

COMMERCIAL AND HUMANITARIAN ENGAGEMENT IN CRISIS CONTEXTS: CURRENT TRENDS, FUTURE DRIVERS



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Summary

Introduction

This is a study about the motives, interests and capacities that lead both humanitarian and commercial organisations to work together in places affected by disaster or conflict. It considers how these different interests and motives affect the way the two sectors approach their engagement in humanitarian activities, jointly and separately, and the opportunities and challenges that their respective interests and practices pose to their collaboration. There is considerable scope and potential for the two sides to have an expanded and more strategic form of collaboration. Yet, for this to occur, new ways of thinking and approaches are needed, including better evidence about the business case for the two to engage with each other. The study seeks to shed light on a topic of increasing interest and significance in a global context where uncertainty, rapid change and complexity are likely to be the hallmarks of humanitarian crises in the foreseeable future.

Rationale and objectives

The study was carried out by the Humanitarian Futures Programme (HFP), King's College London, with input from the Humanitarian Policy Group/Overseas Development Institute, along with the European Institute of Business Administration (INSEAD)/Humanitarian Research Group, and World Vision International (WVI). The findings are based on in-depth interviews with senior representatives from 17 private-sector corporations and 14 humanitarian organisations, and desk-based analysis. Three overall objectives framed the research:

1. To understand the core interests and motives of commercial and humanitarian organisations for becoming involved in situations of crisis (disaster or conflict), and their reasons for collaborating.
2. To identify strengths and weaknesses of humanitarian–commercial engagement, including involvement in preparedness, crisis response, recovery/reconstruction and risk reduction, both to date and in the future.
3. To examine how current approaches to commercial–humanitarian collaboration might be affected by global transformations and changing types, dimensions and dynamics of humanitarian crises.

Why are we here? An exploration of core interests and motivations

Working in crisis contexts is inherently difficult, costly and high risk. The factors that make intervention difficult are largely the same factors that make people vulnerable and in need of assistance – and so create the basic motive for humanitarian engagement. For commercial actors, the motives cannot be reduced to a stereotypical concern for financial

profit alone. They may reflect the potential for significant business opportunities, at least in the longer term, although these may come with a high degree of commercial and other risks, particularly in politically unstable contexts. Or, the motives may be more to do with broader social responsibility or philanthropic concerns, and here the challenge is to find a good 'fit' between the organisation's resources, the needs of the situation and the relevant mode of engagement.

Despite their humanitarian mandates and being not-for-profit enterprises, humanitarian organisations, like their commercial counterparts, operate in a global marketplace. In fact, the motives for engagement on both sides are complex, and driven by a wide variety of interests. Each sector is subject to similar pressures with respect to policy influence, visibility, market share, competition for funding and the need to satisfy their stakeholders. Motives and pressures, then, are fundamental to decision making about who to engage with, how to engage, on what scale and for how long. Greater appreciation is needed on the part of both sides in relation to the importance of their respective motives and interests and how these affect their decisions about engaging with each other.

How are we engaging? Current patterns and trends

While there is an increasing recognition of the contribution that the commercial sector can make to humanitarian action, and ample scope to scale up its engagement, to date this is still a 'niche phenomenon', and still somewhat *ad hoc* in nature. The most well-established and common area of commercial-sector engagement is in humanitarian crisis response to natural hazards and, to a lesser extent, preparedness. The commercial sector's role in disaster recovery is not well established, although several respondents expressed interest in having a more formal dialogue on recovery, including business continuity concerns and incentives for recovery and longer-term reconstruction. Disaster-risk reduction (DRR) is a growing area of strategic importance that many believe could benefit from commercial-sector engagement. An expanded role in DRR means that the entry points for engagement need to be clearer, and both sides would need to do more to address the current bifurcation between development and humanitarian action and be prepared to engage more robustly at the national level and with governments' risk reduction agendas and local actors.

Commercial enterprises increasingly operate in many zones of violent insecurity or protracted crises worldwide. Insecurity can affect supply chains, markets and distribution networks, staffing and a variety of other aspects fundamental to business operation. Commercial organisations are more willing now than in the past to accept that their business interests depend upon stability, and that their engagement in complex crises can ultimately contribute to achieving that stability. That said,

the overall dilemma presented by the role of the commercial sector in conflict prevention and peacebuilding efforts is that businesses are often seen as the ‘bad guys’ who are part of the problem, due either to the sensitive nature of their commercial interests or to their business practices. Yet, a shift in thinking is starting to occur on both sides about the potential role of the commercial sector in promoting peace, security and economic growth in fragile contexts.

Trends and transformations in the humanitarian context

The study suggests that several transformational factors are likely to affect humanitarian action over the next decade and beyond, and that these will have a major bearing on how both commercial and humanitarian organisations need to engage. These include the growing political centrality of humanitarian crises and a marked trend towards host governments exercising greater control over the process of aid delivery – even if they still have limited control over the related funds. Then there is the evolving nature of the crises themselves, which – particularly where related to climatic factors – appear to be increasing in number, scale and intensity. Disaster-risk reduction, based on tackling assessed vulnerabilities, is likely to assume greater prominence in policy terms as the human, economic and political costs of such disasters mount.

For the traditional aid providers, these factors present both challenges and opportunities. This demands not only constant review of performance against standards and principles, but review of the continued relevance and application of the standards and principles themselves in the light of new circumstances and new demands, not least for greater accountability, professionalism and consistency. The emergence of a range of ‘new’ or non-traditional actors – from non-OECD government donors to *diaspora* populations worldwide – is matched in many places by the emergence of new local actors with close ties to the affected populations. New forms of partnership with both civil society and governmental actors is likely to be a growing feature of future humanitarian action, putting strain on traditional principles like independence and neutrality – already under severe strain in contexts where humanitarians have become associated with Western political and military strategies.

For commercial organisations also, these trends create both challenges and opportunities. Amongst other issues raised is that of the business rationale for investing in disaster-risk reduction, particularly as the effects of climate change are increasingly felt. There are likely to be significant new opportunities for business collaboration both directly with governments and through the international aid system, as donors invest more in preventive rather than purely responsive action. Meanwhile, post-disaster and post-conflict reconstruction is likely to continue to provide major business opportunities.

Making the collaboration more consistent and strategic

The humanitarian and commercial sectors both have the interest and the potential to do far more with respect to having more effective and innovative forms of engagement. Moreover, in asking ‘How can we do this better?’ one also has to ask ‘How will the changing context in which humanitarian organisations may be operating over the next decade affect the way they may do better?’

The study identifies five dimensions around which an agenda for future engagement can be structured.

- 1. New business paradigm for collaboration:** Broad trends towards greater economic liberalisation around the world indicate a strong likelihood that the commercial sector’s role in crisis matters is likely to expand. This offers the potential for a new social compact to emerge as both commercial and humanitarian sectors find themselves with a more societal focus than has normally been the case to date.
- 2. Holistic approach:** Governments will increasingly seek integrated approaches that go beyond managing response, and that give emphasis to reducing vulnerability and managing risk. The commercial sector has the capability to do much more in pre- and post-event preparedness and mitigation. Yet, considerations of their exact role and the need for a long-term commitment and relationships will need to be taken into account.
- 3. Evolving motives and core interests:** Both sectors need to have a more systematic assessment of each other’s motives and comparative advantages in order to match need to context and to ensure complementarity, including of available national and regional capacity. Their own different motives and core interests will continue to evolve, as will those of ‘new actors’ who will play an increasingly important part in determining the framework in which commercial and humanitarian organisations collaborate.
- 4. Partnering models, capacities and learning:** In the future partnering competencies and effectiveness will be less and less of an option, and will be increasingly expected. The processes, frameworks and tools for having better partnering capacity are available. Both sectors need to consider how they should be used, and they need to build a better evidence base of what works and why.
- 5. Fora for exchange:** There is a need for neutral fora that build trust, relationships and meaningful multi-actor dialogue and exchange. Emerging reality dictates that these may be most effective if they are specific to particular countries or regions.

The study’s findings and the five dimensions have been tested and discussed towards developing a forward-looking agenda that will support the two sides to expand and deepen their engagement in crisis contexts for both natural hazards and situations of insecurity.

Acronyms and abbreviations

ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action	ISDR	International Strategy for Disaster Reduction (UN)
ASEAN	Association of Southeast Asian Nations	IT	information technology
BCPR	Bureau for Crisis Prevention and Recovery (UNDP)	MNC	multinational corporation
BHF	Business Humanitarian Forum	NGO	non-governmental organisation
BPA	Business for Peace Alliance	NSN	Nokia Siemens Network
CARE	Cooperative American Relief Everywhere	OCHA	Office for the Coordination of Humanitarian Affairs (UN)
CERF	United Nations Central Emergency Response Fund	ODI	Overseas Development Institute (UK)
CHF	Common Humanitarian Fund	PPP	public–private partnership
CRED	Centre for Research on the Epidemiology of Disasters	SIDA	Swedish International Development Cooperation Authority
CSR	corporate social responsibility	UN	United Nations
DRR	disaster risk reduction	UNDP	United Nations Development Programme
DWB	Doctors Without Borders	UNICEF	United Nations International Children's Fund
EDD	European Development Days	UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
GHD	Good Humanitarian Donorship Initiative	USD	US dollars
HFP	Humanitarian Futures Programme	WEF	World Economic Forum
HPG	Humanitarian Policy Group (ODI)	WHO	World Health Organisation (UN)
HRI	Humanitarian Relief Initiative	WVI	World Vision International
IASC	Inter-Agency Standing Committee (UN)		
ICRC	International Committee of the Red Cross		
ICVA	International Council of Voluntary Agencies		
IFRC	International Federation of Red Cross		
IHL	international humanitarian law		
INSEAD/HRG	Institut Européen d'Administration des Affaires (European Institute of Business Administration)/Humanitarian Research Group		

Introduction: purpose and objectives

Rationale and focus

This study is about the motives that bring commercial and humanitarian organisations to work in places affected by disaster or conflict. It considers how their different core interests, concerns and capacities affect how they work separately and collaboratively in humanitarian activities, and the potential for more strategic collaboration. It also considers the limits of such engagement and the principles that guide it. Such core interests and motives cannot be divorced from the broader political, economic and social contexts in which both kinds of organisations operate, and in which humanitarian threats occur. If the contexts change, and if attitudes and motives change, then how might this affect future collaboration in humanitarian crises? This study therefore also explores how major global trends will affect humanitarian action, and how such changes might affect how the two sides regard engagement in future.

