Disaster Management: A Role for the Private Sector

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(An additional dimension to be considered for the needs of very low-income households is the role of the informal economic sector. In developing countries, 40 to 90 percent of all economic activities happen informally; 30 to 70 percent live in informal settlements, and more than 40-60 percent of economic investments takes place using informal credit/finance.

At stake in the immediate aftermath of a disaster are informal sector jobs, informal enterprises, houses built in slums and squatter lands, etc. These issues become further complicated due to concerns of governance, legality and tenure of these informal sector activities.)

Experience has shown the effects of disasters on poorer nations are long lasting and more severe than in developed countries, often depleting scarce financial resources and diverting essential funds towards post-disaster relief and reconstruction.

Disasters also disrupt business activities on which the local population depends, affecting livelihood recovery and means to earn a living. This is particularly true when new skills are needed for new types of jobs.

Part of the problem is in adequate attention to disaster risk prevention and management as an economic and business issue. If the frequency and impact of natural and industrial disasters continue to rise, economic and human development will be badly affected. Disaster management should therefore be seen also as a strategy to protect the growth potential of countries, and communities.

A much closer interaction between business and government is needed to ensure appropriate risk reduction strategies, adequate measures for implementation of protection and security measures, and a liability and insurance regime that takes proper account of the needs of the community and business sector alike.

Private sector entities also have a large untapped potential to help provide skilled services in form of technical manpower or in-kind donations of goods or services for preparedness & emergency response phase of disaster management.

Where does the role of the private sector lie in disaster management? In is obvious that this is a multi-faceted and multi-disciplinary one, including those listed below and more:

- In defining, assigning and implementing clear and coherent institutional roles? In training, equipping and achieving proficiency for effective response capacity for high risk communities
• In assessing institutional needs, developing and implementing programmes to assist key organizations with sustainability issues and measures
• In improving disaster consciousness of the general population
• In improving access to accurate information and basic communication, energy and water systems for high-risk communities by facilitating appropriate technology alternatives on credit to qualifying communities.

At the same time, local authorities need to provide a more effective framework for unleashing the full potential of private sector contribution. This framework can include policies that contribute directly to safer industrial operation, and incentives for business to become more involved in disaster management programmes. Mechanisms whereby businesses and the authorities meet to discuss their respective roles and contributions to national disaster security need to be set up and operationalized on a regular basis.

In a session organized as a part of the World Conference on Disaster Reduction (WCDR, January 2005, Kobe, Japan), a number of interesting viewpoints were put forth:

1. It apparent that the private sector plays both vital and varied roles in emergency management. In fact, it is not an exaggeration to state that the contributions of businesses in mitigation, preparedness, response, and recovery activities have been woefully underestimated.

2. The private sector interacts frequently with the public sector to fulfill necessary community disaster functions. Therefore, the lines between the public and private sectors appear to be disappearing, blurring, or even artificial.

3. The public sector relies heavily upon the goods and services provided by the private sector. Many functions, such as public information, debris removal, and emergency medical care, could not be adequately performed without the assistance of the private sector.

4. Numerous factors facilitate coordination among the private and public sectors. Planning meetings, communications capability, and cooperation were mentioned as variables that promoted close collaboration.

5. Much more needs to be known about the roles of businesses in disasters. For example, are there functions performed by the private sector beyond those mentioned here.

6. Additional research on coordination will be required, focussing on the interaction of the public and private sectors in emergency management.

7. Methods of educating and involving businesses in emergency management must be promoted. Public officials and agencies should include, where possible, the private sector in all types of disaster prevention and planning activities.
8. Practitioners must continue to emphasize networking and partnering. The performance of emergency management is increasingly a result of successful collaboration among government agencies and the private sector.

9. The factors that hinder and help coordination must be explored by academia. Practitioners should familiarize themselves with the lessons provided by scholars in order to augment future emergency management capabilities.

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