upper class, the Oscar Berger administration, and capitalist interests; therefore, these interests become conflated, while the interests of the poor are often ignored.

I am not arguing that gang violence is not problematic. What I argue is that the convergence of naming and identifying the problem is deeply influenced by postconflict U.S. foreign policy and donor agencies such as USAID. Current civil society promotion favors interests of the wealthy, urban, ladino majority. This civil society is created on the basis of a capitalist ideology that continues to support the interest of the elites, whereas major structural changes needed to make a difference in the lives of young Guatemalans (and elsewhere) are necessary in order to address gang violence. Unfortunately, the interests of the elite conflict with the well-being of low-income and indigenous young men and women. The incursion of a capitalist agenda to create social stability creates short-term, low-wage capitalist development. This type of disaster capitalism does generate income, but the income comes at the cost of an incursion into indigenous lands to exploit natural resources, the creation of more social inequality, and U.S. intervention. I argue that this will increase social distance and conditions for violence instead of creating the much sought-out stability.

NOTES
2. The newspapers are *Prensa Libre*, a center-right newspaper, and *El Periódico*, a center-left newspaper. Both are published in Spanish daily in Guatemala City.
3. The agreements called for readjustments of the economy in order to create more jobs and for a moderate land reform. The treaties also gave equal rights to the indigenous populations by acknowledging their language and culture as part of the national patrimony.
4. In 2002 The National Endowment for Democracy (NED) provided a grant to the International Republican Institute in Guatemala to provide technical assistance to the creation of leadership and democracy among youth.
5. A maquiladora is a factory that uses primarily female labor to manufacture electronics and clothing for export.
6. The names of all interviewees have been changed to protect their identities.
7. This employment rates refers to individuals over the age of ten who are working in the formal sector (PNUD 2003).
In this concluding essay, we offer a set of pragmatic proposals for mobilizing responsive, participatory, and inclusive disaster recovery that will ensure economic justice and social coherence and that departs from the neoliberal strategies currently employed by donor agencies and international financial agencies alike.

1. **Localize the locus of power.** Develop postdisaster recovery in a manner that is responsive to the priorities identified by the members of affected communities, taking into consideration the diverse local cultural contexts, their relationship to the natural resources, and interrelations with each other and national political power hierarchies. This proposal calls for localizing the locus of power so that decisions about and power over the course of recovery and the various options for undertaking community social and livelihood restoration rest in the hands of affected communities. This entails participatory processes beyond the customary rhetoric in development discourse, so that affected communities lead the task of identifying recovery priorities, challenges, and culturally appropriate remedies, through all steps of the recovery process.

While external expertise may be necessary to help communities craft recovery strategies, locally constituted groups need to be able to define the parameters for consultation, as well as identify local needs, livelihoods, and resources that are to be protected. Once a plan has been articulated with provisos for dialogue and debate that would be empowering for the most affected and vulnerable members, funding should be directed toward locally defined priorities for community and livelihood restoration, not those that are put forward by external agencies and private capital interests. Such processes are more likely to ensure that intermediate and long-term reconstruction efforts are undertaken in a collaborative manner. The priorities of affected communities tend generally to center around livelihood restoration, the physical reconstruction of shelter, essential public amenities (i.e., water, electricity), and critical services (e.g., health, education, financial services).
2. **Promote mechanisms for social inclusion:** Given that societies everywhere are neither homogenous nor egalitarian, local systems of social stratification may interfere in the equitable and inclusive implementation of relief and reconstruction efforts. For example, local elite groups may indeed benefit from promoting transnational corporate interests. Therefore, undertaking postdisaster recovery in a responsive and participatory manner means ensuring inclusiveness. This is a crucial component in order to avoid reproducing and exacerbating preexisting forms of marginality experienced by some populations (e.g., caste, class, race/ethnicity, gender, and access to land and other key resources, which inevitably shapes the contours of their disempowerment). Given the tenacity of local systems of social exclusion, the danger is that pro forma participatory approaches may only reinforce the subordination of marginalized groups instead of challenging or transforming them. A part of ensuring social inclusion would be to include measures to democratize prevailing institutional structures so that they are accountable, transparent, and equitable in their decision making—from local grassroots organizations, local and international NGOs, and relevant government institutions to international agencies and all others involved in the spectrum of disaster recovery interventions.