The organisations¹ that participated in this study are aware of the growing body of research and literature on commercial–humanitarian collaboration. And yet, there is still a gap of understanding about why, how and when the two sectors collaborate. It is important to address this gap, because a clear understanding of respective motives and capacities will be necessary for both sides to see how their respective comparative advantages can be used coherently and consistently to deal with humanitarian crises – now and in the future. It is this search for greater understanding that explains the three objectives of this study, as follows.

1. To understand the core interests and motives of commercial and humanitarian organisations for becoming involved in situations of crisis, or potential crisis, and to understand their reasons for collaborating with each other.
2. To identify strengths and weaknesses of humanitarian–commercial engagement in such situations, including involvement in preparedness, crisis response, recovery/reconstruction and risk reduction, now and in the future.
3. Stemming from (1) and (2), to assess how current approaches to commercial–humanitarian collaboration might be affected by global transformations and changing types, dimensions and dynamics of humanitarian crises.

With these three objectives in mind, this study is intended to serve as a catalyst for more critical and productive exchanges and for the formulation of an action agenda between all those organisations – commercial or humanitarian – that wish to look for the best ways to serve vulnerable populations.

Organisation of the report

This report has five main sections, in addition to this introduction.

Section 1, Commercial–humanitarian intervention in a changing context sets the scene for humanitarian intervention. It looks at the evolution of the context in which humanitarian action takes place, as well as some of the assumptions about humanitarian crises themselves. It outlines the present context of commercial and humanitarian interests and motives, and takes a more speculative perspective about how global transformations might affect motivations, collaboration and humanitarian intervention in the future.

Section 2, Why are we here? An exploration of core interests and motivations reflects on what might be described as the true motivations and interests that lead humanitarian organisations and the commercial sector to engage with each other in humanitarian activities. It focuses on the rationale for involvement in such activities by each, and stresses that the explanation for their respective engagement is far more complex and nuanced than the stereotypes might suggest.

Section 3, How are we engaging? Current patterns and trends examines collaboration between commercial enterprises and the humanitarian community. It looks at their respective roles and involvement in crises and their aftermath, including situations where high levels of insecurity are often a factor. This section also considers the tensions and challenges generated in current modes of collaboration.

Section 4, Conclusion: making the business case for collaboration – now and in the future looks at the present state of play between the two sectors, summarising the ‘business case’ on each side for engagement. The case for expanded and more strategic engagement is examined in the context of likely transformations and their implications for how the two sectors might engage in the future.

Section 5, Five dimensions of future engagement suggests how to make the collaboration more consistent and strategic. It presents five key dimensions around which an agenda for action for future engagement between humanitarian and commercial enterprises can be structured.

Scope and methodology

As well as desk-based analysis, this study included in-depth interviews with 17 private sector corporations and 14 humanitarian organisations. The interviews explored the

subject of humanitarian engagement from policy, strategic and operational perspectives. By design, the interviews targeted commercial and humanitarian organisations that are collaborating at the global or headquarters level with the idea that this is a first step in what needs to be a wider initiative, resulting in follow-on activities at global, regional, national and community levels.

The commercial sector representatives included a mix of multinational and international companies engaged in engineering, architecture and construction, transport, logistics and supply chains, management consulting, financial services, water, energy and environment, information technology and telecommunications, insurance and reinsurance, legal services, and mining. Respondents included those with active roles in brokering or facilitating their organisation's involvement in humanitarian crisis work. Otherwise, respondents directly managed or implemented a specific programme or set of activities for humanitarian engagement. The representatives of humanitarian organisations were senior personnel from international non-governmental organisations, the International Committee of the Red Cross and national Red Cross Societies, United Nations organisations, networks and membership organisations.²

Definitions of key terms

For the purpose of this analysis, the following terms are used.

Commercial sector is used in this report to reflect a wide spectrum of actors also referred to as private companies or 'corporates'. As this study is based on an examination of a limited number of multinational corporations, it is important to note that the interviews for this study do not cover the full and complex range of commercial actors. They do not, for example, deal with companies that are part of state capitalism, although the importance of these companies as parastatals is increasingly acknowledged. Nor has this study looked at national and

local companies, which play such an important role in times of crisis. Other important commercial bodies, such as small enterprises including those run by members of diaspora, also need to be better understood as humanitarian actors. The defining characteristics of 'commercial' actors in this study is that they are multinational corporations and their principal rationale is to make a profit.

Humanitarian actors/sector refers to organisations with mandated roles and responsibilities for providing humanitarian assistance in places affected by disasters or conflict. They provide assistance in the areas of prevention, preparedness, response and recovery. Those interviewed for this study represent international actors, rather than organisations indigenous to crisis-prone or affected countries. Such organisations normally include international non-governmental organisations (INGOs), members of the Red Cross movement, including the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC), United Nations agencies and programmes and government donors. However, humanitarian actors are increasingly defined more broadly, to include diasporas, non-state actors such as Hezbollah, the military and a wide array of community organisations. Increasingly, the term also refers to on-line coalitions of actors providing support for humanitarian action through mechanisms such as crowdsourcing and crowdfunding.

Humanitarian crisis driver is a factor or set of factors with the potential to expose human beings to life-threatening hazards. The degree to which a crisis driver leads to a humanitarian crisis will depend on how human activities make people vulnerable to the impact of a crisis driver. The term *crisis threat* is used in this study interchangeably with 'crisis driver'. A crisis threat or crisis driver can consist of a natural hazard such as an earthquake, a technological threat such as radioactive leakage, or conflict leading to human vulnerability.



Crisis cycle refers to the various dimensions and stages to any single crisis. The term 'crisis contexts', has to be seen from the perspective of the crisis cycle. A crisis cycle, for example, could begin with an acute sense of potential vulnerability that compels relevant authorities to begin preparatory activities, or even prevention activities before the threatened onset of a crisis. Response lies at a critical stage in the crisis cycle – reflecting that portion of impact that, despite preparedness and prevention efforts, is undertaken to relieve life-threatening suffering. At the other end of the crisis cycle is early recovery, or immediate steps to bring crisis-affected communities towards a modicum of self-sustainability. Recovery is a clear attempt to foster livelihoods and infrastructure support that can result in a return to 'normal life' for affected people, in ways that reduce the underlying risk or that build back better. Early recovery and recovery do not need to await the end of response interventions, but can be undertaken simultaneously with response.

Collaboration is cooperative behaviour between two or more entities focused upon achieving a particular objective, or set of objectives, while seeking to ensure a mutually beneficial relationship. Collaboration is normally specific to a particular period, long or short. There are normally seven reasons for collaboration on humanitarian activities: strengthened operational capacities; improved information and communications; enhanced innovative capacities; better policy planning; improved strategy formulation; improved advocacy; and greater accountability.³

Although it is looser, the concept of partnership is related to collaboration. Partnership is defined as 'voluntary and collaborative relationships between various parties, both state and non-state, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks and responsibilities, resources and benefits'.⁴

Corporate social responsibility (CSR) is 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis'.⁵ In its most basic sense, CSR is a form of corporate self-regulation where the corporate or commercial organisation uses mechanisms to ensure that its activities are consistent with the law, domestic and international norms and ethical standards. This perspective has resulted in an expanded concept of CSR, where such concepts as 'total responsibility management' (see Section 4) have led some commercial organisations to embed themselves deeply in communities of which they see themselves as a part. This expanded view of CSR is not greeted with universal acclaim, and is seen by critics as interfering with the 'business of business'. This latter view normally regards CSR as a very limited effort to contribute to the community, while enhancing the organisation's image and not distracting from its commercial focus.

I Commercial–humanitarian intervention in a changing context

Humanitarian action is ultimately determined by the political, economic and socio-cultural context in which it takes place. These factors have an effect on what is feasible and what is appropriate by way of humanitarian action. This section looks briefly at key trends that have shaped the evolution of humanitarianism and commercial engagement in recent decades. Looking towards the future, the second part of this section identifies nine transformational factors that will affect humanitarian action and, hence, the ways in which commercial and humanitarian organisations will increasingly engage over the next decade.

Evolving humanitarian perspectives

In the 1970s, when modern international humanitarian intervention was in its nascent phase, humanitarian action was circumscribed by Cold War tensions and hegemonic Western economic influence.⁶ Humanitarian principles of independence, impartiality and neutrality, notwithstanding the ability to intervene, were determined by the extent to which governments felt able to balance sovereignty and survival with the need to support those affected by disasters, including the provision of external assistance. Often the two were closely entwined.

