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# Capitalizing on Catastrophe

## *Neoliberal Strategies in Disaster Reconstruction*

EDITED BY

NANDINI GUNewardENA AND  
MARK SCHULLER



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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<sup>1</sup>), preexisting marginality conditions a greater “vulnerability” to disasters.<sup>2</sup> 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,<sup>3</sup> 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.”<sup>4</sup> 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).<sup>6</sup> 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,<sup>7</sup> including Halliburton and Bechtel—both favored contractors in Iraq reconstruction<sup>8</sup>—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).<sup>9</sup> 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'<sup>10</sup> 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.<sup>11</sup> 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,”<sup>12</sup> subsidizing 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 (x). 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. Similar steps were taken 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,<sup>13</sup> 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.<sup>14</sup> 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.<sup>15</sup> 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).<sup>16</sup> 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.
6. Report #42, September 25, 2006. Available at [www.usaid.gov/iraq/updates/jan07/iraq\\_sum02\\_010807.pdf](http://www.usaid.gov/iraq/updates/jan07/iraq_sum02_010807.pdf).
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).
12. MIGA overview website, [www.fdi.net/miga\\_overview.cfm](http://www.fdi.net/miga_overview.cfm) (last accessed March 9, 2007).
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 OTT's centrality to USAID.