

## **REVIEW ESSAY**

### **The Grocer's Daughter and the Men in Suits: Who Exactly Capitalizes on Catastrophe? And Why the Question Matters**

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**Nandini Gunewardena and Mark Schuller (eds.), *Capitalizing on Catastrophe*, Alta Mira Press, 2008.**

Every now and then a term comes along that gives people the power to pull together in one place diffuse experiences, discontents, angers, and aspirations. Battery of women existed for thousands of years before the phrase “domestic violence” empowered people not to feel isolated and alone and to speak out. The phrase “environmental racism” has had a similar role.

I sense that potentially empowering influence for the phrase “disaster capitalism.” As a result, the review I have written of the book *Capitalizing on Catastrophe* may seem unfair to the editors and perhaps some of the authors. There is so much riding on this term—one that these editors explicitly invoke—that I have to insist on a level of clarity, rigor, and comprehensiveness that I would not if this were “just another” anthology of case studies. So I apologize in advance for any offense.

Capitalism is thoroughly, minutely, and complexly interwoven with all aspects of natural and technological risk. As editors of a text book, I believe the editors had a responsibility either to place each chapter in this broad context or to encourage the authors to do so. Instead, the book is broken down into superficial and meaningless “parts,” and the editors’ introductory chapters are weak. Pedagogically this is dangerous because it leads to an impression that the problem with capitalism is that some large rogue companies take advantage of disaster situations and that tourism development is a typical case. The problem is much, much larger, something I am sure the editors and most if not all the authors know. But the size of the problem gets lost.

The notion that powerful groups benefit from windfall profits offered by construction and other aspects of recovery after disasters is intuitive and well documented. The case studies in this collection add examples. But is the use of the phrase “capitalizing on catastrophe” useful in describing what goes on during recovery? Does the phrase have wider application? How rigorously should one try to parse and define the terms “capital” and “catastrophe?”

These are not idle, academic questions. As someone not only cited by the editors but who also has deep respect for their field work and the commitment of all of the contributors to pro-poor and people-centered struggles, I want to see this book maximize its potential, and I’d like the phraseology “disaster capitalism” to have more than rhetorical utility. The NGO and progressive government officials I work with in Africa, Asia, and Latin America need all the analytical tools they can get to link their local struggles with global power

processes. My bias in writing this review (and we all have biases) is to ask what help this book is to researchers and activists working on risk and development-related issues in Africa, Latin America, and Asia.

That is why I applaud the appearance of this collection but lament its lack of rigorous definition and framing, its rhetorical excesses, and the skewed choice of case studies. I am glad the volume exists, and as a talking point it can lead to further discussion. However, it is only a start, and I hope these editors and others will return to the subject with other more carefully selected collections.

### **On Capitals**

Naomi Klein, some of whose work the editors say inspired this collection, is clearer about what she means by capital. Disaster capitalism is perhaps the catchiest bit of her large book, *The Shock Doctrine*, but it is only a small part of it. The disaster capitalism part is also narrowly focused on the U.S. and post-Katrina U.S. government contracts. In the rest of the book she provides a history of neoliberalism and how various kinds of economic shock “therapy” transformed the world’s economic landscape. Neoliberalism is a particular economic doctrine whose views of the role of state, market, entrepreneurs, and international trade have played out differently around the world since the early 1980s. Margaret Thatcher, then Prime Minister of Great Britain and self-styled “grocers daughter,” was one of its architects, along with Ronald Reagan and Helmut Kohl, then Germany’s PM, and their advisors and gurus, such as Milton Friedman.

Many students of disaster and development have demonstrated that neoliberal policy creates vulnerability to natural and other hazards. This form of accumulation and circulation of surplus is among the root causes of disaster vulnerability.

By focusing narrowly on the seemingly opportunistic, almost casual profiteering by large firms during periods of recovery from disaster, the editors and most of the case studies lead the reader’s gaze away from the much larger, systematic relationship between neoliberalism and disaster. While the editors and authors probably know the arguments I am referring to, their failure to write in this broader context is not only an opportunity missed but pedagogically dangerous.

### **On Catastrophes**

Small- and medium-hazard events take more lives in aggregate, destroy more assets, disrupt more livelihoods, and have a higher social cost than huge events such as the Asian tsunami, the Sichuan earthquake, Hurricane Katrina, or the attack on the World Trade Towers. This has been demonstrated rigorously by teams in many Latin American countries and now throughout Asia and in South Africa using a tool developed to capture for local and regional sources the events that slip through the web of national and international databases. A recent review of urban risk in six African cities has shown the same continuum of risk, with everyday risks having a greater impact on health, livelihoods, and welfare than most single large catastrophic events.