Since the 1970s, the number of humanitarian crises has steadily risen, and so too has the number of organisations assuming humanitarian roles and responsibilities.⁷ In the aftermath of the Cold War, more and more humanitarian crises have been linked to the failing capacities of states to provide even the most minimal safety nets. At the same time, natural hazards have had a growing impact upon the vulnerable for reasons that have to do with ecological exploitation, poor planning, deepening poverty and deteriorating infrastructures.

The world of humanitarian assistance – once defined as ‘disaster relief’ – has also undergone major transformations. A range of new types of crisis drivers, as well their changing dimensions and dynamics have made humanitarian crises increasingly core political concerns. They are no longer exceptions or aberrant phenomena, but reflections of how human beings live their ‘normal lives’ and how societies are structured and allocate their resources.

As humanitarianism has received greater political attention, the humanitarian enterprise has also grown.⁸ A multitude of non-governmental organisations has emerged to assist the threatened and the affected. Multilateral organisations such as the United Nations have assumed humanitarian roles that

their founders never intended, and donor governments in the aftermath of the 1984 Ethiopian famine have moved from a rather diffident approach to emergency response to one of a driving force.⁹

This modern humanitarian enterprise is sometimes accused of being supply-driven and lacking coherence, and on occasion more concerned with institutional survival than solidarity with populations in need. However, it has also become more professional, if not managerial in approach.¹⁰ This was all quite different from the time when ‘disaster relief’ was the relatively amateurish, well-intentioned response to unforeseen ‘acts of nature’ or ‘acts of God’ and where – even up to the late 1980s – the complexities of humanitarian crises, fomented by civil strife, were for the most part swept politely under diplomatic carpets.¹¹

In those heady days in the 1970s multinational corporations (MNCs) were seen as dominant economic actors and in many ways an alternative political force to a seemingly moribund state system. Since then, assumptions about the capacities of states in the international system and assumptions about the power, motivation and interests of the commercial sector have undergone significant changes.¹² Traditional humanitarian perceptions about the commercial sector’s motives in a humanitarian context have also changed. Some observers suggest a growing convergence of interests and motives.¹³ What does seem increasingly apparent is a growing recognition among humanitarian policy-makers about the range of those within the commercial sector – from local industry and small shops to government-linked corporations and multinationals.

The assumptions that used to dominate the views of many humanitarian workers about the self-interested ‘commercial organisation’ have probably been modified. The sheer number of platforms, conferences and articles dealing with commercial support for humanitarian action would suggest some perceptual change. And from practitioners’ views, most major NGOs as well as the United Nations increasingly seek financial and in-kind support from ‘the corporates’.¹⁴ Of course, economic austerity will affect many traditional donor countries over the next decade, and consequent pressures on the commercial bottom-line may result in a counter-trend. However, from the perspective of core interests and motivations as determined by the transformations noted below, this seems unlikely.

Transforming trends and factors in the coming decade

Given this evolving context, there is one overarching transformation over the past four decades that has in various ways profoundly affected all aspects of international attitudes and approaches to humanitarian action. This is that 'humanitarianism' has moved from the periphery of political concerns to the core of politics. This and the other transformation factors that follow are suggestive; they cannot be proven, though to those who have had the opportunity to consider them, they seem plausible.

1) Political centrality of humanitarian crises. Three decades ago, humanitarian crises were considered aberrant phenomena, relatively peripheral to governmental interests. Today, humanitarian crises now have far greater political significance. Rather than being seen as unfortunate or random 'acts of nature', they are now recognised as reflections on the ways that societies structure themselves and allocate their resources. Humanitarian crises have now moved to centre-stage of governmental interests; and in so doing, they are imbued with high levels of political significance. Such interests span issues of commercial relations and international development to national security and stability.

This means, in part, how and who provides assistance will weigh heavily for recipient and donor government decision-makers and that decisions will be increasingly influenced by the abiding political interests that assistance providers can offer. The challenge that humanitarian crises are increasingly posing to governments is in no small part reflected by the changing types, dimensions and dynamics of crises drivers. The centralisation also suggests that without the enabling environment consisting of state structures and the capacity to manage a crisis, governments may very well find that the political significance of a crisis event can be counter-productive.

2) Changing types, dimensions and dynamics of humanitarian crises. Uncertainty, rapid change and complexity will increasingly be the hallmarks of humanitarian crises in the foreseeable future. The future will reflect new types of sudden and slow-onset crisis agents, including technological systems failure, large-scale industrial and chemical collapse, nuclear seepage, water scarcity and pandemics and intense levels of civil strife in what heretofore had seemed to be stable societies. At the same time, as suggested by potential pandemics and issues related to climate change, humanitarian crises will become increasingly global, and due to demographic patterns will shift the humanitarian battlegrounds from rural to possibly far more complex urban areas.

More and more future crises will also be global, and interactive. Some will also be the result of large-scale systems collapse, described as 'synchronous failures'.¹⁵ The persistent division between natural and human-made disasters will break down, and be accepted as artificial. Natural events will trigger political turmoil, which in turn will lead to violent conflict that will result in environmental, technological and systems failures. For example, changes in climate and rates of ice-melt are already affecting the Hindu-Kush Himalaya

region, among others. This is likely to lead to more severe water shortages, and therefore a humanitarian crisis induced by a natural hazard, but also to large-scale conflict both within and between states.¹⁶ This changing framework is likely to put demands on the humanitarian system in terms of capacity, increased case loads, management of multiple events at the same time, and coordination of an increasing range of diverse actors and agendas.

3) Increasing challenges to Western influence. As increasingly evidenced in a growing number of states around the world – from Indonesia and Myanmar to Zimbabwe – states are becoming less willing to accept the dictates of Western powers, no matter how well intentioned. The reasons for this emerging assertiveness are several, and include the rise of alternative power structures, and changing regional relationships and alliances between neighbouring states. These factors mean that humanitarian organisations like commercial organisations will in some contexts have to accept the practical realities that states will increasingly 'call the shots'. There may well be increasing intolerance of external intervention within states. Coordination mechanisms – be they UN or IASC Country Teams or 'clusters' – will either directly involve government or find themselves increasingly marginalised if they do not.

At the other end of the scale, transformations in state systems over the next two decades will also mean that more and more people will live in so-called 'no-man's lands' where governments have little capacity or interest in providing security and safety nets over large portions of state territory. Such people will survive on the margins, and their lives and livelihoods will fall prey to the most minimal changes in living conditions.

4) Vulnerability and sustainability perspectives. The separation of development and humanitarian action will prove increasingly inadequate to meet the sorts of crises that will have to be faced in the future. It will also prove to be politically unacceptable to governments wanting to demonstrate proactive involvement in anticipating crisis threats. In that sense, the concepts of vulnerability and interconnectedness suggest the need for a more coherent and dynamic view of the threat of potential crises to the realm of development and economic growth. This emphasises – amongst other things – issues of sustainability, employment and livelihoods, and combines the long term with the immediate.¹⁷

This emerging reality is recognised by a growing number of humanitarians within 'the new humanitarianism', in which the humanitarian agenda will expand to include governance, security, poverty reduction, social protection and other development-like activities.¹⁸ This will expand the ways in which humanitarian prevention, preparedness and response are perceived. It will require more holistic and integrated activities and deep engagement with local communities and authorities, as well as national governments.

5) Expanding range of humanitarian actors. Change is afoot. Commercial actors involved in humanitarian response come from a growing number of countries, including the Gulf States, China, Indonesia and Venezuela. And when, where and how this commercial sector becomes involved is an issue of

growing importance. At the same time there are also a growing number of actors beyond the commercial and traditional humanitarian sectors that participate in humanitarian action. These include:

- ‘non-state actors’, for instance Hezbollah in the 2006 crisis in Lebanon who contributed to relief and recovery programmes
- diaspora communities, as in the 2010 Haiti earthquake response and recovery efforts, and
- the military, between and within countries, increasingly contributing through strategic planning and surge capacities in response to humanitarian crises.¹⁹

A perceived paradox of globalisation is that the more globalised the world becomes, the more ‘localised’ it would seem to be. In other words, the growth of global commonalities and inter-relationships has highlighted local variations of custom, culture and language. Consistent with changes in government attitudes towards international humanitarian intervention, suggested above, governments too will be more inclined to opt for local over international resources. This will mean that humanitarian actors will increasingly be drawn from national and local community networks and organisations, and that external intervention will be less and less encouraged, and ‘localism’ will be the preferred option.

6) The future role and delivery of aid. As humanitarian assistance increasingly moves to the core of political concerns, that centrality will change the sorts of activities that will be perceived as needed from the international community. On a technological level, the mobile phone and related internet phenomena will have major impacts upon the conventional delivery of relief financing and the delivery of relief items. Funds via the internet will increasingly allow access by larger portions of affected peoples to assistance in all forms including food, clothing, water and shelter, demonstrating the critical importance of access rather than availability.²⁰

Increasingly, humanitarian action will be led by technologies and innovations that require degrees of specialisation not normally associated with humanitarianism: satellite-transmitted remote sensing will be used to assess the conditions and movement of displaced people; telemedicine will become the norm; and cash and goods will be dispersed increasingly through mobile-phone and internet systems. Therefore, when it comes to the plethora of those who might be included under the rubric of the ‘expanding range of humanitarian actors’, it is more likely that direct involvement will more and more be reduced to those who have specific technical or cutting-edge innovative capacities, be they corporate or humanitarian actors. This was evident in Wal-Mart’s logistical support to those affected by Hurricane Katrina in the US in 2005. Similarly, following the 2010 Chilean earthquake, mobile-phone technology was highly valued, though the Chilean government was clearly wary of accepting external assistance.