3. **Prioritize the alleviation of chronic poverty:** Poverty as the backdrop of disaster-struck social contexts complicates the recovery process. Therefore, we propose that disaster recovery strategies focus on ensuring human security and rely on the United Nations’s (UN) Quality of Life and Human Development indices rather than macroeconomic growth formulas. This calls for equitable approaches that address not only household poverty, but community, regional, and national poverty, imperative in ensuring human security. Given decades of failed experience with neoliberal poverty alleviation models, and the devastating consequences of structural adjustment policies, we urge a shift away from additional credits and loans to nations struggling with the aftermath of a disaster. We further propose a reconsideration of national debt repayment schedules, given the way they siphon funds away from much-needed reconstruction and employment generation activities, including the rebuilding of physical infrastructure, communications infrastructure, and civic infrastructure. We also urge revisiting the debt cancellation proposal tabled by Britain’s Gordon Brown to the G8 finance ministers in the aftermath of the Indian Ocean tsunami.

4. **Avert and actively prevent displacement and dispossession:** Given the extensive disempowerment associated when disaster-affected populations are forced to resettle (supposedly for their own good), a concerted effort needs to be made to assure security of tenure in familiar settings and ancestral lands. This includes the exercise of the right of return principles, and the adoption of
just compensation for rebuilding efforts. A movement of former residents in public housing in New Orleans reminds us that not only legally tendered homeowners are stakeholders in the community. Artisanal fishers in Sri Lanka remind us that some land and water resources are—and should remain—the “commons,” as defended by Vandana Shiva and others.

5. **Ensure cultural competence in trauma interventions:** Address the psychological impacts of disaster in a meaningful manner. This calls for developing culturally appropriate psychological interventions, beyond the existing array of standardized treatment approaches and protocols. This problem is confounded by overexpectations about the resilience of local populations or paternalistic interventions that overlook the unique coping mechanisms of local populations. Relying on the wisdom of local healing beliefs and traditions as well as practitioners would be one way to overcome this shortcoming.

6. **Ensure corporate social responsibility in implementing recovery measures:** This is a proposal that has rallied the conscience of concerned individuals and groups across the board—from human rights and activist groups to consumers and scholars interested in social reforms. With regard to their role in disaster recovery, this proposal is rooted in our concern over the fact that corporations often consider themselves beyond the purview of public accountability and find ways either to resist or circumvent attempts to establish the latter. Therefore we call for recovery strategies that shift away from predatory investments by corporations, as well as stringent regulatory mechanisms to ensure public oversight over the practices of corporations that might participate in recovery efforts. We urge that such responsibility be vested in the authority of public oversight committees and not entrusted to the voluntary codes of conduct that global corporations prefer. Many transnational corporations (TNCs) reap the public relations capital gained by their claims to largesse by touting their corporate beneficence practices. Yet, many such claims ring hollow when contradictory policies and practices are advocated and adhered to by different wings of a corporate entity.

7. **Develop a set of best-practice guidelines for disaster recovery:** This would entail culling the lessons learned by agencies and groups undertaking responsive recovery efforts crafted around the pillars of the concept of human security. This would serve as a guide and enable sharing of effective strategies that are sustainable and that ensure human security. Ideally, local communities should have the same ready and easy access to these guidelines as aid workers, and in fact be considered equal standing collaborators in their development, implementation, and in ensuring their accountability/evaluation. At least the information should be made available in the language of the majority in meaningful and utilized local media (e.g., radio). The People’s Hurricane Relief Fund and Oversight Coalition, organizing grassroots groups to put together a series of
proposals/principles for addressing Hurricane Katrina recovery; Reconstruction Watch, a project of Good Jobs New York; and the progressive NGO coalition in Haiti articulating “Another Haiti Is Possible” are three organizations that are exemplary in doing so.

As we noted in chapter 1, this volume aims to inspire discussion, analysis, and action. We anticipate that the proposals we outline here will be expanded, sharpened, clarified, and strengthened through collective use and dialogue that we hope this volume will help facilitate.


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