Consider annual monsoon floods, blizzards, hail and frost in the Andes, small landslides, shack fires in squatter settlements, drought in eastern or southern Africa, and so forth. Is capitalism also implicated in this whole range of disaster situations? The answer is no, not in the way that *Capitalizing on Catastrophe* takes as its focus. There may be some price speculation in unregulated food and markets for building materials, and some relief assistance for these more mundane events may be siphoned off by politicians and local elites. But, on the whole, such events are not profit centers for transnational corporations. Yet neoliberalism in the form of national fiscal and development policies shifted risk socially and spatially by reducing the extension and maintenance of critical infrastructure and services through privatization and budget cuts. Neoliberalism has also generated urban unemployment, and, together with free trade, put rural livelihoods under great stress.

### **Capitalism's Own Catastrophe?**

Several of the chapters fit squarely within an interpretation of contemporary capitalism that goes far beyond the denunciation of profiteering and corruption. This is the understanding of capitalism as the “enemy of nature,” a comprehensive view that also subsumes the definition of disaster I introduced earlier: failed development or mal-development.

The excellent chapter on Bhopal is one of these. Guillette’s analysis situates the “accident” in the context of decades of industrial pollution and the complicity of the state. Unfortunately we are left with the impression that perhaps Union Carbide was just an exceptionally bad company, a rogue. The chapter would have been stronger with at least a small section that discussed Indian capital, the rapid growth and industrialization of many secondary towns such as Bhopal, and the lack of regulations and legal remedies to deal with their environmental and health impact.

The three chapters on tourism have an important, but limited message. Recovery assistance has been skewed in favor of the large-scale tourism industry—in two cases following hurricanes and in another after the Asian tsunami. Land has been expropriated, and a marketing image has been produced of competing island-coastal paradises. These are important case studies, but their presentation and framing are limited in two ways. First, we have to ask why the perennial image of “paradise” attracts geometrically growing numbers of middle-class Euro-Americans, and what are the consequences of the island tourism boom? One answer comes from considering capitalism as the “enemy of nature.” The home environments of these island-worshippers have become overdeveloped, sprawling, and in many cases cursed with rusting brownfield blight. Home is perceived as invisibly and irreparably contaminated and dangerous. The island and mainland tropical coasts are marketed as “pristine” and “natural.” One leaves pollution behind. Ironically, the consequences of this recreational refugee bonanza include huge jet fuel footprints, island coastal wetland destruction, ocean pollution from hotel complexes and cruise ships, and the death of coral reefs. The negative spiral here involves more than a few mega hotel chains and island bureaucrats who are their friends.

The second limitation of the tourism chapters is to acknowledge and, at least, to sketch briefly the issues surrounding recovery of other livelihood elements—fishing, farming, and receipt of remittances, including the outmigration of those who send back

these dollars. In the chapter on Belize, Sara Alexander does an admirable job of setting the scene in terms of the region-wide hegemony of neoliberal policy. The shift from agriculture to tourism had been going on long before Hurricane Iris hit in 2001. The scandal exposed in her chapter is that the “mom and pop,” small-scale tourist enterprises were not assisted after the storm, rather corporate tourism received a boost. The equally scandalous, but under-analyzed story is what happened beyond her case study community, where agro-exports and the development of oil reserves remain important.

Honduras in the aftermath of 1998’s Hurricane Mitch is a case where this broader approach is vital. Susan Stonich builds on her two decades of research on rural social and environmental processes in Honduras and summarizes huge losses to farming and aquaculture [pp. 53-55]; however, the chapter tells us nothing about what happened to the livelihoods of the majority of people, who are not involved in tourism. We know they received a large increase of remittances from as many as one million migrant Hondurans working in the U.S., but we are not told what recovery programs for agrarian livelihoods did or failed to do. Instead, Stonich only gives us a picture of how the tourism industry grew after Mitch and how land was appropriated so that this could happen.

Volume co-editor, Nandini Gunewardena, makes explicit use of the “peddling paradise” metaphor in her chapter on Sri Lanka. She notes that “[l]ong 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” [p. 85]. However, in this chapter except for noting the inconvenience for re-located fishing families of the 100-meter setback from the sea legislated ostensibly as a future tsunami safety measure, she does not describe any programs for rehabilitation of fishers, farmers, or small tradespeople. Given that irrigated agricultural resettlement in the 1970s was a contributing friction that culminated in the destructive civil war, one would have expected a more comprehensive treatment of recovery.

World wide—including highly hazard-prone areas in Africa, Asia, and Latin America—extractive forestry, farming, ranching, mining, and petroleum export directly and indirectly (also legally and illegally) provide the basis for many livelihoods. A balanced and policy-relevant assessment of the role of capitalism in creating vulnerability to disaster would have to consider these livelihoods and the power relations that govern them, and not just tourism.