7) Demand versus supply driving response. Until quite recently, humanitarian intervention – including prevention

and preparedness as well as response – has been largely based on the availability of resources and the perception of donors about what might be required, as well as more political donor interests. Increasingly now, and in future, humanitarian action will become more demand-driven, to the extent that recipient governments, for example, will be more assertive about needs and how they are to be met. Whether the more timely and appropriate aid is or is not perceived as inherent in humanitarian principles, the reality is that recipient governments as well as potentially affected communities may be more insistent on criteria of quality and effectiveness in their acceptance of aid. Some have even spoken about the possibility of legal action against incompetent or irresponsible aid providers. If more and more humanitarian assistance is demand-driven, this will require far greater awareness of and sensitivity to the values, norms, needs and consequences of humanitarian assistance at different phases of crises.

8) Professionalism and managerialism. There is no doubt that the humanitarian sector has become more professional in many aspects of its work. Logistics and distribution systems have generally improved. Coordination structures and information exchange are far from perfect but better than they were in the early 1990s. Innovation has crept into various aspects of humanitarian work, such as cash-for-food schemes. And yet, at the same time, it can also be argued that the development of this ‘humanitarian enterprise’ has not come without certain costs in terms of empathy and advocacy. Despite aspirational principles, there is a recognised tendency among many multilaterals and non-governmental organisations in the sector to accommodate the concerns of major donors. Needs assessments too frequently reflect institutional expertise rather than a genuine understanding of real requirements of the affected. Accountability often focuses more on informing donors about the end-use of their resources than on the impact that those resources have had upon the affected.

Underlying this sort of institutional managerialism is the reality that the humanitarian sector is a ‘competitive industry’ – seeking to gain shares of an expanding though ultimately limited market. Those who determine the parameters of that market may be changing. No longer can one assume that ‘hapless governments’ in the South will pay instant heed to the will of a more resilient North. No longer can one assume that the transitional label of ‘humanitarian actor’ gives an NGO or a UN organisation more automatic rights to intervention than other types of actors who may not be conventional ‘humanitarians’.

In a very basic sense, collaboration and cooperation for humanitarian action among a growing number of traditional and unconventional humanitarians will inevitably be circumscribed by competition and resource rivalry.

9) Multiple humanitarian principles. The paradox of globalisation noted under the expanding range of humanitarian actors, above, is equally applicable when it comes to the plausibility of a multiplicity of humanitarian principles in the future. In other words, along with a growing homogeneity is an equally vibrant trend towards greater heterogeneity. Localism and the resurgence of ethnic and ideological groupings may drive this diversity. Such

changes will also bring changes in the way that humanitarian principles are seen by an increasingly diverse global community. There has been an assumption sometimes implicit and at other times explicit that such humanitarian values as independence, impartiality and neutrality are universal. However, such assumptions are increasingly being challenged.

As one leading anthropologist has noted, there is a growing tendency to accept that humanism and its related humanitarian principles are not necessarily universal.²¹ They are values that will emerge out of the 'engaged debate'. That is not to say that all values are 'equal', but rather that their relevance and applicability will have to take into account different and contending perceptions. In that context, 'there is no formal universal standard to which organisations, which see themselves as "humanitarian", can be held to account'.²²

As commercial and humanitarian actors begin to consider potential opportunities for future collaboration, accommodating the principles of other cultures and societies might prove increasingly difficult from a traditional humanitarian perspective, though perhaps less so from the commercial perspective of 'corporate social responsibility'. The former will, for example, have to accommodate the Islamic concept of 'justice' within humanitarian principles as they are recognised by many Western-oriented humanitarian organisations today. One too will have to weigh the principle

of human security against the threat of terrorism when it comes to the staples of humanitarian principles such as neutrality, impartiality and independence. And, indeed, one will have to recognise that principles are all too often aspirations and not fixed and firm guidelines even for the best intentioned.

For the commercial sector, the starting point often is a different form of 'principle': that implied by corporate social responsibility (CSR). While CSR has many dimensions, one emerging principle is that corporate success and social welfare are interdependent. Hence, whether CSR initiatives are through philanthropy or through in-kind assistance, social welfare criteria must also apply in an ethical manner. Here too however, CSR has to deal with its own conundrum of 'ethics'.

Whose principles and assumptions determine what is ethical, and to what extent – like the dilemma for humanitarian practitioners – do principles and indeed ethics have to be sacrificed for a greater good? Whose good? What are they doing there... and what will they be doing there as major political, economic and socio-cultural transformations directly and indirectly impact upon humanitarian needs and humanitarian action?



2 Why are we here?

An exploration of core interests and motivations

One of the key objectives of this study is to pose two questions to humanitarian and commercial organisations alike: ‘Why am I here?’ and ‘Why are you here?’ Or, in other words, what drives the commercial and humanitarian sectors to engage in contexts that are crisis prone and to work together in crisis settings? This section examines these interests on both sides, and identifies some of the resulting opportunities as well as the tensions and challenges.

Motives for engaging in crisis contexts

Understanding the motives and interests that encourage or discourage operating in a high-risk environment is critical to any analysis of why and how the commercial and humanitarian sectors engage with one another. Working in crisis contexts is inherently difficult, costly and high risk. The factors that make intervention difficult are largely the same factors that make people vulnerable and in need of assistance – and so create the basic motive for humanitarian engagement. However, the basic driver for engagement by commercial actors may be less obvious. There may be significant business opportunities, at least in the longer term, although these may come with a high degree of commercial and other risk, particularly in politically unstable situations. The motive for engagement may be more to do with social responsibility and philanthropic concern, and here the challenge is to find a ‘fit’ between the organisation’s resources and the needs of the situation.

In fact, the motives for engagement by both kinds of organisation are complex. Humanitarian organisations, like their commercial counterparts, operate in a global marketplace – despite being not-for-profit enterprises. Humanitarian organisations are not immune to the pressures affecting commercial organisations, including competition for funding, visibility and policy influence as well as the need to satisfy stakeholders. Since most humanitarian organisations are also development agencies, there is often a question about how to balance these two agendas in a given context. Thus, it follows that, beyond the immediate humanitarian imperative to respond to major crises, the motives for engagement in crisis contexts are likely to be complex. This affects decisions about how to engage, on what scale and for how long. With the prospect of ever-increasing fieldworker populations, expanding institutional infrastructures and growing humanitarian caseloads, the foreseeable future seems likely to feature intensified competitive challenges for humanitarian organisations.²³

Motives for collaborating in crisis contexts

At a very generalised level, both sides suggest that a single general motive for collaboration should centre on the desire to help vulnerable populations in need and to see sustainable solutions to crises.

With respect to the explicit motives for collaboration, experts interviewed for this study (as detailed in the Introduction and listed in Annexe I) indicated that there is a diverse range of factors driving the engagement. On the humanitarian side, the desire to access new financial and other resources remains the primary motive, but one that is increasingly accompanied by a search for strategic partnerships. Another motive is that a number of humanitarian respondents see themselves as a voice on important humanitarian issues where their organisational ‘brand’ and work carries a lot of credibility, trust and stability. This brand, from the perspective of one major United Nations agency, should be able to contribute to the commercial sector. For commercial organisations, association with the ‘brand’ of a high-profile humanitarian organisation has considerable value (for example, consider BA and UNICEF). There is therefore a clear practical trade-off between the two sectors.

For commercial organisations, established principles of corporate social responsibility (CSR) may be the driver for engagement, but again this does not generally dictate the form of engagement. Businesses engage in these contexts on both commercial and philanthropic bases, directly or through separate foundations. Ultimately, business interests may underlie all forms of engagement, including brand enhancement, staff motivation and retention and (perhaps) the search for new markets. Other factors cited as a trigger for collaboration include geographical proximity: living and working in the same city, or sharing the same space where potential or on-going crises occur. This can form the basis for an unintended bond, or the prospect of a possible tax benefit that could arise from a commercial sector’s charitable donation to a humanitarian organisation.

On both sides, decision-making on whether to engage is influenced by principles and standards to varying degrees. Over the years, there have been a number of efforts to develop appropriate guidelines for enhancing collaboration between the two sectors. These include system-wide initiatives such as the non-binding ‘Guiding Principles for Public–Private Collaboration for Humanitarian Action’ developed by the UN’s Office for the Coordination of Humanitarian Assistance (OCHA) and the World Economic Forum (WEF). Other

initiatives, such as the Global Compact, act as filters for commercial and humanitarian actors. Individual actors and organisations have their own sets of policies, norms and standards that govern engagement. Nonetheless, respondents noted that these different guidelines and screening methods often generate more questions than answers about which standards or principles to implement, and how and where.

This broad spectrum of drivers for engagement on both sides suggests two clear patterns. First, there is indeed a wide variety of motives that cannot be reduced to a stereotypical 'bottom-line' motive. Second, in many ways engagement is serendipitous. While many of the commercial enterprises interviewed for this study have CSR policies, very often the practical realities of engagement emerge out of happenstance, issues that seem minor but have their own *raison d'être*.

Why do commercial enterprises engage in humanitarian action?

Interviews with those from the commercial sector included the question: 'What do you regard as your organisation's core interests and motives for becoming involved in humanitarian action?' Respondents identified four specific sets of motives that explained their engagement in humanitarian action.

1) Employee engagement and talent utilisation and retention

Most commercial-sector respondents made reference to the link between their humanitarian work and 'doing good' and the motivation of the staff working in their enterprises. Many stated that humanitarian-related work provides a good opportunity for an enterprise to demonstrate a positive example to staff members on how the business can operationalise its values. One respondent noted that the opportunity to contribute in-kind donations and for staff members to engage in humanitarian issues contributes to a better working environment, makes good use of staff diversity and generates enthusiasm for the company, through providing the means for channelling personal values.

Employee engagement was also cited as a benefit to companies in retaining talented employees. Motivation for engagement in humanitarian issues is increasingly coming from within companies, and employees perceive such engagement as a way to contribute or 'give back' by using their skills and talents. For example, staff members in one company were asked to vote on whether they wanted the company to sponsor vehicles or to get involved in humanitarian aid, and chose the latter.²⁴

From a humanitarian perspective, however, engaging with commercial-sector employees can be problematic.

*'Volunteers from the corporate sector, like in-kind donations, may also hinder rather than help relief efforts if those volunteering are not equipped with relevant skills, expertise or knowledge. Technical skills and noble intentions are not enough. To be effective from the outset, volunteers need to be familiar with the local context, have experience with emergency situations, and if possible, be fluent in the language of the affected country.'*²⁵

(Humanitarian respondent)

Box 1: Building on existing local relationships

Agility is a Kuwait-based logistics firm. During the 2006 Lebanon crisis, Agility made every effort to continue to fulfil its obligations for food deliveries to major supermarket chains in an effort to keep the crisis from worsening. When formulating the lessons learnt from working in that crisis experience, Agility recognised the importance of making the best use of the core talents and skills of its staff in ways that serve their own community. It will only get involved in disaster response work in countries where Agility has an office or local capacity to support. Being on the ground already, having existing relationships with transport operators and customs officials, and access to local warehousing and transport assets is the primary value-added of Agility's involvement.²⁶

Furthermore, enhancing staff motivation may not always suit humanitarian needs, particularly if there is a perceived mismatch between humanitarian priorities and the offer from the commercial sector. One humanitarian actor described receiving several proposals for support that seemed to be more about 'teambuilding activities with a social edge' rather than a useful contribution to the agency. In one instance, 67 engineers wanted to donate one day each of their time, and asked for a project they could 'brainstorm on' – an offer declined on the grounds of not representing a worthwhile investment in terms of humanitarian objectives.

In a related vein, a company's interest and the perceived needs of a humanitarian actor can be problematic:

'Perhaps we would like to build a well but a company would like to donate money for a school because building a school would be in their interest... Companies have certain interests and when they engage in humanitarian work, they have opinions on what to build and what not to build. This is a challenge.'

(Humanitarian respondent)

2) Enhanced commercial reputation, legitimacy and visibility

Some motives for commercial-sector engagement in humanitarian action involve enhancing a company's standing, image and reputation or, in some cases, the personal satisfaction of senior commercial leaders. These motives can be subdivided. One type of motive relates to 'strategic CSR', seeking to merge business motives and social responsibility, and to demonstrate how the commercial sector can contribute to developing sustainable solutions to humanitarian issues.

*'For an increasing number of companies, these partnerships are a visible means of demonstrating to their stakeholders – employees, customers, local communities etc. – they are active subscribers to the concept of CSR or corporate citizenship.'*²⁷

(Commercial respondent)

However, some observers maintain that the influence of CSR on fundamental business strategies remains marginal.²⁸

The primary aim of commercial engagement in humanitarian action may be enhancing legitimacy and visibility. An important motivation for one commercial actor to work in partnership with a humanitarian organisation, for example, was that it enhanced the reputation of the company with the government of a particular country in which it conducted business. Another respondent noted that humanitarian involvement demonstrated to its different stakeholders that it was taking responsibility for addressing global problems – again seen as ‘good for its corporate image’.

The positive dimension of this motivation is the recognition by businesses that they can contribute to developing sustainable solutions to humanitarian needs and issues, which goes beyond the ‘bottom line’. However, there are risks related to how and when visibility and profit motives intersect with humanitarian or social objectives. Commercial respondents referred to their efforts to ensure that there is a clear separation between commercial and humanitarian aims, and, for example, between departments managing humanitarian partnerships and those managing procurement.

This, however, can also have its downsides, as noted by one respondent who described the experience of a partner that had commercial activities in Israel through one part of a company, while another part of the same company was providing humanitarian services in Palestine. The official company view was that this demonstrated an ‘apolitical’ approach on the part of the commercial sector, which may not necessarily ring true for the humanitarian counterpart or the recipient country.

This can make the exact relation between business interests and social objectives a problematic distinction, making it difficult for the humanitarian sector to understand the commercial sector’s motives, and to comprehend when and how one set of interests prevails over the other.

As one humanitarian actor noted:

‘Are we suspicious or should we engage? Is it simple philanthropy or does it have to do with being the first on the ground? Is it about CSR, making a sustainable contribution to societies or improving their image and standing? It could be a little bit of all of those but their commitment is not clear.’

(Humanitarian respondent)

Thus, for the purposes of understanding why commercial organisations engage in humanitarian assistance, it is likely that the distinction between a sustainable contribution and the promotion of corporate interests will continue to remain ambiguous and uncertain, certainly from the perspective of the humanitarian actor. Yet, commercial organisations do not appear to see such potential paradoxes as a dilemma. Perhaps their attitude reflects an acceptance that one has to acknowledge contending interests, and that the balance between humanitarian intentions and commercial interests can be delicate and even on occasion inconsistent. As noted below, this dilemma is not totally alien to humanitarian actors either.

3) Accessing, understanding and testing new markets

While the two motivational factors highlighted above have links to business interests, engaging in humanitarian action

with the purpose of accessing new markets and testing new products is perhaps the most contentious motive from the perspective of humanitarian organisations. This is one of the most difficult topics for the two sectors to discuss openly. Humanitarian actors do not want to be viewed as commercially promoting the activities of their commercial partners. Almost all the commercial interview respondents identified commercial benefits arising from their engagement in humanitarian action as a motivational factor. For some actors, this was a primary objective of their engagement, while others stressed that this was only an indirect benefit and that they preferred to keep the two issues separate.

For some commercial actors, their engagement in humanitarian action, including through humanitarian organisations, provides a way to gain knowledge of and access to new markets, or to conduct business in difficult environments. One pharmaceutical company providing free medical care to children in developing countries stated that a key driver for the project was to gain an understanding of the healthcare markets in those regions. Another actor in a related industry stated that one consequence of working with a humanitarian organisation was that: ‘We see greater access to rural villagers and the ability to sell our products. Our reach will be much greater.’ This emphasis on market access and development of commercial opportunities has its parallels in the increasingly competitive nature of the international humanitarian system. The institutional desire to reach new populations and to respond to new donor- or investor-driven priorities is an issue that humanitarian organisations are facing themselves in terms of their own institutional survival.

If CSR is to be built into more all-encompassing business models, then the simultaneous desires to create new business and to develop ways of promoting human wellbeing will become ever-more prominent in the relationships which evolve between the humanitarian and commercial sectors. As one commercial interviewee explained:

‘The criteria for choosing a humanitarian partner are that that partner has knowledge about local markets and local conditions, and that it has a skill set that is different from ours. We look for skills that we don’t have.’

(Commercial respondent)

For another large manufacturing company, an important and related aim when engaging with humanitarian actors is to consider the possibility of conducting business in a crisis:

‘We have to be able to conduct business in crisis – that makes us a sustainable business, so there is both an altruistic humanitarian component and a business relationship which is fuelled by humanistic instincts.’

(Commercial respondent)

4) Making maximum use of core competencies

To date, the commercial sector’s contribution has been principally in the form of financial support or in-kind goods and services. The latter has normally been in very specific technical areas such as logistics, transport, shelter, water and sanitation, telecommunications, pharmaceuticals

and food. Such contributions, however, appear increasingly and unnecessarily restrictive from the viewpoint of several key commercial respondents, who believed that they could contribute more extensive support. Examples included helping humanitarian organisations with ‘strategic thinking and analysis’, and contributing expertise in innovation, organisational change, problem-solving or operations management. Others referred to their abilities in scaling-up and evaluating operational success as a staging post for upgraded and expanded operations.

This introduces an important insight into both sectors. For commercial enterprises to go beyond conventional support suggests that the commercial sector would need better insight into the capacities, strengths and weaknesses of potential humanitarian counterparts. It also suggests that commercial organisations themselves would need a clear view of their own role and capacities, and how they can best be deployed in different crisis contexts. What in so many ways might not be perceived as innovative or central to the commercial organisation may in fact be of high relevance or importance to the humanitarian organisation.

From the perspective of the humanitarian organisation, this presents a ‘mirror-image’ issue. There is little reason to assume that a humanitarian organisation would know or recognise what a commercial organisation might have to offer, how it operates, or how it might enhance effective humanitarian intervention. For both the humanitarian and commercial organisation, this issue illustrates the importance of having a platform or basis for communicating and understanding the respective broader competencies and assets of each, and what each might have to offer the other.