### **Katrina and Kapital**

Was the damage produced by Hurricane Katrina an example of the second contradiction of capital? Political ecology and ecological Marxism theorize that besides the classically recognized contradiction between the forces and relations of production, there is another self-defeating dynamic built in to the capitalist system. Nature is destroyed by the tendency for each competing capitalist to externalize as much of the waste and toxic byproducts of production as possible. The coastal wetlands that used to protect New Orleans have been massively altered by the oil industry and the building of a shipping canal. The dynamics of capitalism writ large, and not just the scandals of no-bid clean up contracts or worker exploitation is at issue in appreciating the significance of Katrina. However, this book’s framing in the first three chapters does not raise such a question, nor do the volume’s

three case study chapters on Katrina. The reader should not misunderstand me. There are valuable things to be learned in the Katrina chapters, but they do not at all exhaust what the experience in New Orleans teaches about the title of the book, *Capitalizing on Catastrophe*.

### **The State and Violent Conflict**

Both a strength and a weakness of this book is the manner in which it addresses two under-theorized and often practically ignored issues on disaster vulnerability: the nature of the state and the role of violent conflict. On the positive side, it is laudable and important that these are addressed at all. However, the state is generally taken as the nation state, while much of what goes on for good or ill in disaster preparedness, prevention, and response and recovery takes place at the sub-national and local state level. Conflict also takes many forms and interacts with disaster and disaster management in many ways. But only some of these are addressed in this book.

Haiti, for example, is a country that suffers endemic violence. Elsewhere I have argued that the state apparatus and flood warning system was dysfunctional in Gonaïves, which lead to great loss of life from flooding in 2004 because of the corrosive effect of chronic violence. Co-editor, Mark Schuller provides an exhaustive account of the immediate post-Aristide period in Haiti, when neoliberalism was given free rein and the majority saw their livelihoods eroded amidst escalating violence. He distinguishes between the episodic violence of kidnappings and murders and the structural violence of unemployment and people's inability to meet their basic needs. He asserts that the latter is rooted in the island's history, contemporary politics, and overseas economic relations. While that is plausible, Schuller does not feel it necessary to fill in the blanks and provide the links between macro forces and the day-to-day manifestations of structural violence. More troubling, given the book's title, is that after listing elements of Haiti's woeful history ("...inequality and domination within the world system, including slavery, colonialism, and imperialism..."), he directly asserts, with no further discussion or evidence: "Haiti's vulnerability to so-called natural disasters has been consequently deepened" [p. 195]. As rhetorical preaching to the converted, that might do. But Haitians and those who care about Haiti deserve better. The author has a duty to make the causal cascade from root causes to unsafe conditions clear. Otherwise, no point leverage will reveal itself that can allow a release of the pressure that leads to vulnerability.

Anna Giron also refers to but fails rigorously to demonstrate "the link between the civil war [in Guatemala], social exclusion, and gangs" in her chapter. She brings the reader into the world of women's and mothers' groups dedicated to stopping gang violence and explains why the government's anti-gang campaigns are not likely to succeed. She is also interested in the perception of violence by the upper class and blames them for a "refusal to acknowledge the link" that joins Guatemala's history of civil war, racism and other forms of social exclusion, and gangs. This is all the more reason why it is incumbent on her as the author to spell out those links.

Violence and conflict is mentioned in passing in the chapter on Sri Lanka, but most researchers would argue that it is far too important a factor in national life, including disaster recovery, to be given such little coverage.

## **Humanitarian Business**

Antonio Donini writes philosophically about the “metafunctions” of humanitarian action and its unintended consequences. This chapter might better have come at the end of the book, as a way of nuancing the otherwise strident critique of all international actors in the crisis and recovery situations showcased in the book. Donini and his colleagues at Tufts University have shown in many detailed reports how thankless and difficult humanitarian action is. Reading Schuller on Haiti, Gunewardena on Sri Lanka, and Guillette on Bhopal, it is hard to find a hint that any national or international player acted in good faith and with good intentions. Nevertheless, Donini describes how even with the best intentions, humanitarianism is part of a system that creates and perpetuates dependency on powerful nations and institutions. Also, while perhaps not as predatory as Halliburton or the firms that would privatize Haiti’s utilities, he reminds us that humanitarianism, too, is a business and provides employment for 250,000 people worldwide [p. 40].