The findings from this study indicate that the current approach to collaboration tends to be *ad hoc* and opportunistic, based more on ‘what is on offer or what is available’ rather than an understanding of ‘who is best at what’. Too little attention is paid to the importance of having a clear understanding about each side’s competencies, comparative advantages and needs. In the words of one interviewee from the commercial sector, humanitarian organisations ‘are not always aware that they need to be better at financing, resource mobilisation, marketing and measuring results’. At the same time, as noted by an official from a major US NGO, commercial organisations have given little indication of how, in a practical and accountable sense, they can combine business interests with value-driven motives and how they could transfer such business values and skills to benefit the humanitarian sector. The humanitarian ‘bottom-line’ question concerns how all the possible competencies of commercial organisations could support more effective, predictable and needs-based humanitarian action.²⁹

Why do humanitarian organisations engage with the commercial sector?

Similarly to replies from the commercial sector, the answers from humanitarian organisations to the question on specific motives to engage with commercial actors in humanitarian action generated a diverse range of responses, clustered around four themes.

I) Financial resources

Humanitarian respondents increasingly recognised the need to move beyond regarding engagement with the commercial sector principally as a ‘financial transaction’. However, and paradoxically, the prevailing view was that un-earmarked cash contributions remain the preferred option and the most useful form of assistance.

‘Although it is agreed that engagement is great, it remains difficult on the humanitarian side of things to accept more and have it be more than a financial transaction. Sometimes we want companies to get away from throwing money at a situation, organisation or problem, but often one of the best things a company can do is exactly that.’

(Humanitarian respondent)

The humanitarians’ quest for financial support from the commercial sector comes with more than a degree of disincentive. One disincentive relates to the commercial sector’s inclination to trade its generosity for a share of visibility and what has been described as ‘self-promotion’. Concerns about the price of visibility relate to concerns about commercial donors’ ‘interference’ in what are regarded as specialist activities of humanitarian organisations. Respondents noted that it was very time-consuming to document achievements and provide full recognition for partner organisations. In the experience of one humanitarian actor, financial contributions from corporate actors come with conditions that make it difficult to assess the level of overall benefits.

‘Companies would like to know exactly how their money is spent. It is in their interest to support very specific things and specific places and to get specific feedback, so that they can say to the public, for example, “We give a lot to Haiti.” But the more feedback we have to give, the more money is spent on administration and communication.’

(Humanitarian respondent)

Humanitarian organisations participating in this study acknowledged that commercial and bilateral government conditionalities were in many ways similar. Nevertheless, there was a suggestion that when it came to accounting for expenditures, though not necessarily impacts, the commercial organisation’s standards could be much more demanding. Such conditions, according to an NGO representative, might offer some residual benefits. In accounting for contributions to commercial organisations, for example, it was felt that such procedures could result in better monitoring and reporting. This could benefit both sides and could help the humanitarians to be more efficient, resulting in more effective fundraising from the commercial sector.

When it comes to seeking funding from the commercial sector, it is evident from prevailing attitudes that each side faces a dilemma. A very clear finding from this study is that commercial organisations appear to want a much deeper involvement in humanitarian action. According to one respondent, ‘they want to participate, they want to engage, they want to bring know-how and solve problems’.

‘When they, the humanitarians, only want or think money from the private sector, then it will not work – as we are interested in transferring business capacity, not hand-outs.’

(Commercial respondent)

Box 2: Brokering between commercial and humanitarian organisations

Global Impact is a non-profit organisation working to become a trusted intermediary between private and corporate philanthropy and Global Impact's membership, which includes over 50 US-based global charities working in relief and development. Global Impact raises money for its member charities from private-sector workplaces and through corporate philanthropy. As part of its brokering role between its members and the commercial sector, it has instituted policy changes to ensure integrity and accountability for the funds it disburses. These changes include membership criteria, instituting a strong internal auditing function and auditing requirements for member charities, an annual recertification

process for members, and ensuring that members submit timely programme and financial reports on funds received. In effect, the standard of transparency and accountability that Global Impact has established has positioned it and its members as trusted partners for the commercial sector: Between 1995 and 2006, Global Impact's philanthropy revenue grew from US\$6 million to US\$41 million. By supporting its charity members, Global Impact benefits more than 400 million people worldwide through disaster relief, education, health training and economic programmes supporting self-sufficiency.³⁰

There is agreement among at least some humanitarians that both sides need to be more open to greater involvement of commercial partners in humanitarian action.

'The humanitarian actor's interest should be more than just money. If our only interest is money, then the conversation is dead. Still most NGOs just don't get it. The corporate sector has a much deeper interest than NGOs too often recognise.'

(Humanitarian respondent)

Regardless, with an ever-increasing fieldworker population, expanding institutional infrastructures and humanitarian caseloads, the humanitarian system will continue to require financing for the foreseeable future – and the two sides will need to find ways to reconcile their diverse positions and perspectives.

2) Harnessing corporate expertise for humanitarian purposes

For the most part, humanitarian actors have increasingly been interested in accessing specific technical areas of expertise which they themselves do not have and which vary widely across agencies. Examples that arose in interviews included waste-management systems within water and sanitation, logistics, transport, telecommunications, and urban search and rescue. More recently, humanitarian actors have started to look to the commercial sector to help fill other types of competency gaps that they would otherwise have to pay for, in areas such as specialist databases, information technology and supply-chain management.

Not only are humanitarian actors starting to look more and more to the commercial sector to fill gaps in expertise, but they, too, are viewing commercial sector engagement as potentially covering a wider range of humanitarian activities, spanning conflict and post-conflict recovery as well as prevention and preparedness. The potential implication of these trends is that there appears to be a growing interest in less sporadic, more predictable partnerships that acknowledge the time and effort that is required for the collaboration to work.

*'Now, the relationship is at a stage where we would like it to be less ad hoc, really enter into a long-term strategy that takes the partnership to a new level – more structure, more partners, and have the partnership be more objective – and outcome-driven.'*³¹

(Commercial respondent)

One Malaysian NGO and its commercial partner both felt that they had become mutually reliant in various ways. The commercial partner was seen as providing consistent support for strategic development, while the NGO saw its role in terms of channelling its partner's CSR over time in a more focused way. Yet, such partnerships are not without controversy. One proponent of greater corporate engagement acknowledged the risk of adopting 'too much corporate thinking'. Alternatively, another major NGO argued:

'We have to shift from being managed by social types to being managed by business types... [We] have started hiring people from the corporate world to adopt new thinking... the corporate people are competitive, innovative and take risks. They turn risks into opportunities, whereas in the humanitarian sector risks become a handicap... In the humanitarian sector you need people that take risks and are competitive and innovative.'

Another representative of a large NGO noted that non-governmental organisations will come under greater scrutiny from governments about delivery and efficiency at donor level and also among beneficiaries. NGOs will have to become more professional and enhance their management skills: 'In essence, we have to become increasingly efficient and effective.' For the most part, humanitarian respondents thought that they could acquire greater professional acumen from commercial-sector partners. Although not explored explicitly in this study, respondents perceived an increase in crossover of personnel between the commercial sector and humanitarian NGOs.

Humanitarian organisations stressed the need to be able to better articulate what they want from the commercial sector in terms of enhancing 'business skills'. 'We need to be clear on what it is and what we are talking about,' noted a representative from a large NGO consortium; 'We need to better understand the value that commercial actors can bring.' Further complicating this discussion is the question within some humanitarian organisations of whether having a closer relationship will result in business interests and humanitarian objectives becoming blurred to the extent that commercial actors could become competitors to humanitarian actors on the basis that they have the necessary expertise and can do a better job. In any event, as one humanitarian respondent asked, is the capacity that the commercial sector can pass on to international humanitarian organisations really the point? Rather, shouldn't the priority of both commercial and humanitarian organisations be to focus on strengthening national capacities?

Box 3: The International Committee of the Red Cross (ICRC) and the commercial sector

ICRC's engagement with the commercial sector has developed with humanitarian principles as a key focus, coupled with the need for diversifying its resource base. Following an internal ICRC review in the late 1990s, the commercial sector emerged as an important player that so far ICRC had not yet engaged. While commercial actors were being recognised as potential contributors of goods and services, the analytical exercise highlighted the impact of commercial-sector activities in humanitarian contexts, and the need for greater recognition of the fact that 'willingly or unwillingly' the commercial sector is an important actor, and that its role needed to be better understood.

This has resulted in two forms of collaboration. In the first, ICRC seeks to engage with commercial actors operating in conflict zones through promoting international humanitarian law, raising awareness around ICRC's activities and areas of concern in particular contexts, and sharing information on issues such as infrastructure or service delivery. This is done in the hope of promoting a greater sensitivity to humanitarian concerns and, in turn, to the protection of affected populations.

Secondly, the ICRC has sought to diversify its funding base by seeking financial support from commercial actors. This resulted in the creation of the Corporate Support Group in 2005, consisting of 10 Swiss-based companies who have all made six-year funding commitments. Increasingly, the ICRC believes, commercial actors are interested in humanitarian principles and how to apply them to business practice.

In addition to the motivation of corporate employees, commercial organisations see affiliation with the ICRC as beneficial to their reputation, as well as providing opportunities to learn from ICRC's operational experience in conflict zones. As one respondent noted, 'The private sector is seeing that it is cheaper to do it right and that they have to be involved... So, it is in their self-interest to engage – even if it is not directly related to a humanitarian issue – it is the place where there is an overlap of interests. The ICRC's approach is to try to maintain strict dividing lines between its efforts to engage with commercial actors on their understanding of humanitarian principles in conflict zones, and its efforts to diversify its funding base.'³²

'The days when one went into a country and operated independent of the government are over. Now, it is shifting to a more locally led initiative with outsiders supporting. This trend will only continue and local actors, including the government, will have an increasingly important role, including local NGOs and local civil society, and the local private sector.'
(Humanitarian respondent)

3) Promoting humanitarian values

An important motivating factor for humanitarian actors engaging with commercial actors is 'to exert a positive influence on the private sector in relation to how they do business,' according to a UN-agency representative. In the words of a non-governmental counterpart, this motive is 'to raise awareness of humanitarian issues'.

So far, any system-level debate has not engaged with the issue of the universality of humanitarian principles and the extent to which they serve as rules for engagement to govern humanitarian and commercial collaboration.

'The values that guide humanitarian assistance are not values that should only apply to the organisation; they should apply to everyone who wishes to engage. They were most certainly not meant for a small group of people. More specifically, the principle of impartiality should apply to both ICRC and a company with which it chooses to partner.'
(Humanitarian respondent)

Nor has the debate focused on the integration of business motives in CSR and the implications for humanitarian collaboration. Interview respondents reported that some humanitarian actors are starting to consider the issue of values. Under pressure for funding, these humanitarians feel the need to accept more business interests in collaborative initiatives than they may consider ethical from a humanitarian point of view, or that they feel are inconsistent with humanitarian principles. At the same time, humanitarian actors recognise that not engaging with the commercial sector from a desire to

maintain humanitarian principles and values can lead to missed opportunities for harnessing commercial resources and expertise.

4) Recognition of the benefits and necessity of partnership

'Five to ten years ago it was the NGOs who contacted the corporate sector for support. Today it is the other way around, as the support of NGOs is on the agenda of many companies.'
(Humanitarian respondent)

A number of humanitarian actors interviewed for this study referred to changes in the context of engagement, in relation to the emergence of new, 'non-traditional' actors, including the commercial sector. The trend seems to be that the commercial sector is increasingly approaching the humanitarian sector with offers of assistance. This shift in 'who approaches whom' is a good indication of how the context for engagement is changing. Other influencing factors could relate to the growing centrality of the commercial sector within development and aid. There are also emerging signs of recognition that current capacity of the humanitarian system will be inadequate to address the dimensions and complexity of 21st-century humanitarian challenges, and that new approaches and new actors will be needed. One interviewee described an emerging organisational strategy to place partnership at the heart of its operation,³³ although this type of perspective and strategy cannot be presented as an emerging trend.

'Although many companies have started to call the NGO and ask for assistance, the reality is that there are not enough good NGOs to help. There are probably 25 NGOs worldwide that are experienced and talented enough and that have systems and can talk about best and worst practice. And then there are thousands more that are small and do not have the relevant experience. So, a major problem is that there are not enough NGOs to effectively engage with global corporations.'
(Humanitarian respondent)

Despite the perceived lack of 'good NGOs' with appropriate experience or strategies to engage global corporations in matters of best practice, there is a growing recognition that engagement may instead be more productively encouraged at the local and more specialised level. For projects concerned with disaster-risk reduction and crisis preparedness, the 'upstream' and context-specific nature of this work may well require more local engagement, employing local knowledge and expertise and working with local commercial actors as well as government. For organisations seeking to engage in crisis contexts, much of this expertise could be harnessed through engagement with local actors who might include regional governments, civil society or the local business community.

Developing these types of solutions should lead to empowering local actors, and therefore reliance on the capacities and experience of a small number of international NGOs and global corporations should be reduced or reconfigured. In addition, greater attention to local capacities would seem to offer more appropriate means to address contextually specific types of crises. As noted by the World

Economic Forum in its analysis of the response to the Haitian 2010 earthquake, commercial organisations also need to enhance the capacities, readiness and resilience of exposed societies so they can withstand extreme events. Ensuring that civil society and local communities are involved will make it possible to identify and meet the needs of different groups.³⁴

Given the inherent difficulty in identifying the best course of action from one context to another, there is a necessity to engage with and leverage the expertise of a wide range of actors who will understand the context and be aware of the complexity of issues on the ground. As well as helping to guide aid and development programmes, an additional benefit of this type of multi-actor engagement is described by Sir John Holmes, UN Emergency Relief Coordinator, as a process to 'empower national governments, local communities, and maybe regional organisations... so that the international community doesn't need to intervene so much and can reserve itself for cases of really major need.'³⁵ In essence, greater attention to utilising and strengthening local capacities would seem to offer more appropriate means to address contextually specific crises.



3 How are we engaging?

Current patterns and trends

This section reviews patterns of engagement and collaboration between commercial and humanitarian organisations, focusing on: disasters and their aftermath; protracted crises and situations of violent conflict and insecurity; and how the collaboration works, including opportunities and constraints.

Despite the recent increase in commercial-sector engagement in humanitarian action, this remains a ‘niche phenomenon’ at present, and collaboration with humanitarian organisations tends to be *ad hoc* and opportunistic. Despite some progress in recent years (e.g. through UN OCHA and the World Economic Forum), much remains to be done – not least establishing an evidence base about ‘what works’, particularly in the light of emerging humanitarian challenges.

We distinguish four kinds of engagement by commercial organisations in disaster or conflict-affected contexts:

1. financial support or in-kind donations of goods to humanitarian organisations
2. partnership and collaboration with humanitarian organisations, such as based on provision of technical support services (logistics, ICT)
3. direct commercial engagement within the sphere of humanitarian response, crisis prevention or reconstruction (as contractors or otherwise)
4. direct commercial engagement outside this sphere, i.e. for-profit business ventures in crisis-affected or politically unstable contexts.

This study is mostly concerned with the first three categories, and how these sit alongside traditional forms of humanitarian action. However, the fourth category has considerable humanitarian and development significance, both for its potential to benefit local economies through investment and employment, and for its potential to do harm through the way in which business is conducted and its role in the wider political economy of the country in question. Commerce, like aid, may be positive or negative in its wider effects.

The commercial sector’s engagement in humanitarian crises

Humanitarian crises – response and preparedness

For commercial enterprises, the decision-making processes for determining which disaster to support, levels of funding and in-kind contributions to provide, and the delivery mechanism

to use are, by and large, determined by the location of company operations, market position, and the humanitarian role it has created for itself as well as how that role relates to its own business interests. The most well-established and common area of commercial sector engagement is in disaster response³⁶ to natural hazards, with in-kind contribution in the areas of logistics, transport and storage, shelter, water and sanitation, pharmaceuticals, information technology and food.

Before the 2004 tsunami in the Indian Ocean, response was unbudgeted and fragmented. However, since the response in late 2004 and early 2005, commercial enterprises have begun to look for ways in which to better structure their response. They have also started to move away from the provision of cash and in-kind assistance towards deploying their core competencies on the ground – for example, their technical expertise.³⁷ This role expansion has started to include support for preparedness activities in the form of training, including joint training with humanitarian counterparts.³⁸ However, as yet, there is no clearly defined preparedness role for the commercial sector that is commonly recognised.

Crisis recovery

In recovery,³⁹ commercial enterprises represent a large and often influential component in many communities. Their own ability to prepare for and recover from disasters, in order to protect staff and assets and ensure business continuity, plays a defining part in determining a community’s resilience. Moreover, the commercial sector has demonstrated that it can play a crucial role in providing niche capabilities, as well as additional human and financial resources.⁴⁰ However, identifying mutual priorities within partnership and preparedness frameworks of commercial enterprises and humanitarian organisations has proved challenging.⁴¹ One reason for this relates to difficulties between the two in reconciling the potential business interests driving engagement on the part of the commercial enterprise with humanitarian organisations in recovery efforts.

Effective recovery efforts require the systematic engagement of commercial and humanitarian actors before a disaster event.

‘After something happens it is usually emergency response that people think about. So, if the private sector is not providing humanitarian goods or services it is either waiting or not engaged unless it has had a systematic engagement prior to a disaster event in, say, preparedness or recovery planning.’

(Humanitarian respondent)

Early recovery offers the opportunity to bring commercial organisations into the humanitarian crisis context, but with

a focus on sustainability issues, both for business and for affected communities. This then links them with development actors and brings them into the discussion on how best to invest in transition and early recovery as soon as possible – an engagement that can range from one day to five years. But, this means that commercial organisations have to be part of preparedness discussions and work and engage ahead of time.

‘In regard to the role of the private sector in post-disaster recovery and reconstruction – at the local level they can help in terms of the emergency, local procurement of materials and supplies, restoration of livelihoods and infrastructure development. They are already on the ground, know what people need and can access things quickly. This needs to be part of preparedness planning.’

(Humanitarian respondent)

To date, the commercial sector’s role in disaster recovery is not well established. Several respondents expressed interest in having a more formal dialogue on recovery and that it needs to include the element of business continuity and incentives. This would include the untapped potential for ‘commercial-to-commercial’ engagement and for local enterprises to create new investment opportunities or to access new markets within the context of stimulating post-disaster economic growth and helping people to restore and improve their standard of living.⁴² Given the wide variation in crisis contexts, and the need for national and local actors to participate in this dialogue, UN respondents working in recovery advocated that this discussion should focus on regional or national levels. International-level actors and platforms could, perhaps, provide convening support for dialogue forums on the commercial sector’s role in crisis recovery by sector or by recovery interventions.

Disaster-risk reduction

Disaster-risk reduction (DRR)⁴³ is a growing area of strategic importance in the broader humanitarian field that many believe could benefit from commercial-sector engagement. Yet, as one respondent working in DRR noted, ‘the private sector is not actively engaged in the Hyogo Framework for Action⁴⁴ – they don’t even know that it exists’. There are several reasons for this lack of engagement, including the lack of clear entry points for engaging in DRR, compared to those for response.⁴⁵ Also, there is no consensus in the international humanitarian system on how to link humanitarianism to issues of social and economic development and sustainability.