## **U.S. Exceptionalism?**

Three chapters focus on Hurricane Katrina and one on the events that transpired after 9/11. Four of ten chapters concern the U.S. Does this ratio sound familiar? The U.S. population is a small percentage of the world’s total. It consumes far more than that percentage of the world’s resources, produces more than that percentage of the world’s waste, weapons, and greenhouse gas emissions. It experiences a small percentage of the annual worldwide deaths from bomb blasts and cyclonic storms. But this book devotes four out of ten case study chapters to these U.S. events, 28 percent of the case study pages.

I point this out as a caution to future editors, not as a criticism of the content of the U.S.-focused chapters, to which I will turn in a moment. The issue that concerns me is balance and what readers will carry away from this book. As noted earlier, most people in the world suffer and sometimes die from everyday risks, many from small and moderate slow-onset processes such as drought, flood, animal disease outbreaks, and epidemics. Only a few are victims of major catastrophes. And most of these people are not U.S. citizens. A book that claims to investigate both capitalism and catastrophe, as the title implies, should look comprehensively and broadly at capitalism and in a representative way at a wide range of disastrous events in many parts of the world. This book does not do that.

Yet Katrina is not irrelevant. Its relevance to the rest of the world is still an open question. What does this book have to offer?

Two rather short and rhetorical chapters remind the reader that racism and class bias played a huge role in the media representation of the event, popular U.S. perception of the victims, and public policy toward the poor. The reminder is useful. The chapters themselves are not memorable, and the reader can find better among the many op-ed pieces available on the web sites dealing with environmental justice.

The chapter by Gregory Button and Anthony Oliver-Smith is much more substantive and deserves careful reading. Using interviews with immigrant clean-up workers and displaced people as well as a mass of statistics, they show a pattern of unregulated

exploitation of workers, super profits by large companies like Halliburton, and severe obstacles faced by the displaced in finding employment.

Bettina Damiani was a participant-observer in the aftermath of 9/11, as the long-serving director of a non-profit organization, Good Jobs New York. In her chapter, she documents the great economic losses to workers and small businesses in lower Manhattan and the way that much recovery assistance bypassed them and went to large businesses and the wealthy. She also discusses problems regarding accountability of the institutions that allocated recovery aid and the ongoing controversy over the rebuilding on the site of the World Trade Towers. In these ways, the story is very similar to those told in other chapters: misallocation of assistance funding, changes in land use that favor the rich, and the politics of exclusion of the poor and ordinary people from policy-making and decision-making.

The wider repercussions of 9/11 on disaster risk reduction and the institutions responsible for it around the world are perhaps too much to expect from this chapter, but not from the editors in setting up this publication project. In country after country, the U.S. has used its diplomatic, financial, and military assistance influence to introduce 9/11-inspired training and policy. Civil defense as a result has been re-militarized in much of Latin America, rolling back decades of patient work to civilianize its mission, methods, and practices. In Africa, small, incipient departments for disaster risk reduction created during or since the UN Decade for Disaster Risk Reduction have been swamped by anti-terrorist syllabi and agendas. The story of 9/11 continues to unfold. Yes, people in TriBeCa and Chinatown were lied to about recovery assistance. So too were all U.S. citizens lied to about the reasons for going to war in Iraq, and the whole world was lied to about the commitment of the U.S. to sustainable human development, risk reduction, and deal with global warming.

### **The Struggle Continues: From Bottom up and Horizontally**

Alex de Waal's Foreword to this book and the final chapter by the editors can be taken together as a preamble and platform of a radical social movement focused on disaster risk. For too long, disaster risk has been isolated in the minds of organizers and progressives who are quick to rally to fight off a hazardous waste incinerator or defend the right of children to live and play in environments free of lead. De Waal's experience with HIV-AIDS, drought, and conflict in Africa over the years has tuned his ear to the continuum of risk, and his analysis cuts across everyday to catastrophic events. Likewise, the seven "pragmatic proposals" offered in the last chapter are good, though general, organizing demands for any social movement concerned about human welfare and development, and not simply disaster risk. The programs and reports of such NGOs as Action Aid, Christian Aid, Tearfund, and Oxfam contain many of the same themes. No doubt these seven proposals should be seriously discussed.

However, a structural weakness of this book is that nowhere are the excellent thoughts of De Waal (or others like him) carried through the rest of the book. Similarly, the final chapters do not refer back to any of the case study chapters as evidence for its pragmatic proposals.

Some government development assistance agencies in Europe encourage questioning of the neoliberal paradigm, but they also demand what they call "evidence

based” critique and alternatives. In May ’68, one could go a long way on a slogan alone. Now is the time for progressives to provide solid evidence and clear definitions.

Lenin said a cadre had to be red, but also expert. Today we must have researcher-activists who are green and red and also methodologically adept, and in view of the state of the world, often blue, but also hopeful.