Some question whether DRR even belongs under the umbrella of humanitarianism, given its emphasis on vulnerability reduction and addressing the underlying causes of risk. Additionally, unlike for humanitarian crisis response, the financing mechanisms for recovery and DRR are not well defined. For the most part, the lead role in DRR is taken by governments and local actors, including development actors. Efforts should seek to empower local actors (or ‘beneficiaries and affected populations’) to identify and implement their own solutions to reducing their vulnerability to risk.

The crucial point in the case for disaster prevention⁴⁶ is that it can make communities less vulnerable to hazards and better able to rebuild and develop. Business incentives to this end are clear: successful prevention activity will provide a more stable and predictable operating environment, reducing disaster

risks to operations, suppliers and supply chains, trading and customers, and can reinforce a company’s ‘social license to operate’.⁴⁷ Recent trends in thinking support the argument that the commercial sector has a particular and important role to play in managing and reducing the risks of disasters – protecting economies, communities and themselves, in both urban and rural contexts.⁴⁸ While there is still scope for better post-crisis assistance, there appears to be an even greater need for the extension of this engagement to DRR.⁴⁹

Some companies have begun to develop strategic involvement in DRR,⁵⁰ and have committed significant resources to longer-term efforts. The issue for a growing number of commercial organisations is the extent to which the focus on sustainable development, with its attention to economic growth in a sustainable environment, is a commercial answer to reducing crisis risks. Yet there are also potential tensions to address if the engagement between the two sides is to expand. For a start, the motives driving an expanded engagement beyond disaster response need to be clear on both sides, underpinned by having a good understanding of ‘who can do what’, with clarity about each side’s contribution to reducing risk and vulnerability.

Though the mandate of many humanitarian organisations increasingly goes beyond response, and they get involved in other crises areas, the extent to which their operating and programming processes have been realigned to facilitate this engagement is inconsistent. For example, ‘what is on offer’ needs to be in alignment with international and national frameworks and needs to take into account available capacity assets in the particular country or at-risk area. Thus, each side needs to understand that national context in order to

Box 4: Commercial involvement in DRR in East Asia

Following the 2004 tsunami in Indonesia, the engineering firm, Arup provided advisory services to the United Nations on school reconstruction. The advice aimed to ensure that new buildings featured the most appropriate modern developments, and met building standards.

In response to the 2008 Wenchuan Earthquake in China, communication services provider Nokia Siemens Networks (NSN) signed a memorandum of understanding with UNDP China to cooperate in disaster rehabilitation and reduction. This initially involved support with cash resources, and later included the provision of teaching equipment, training, and psychosocial support.

The 3rd Asian Ministerial Conference on Disaster Risk Reduction (2008) in Kuala Lumpur had the overarching theme of ‘Multi-stakeholder Partnership for Disaster Risk Reduction in the Asia and Pacific Region’. The conference focus on public-private partnership for DRR brought together East Asian governments, national, regional and international UN agencies, NGOs and Red Cross/Red Crescent societies as well as national and international businesses.⁵¹

determine how they will interact with and can best assist governments and national actors to best utilise or enhance their own capacities and systems, with the aim of capitalising on, not replacing, existing national and regional capacities.

*'Capacity building must take into account local culture and already existing know-how; understanding the local context takes time and the reality is that humanitarian organisations that want to be active in more than disaster relief often have low levels of preparedness and professionalism. One of the main reasons for this is lack of funds. Donors give money after a catastrophe while funds for the technical preparation of field staff are almost nonexistent.'*⁵²

(Humanitarian respondent)

Other key issues that both sectors need to consider with respect to any expanded engagement in DRR include predictability of support, the need to operate with regard to both development and humanitarian principles, and extended timeframes for engagement and scalability. For commercial organisations, the open-ended or extended timeframe for their commitment in DRR could pose concerns that such commitments are a diversion from their core commercial activities or concerns as to whether investing in prevention supports their motive for increased visibility and branding.

Additionally, for some humanitarian organisations, the long-term economic growth and development aspects of DRR may not be seen as consistent with the scope of their response-oriented mandates or present capacities. This is not to suggest that humanitarian actors are not concerned with DRR or do not recognise its longer-term importance. Rather, effective risk reduction for humanitarian organisations, not unlike the commercial sector, suggests levels of commitment and scale not always consistent with organisational structures or what may be currently practicable.

The commercial sector's engagement in protracted crises and conflicts

Commercial enterprises increasingly operate in many zones of violent insecurity or protracted crises worldwide. Insecurity often affects supply chains, markets and distribution networks, staffing and a variety of issues fundamental to business operation. It seems that commercial organisations are more willing now than in the past to accept that their business interests depend upon stability, and that their engagement in complex crises can ultimately contribute to achieving that stability. Commercial-sector respondents acknowledged in interviews for this study that they have generally been reluctant to provide humanitarian support in conflict-affected settings, in contrast to their greater inclination to respond to sudden-onset natural hazards. The seemingly intractable nature of some conflicts remains a deterrent. Several respondents noted that conflicts are the sole responsibility of governments and traditional humanitarian organisations.⁵³

Concern for the wellbeing and safety of employees was another frequently proffered explanation about commercial organisations' general reluctance to become involved in high-risk environments. 'The complexity of the circumstances makes it difficult,' observed one commercial respondent.

'We will not send our staff to conflict zones. It is too risky and staff do not have the same motivation for this as they do for what are described as sudden-impact disasters or humanitarian crises.'

(Commercial respondent)

This same concern, though, is found increasingly in humanitarian organisations. Donor governments as well as the agencies themselves are being challenged about the necessity of exposing 'aid workers' to increasingly high levels of risk in operations, for example in Sudan, Afghanistan and Somalia. Like their commercial counterparts, humanitarian organisations also face obstacles and challenges in gaining access to and serving vulnerable populations while also safeguarding staff security.⁵⁴

Nevertheless, there appear to be increasing numbers of cases of commercial-sector engagement in insecure contexts with humanitarian purposes.

- DHL, the global logistics firm, notes that it actively works in conflict settings, including delivering relief supplies directly into conflict zones such as southern Iraq.⁵⁵
- Over 400 KPMG staff members assisted with the distribution of relief items during and after the December 2007 election riots in Kenya.⁵⁶
- Faced with the deteriorating and often violent situation in Zimbabwe, the Veolia Foundation used its capacities to help the French Red Cross in Zimbabwe to develop response strategies.⁵⁷

These examples indicate what many involved in this study regarded as a significant trend on the part of commercial enterprises. However, the types, dimensions and durations of such involvement are variable, and few respondents from either sector saw much prospect for predictable and consistent partnerships in conflict situations.

Box 5: Systematic commercial engagement in conflict prevention and recovery

In Sri Lanka, the Business for Peace Alliance (BPA) receives support from UNDP Sri Lanka and the NGO, International Alert. In 2007, the BPA used a network of District Chambers of Commerce to facilitate investment between small and medium-sized enterprises and potential domestic and external investors, including the diaspora. The aim was to stimulate sound commercial propositions attractive to responsible investors, seeking to integrate conflict-sensitive processes and peacebuilding with regional business processes that are sustainable and meet environmental standards.⁵⁸

At a different level, Corporates for Crisis, or CforC, also encourages investors to engage in 'frontline markets' in post-conflict situations. Commercial organisations, noted a CforC senior executive, bring in 'portfolios of billions, increase liquidity and increase trade, all of which helps shape a stable environment... one which also can be "pro-poor" oriented'.

In conflict prevention and post-conflict recovery, there are more robust signs of predictable commercial engagement, and examples of more consistent partnerships between commercial and humanitarian organisations.

To some extent, this shift by commercial organisations towards more engagement in conflict and post-conflict matters indicates that they can do business in high-risk environments – and in a way that benefits the population in those contexts. Nevertheless, commercial organisations appear to be far more risk-averse and calculating than their humanitarian counterparts when it comes to engagement. In the words of an independent analyst:

‘We focus on – can we do business in a crisis? We have to be able to conduct business in a crisis – that makes us a sustainable business so there is both an altruistic humanitarian component and a business relationship which is fuelled by humanistic instincts.’

(Commercial respondent)

‘Proactive companies are analysing the risk and understand the need – the business case – to adapt. Resource insecurity leads to migration and conflict; widespread corruption and violent criminality in addition lead to social and economic instability, as well as humanitarian crises.’⁵⁹

(Commercial respondent)

Thus, in some respects, the commercial organisation’s bottom line in protracted crisis is similar to that of humanitarian actors, albeit with different motives: both desire to see peace, development and human security.

This shift may also demonstrate a belief on the part of commercial enterprises that good corporate citizenship reaches beyond initiatives that claim to promote positive community relations, environmental protection and sponsorship of health and education. It seems that, more recently, enterprises have explored ways to address broader issues of peace and security, linked in various ways previously described as ‘sustainable development’. Additionally, humanitarian organisations have recognised that, over the long term, only the success of commercial enterprises and investment is capable of providing the economic security that may salve the sources of conflict.⁶⁰

However, the overall dilemma presented by the role of the commercial sector in conflict prevention and peacebuilding efforts is that business can be seen as ‘the bad guys’ who are part of the problem, due either to the sensitive nature of their business interests or to their business practices. These issues arose in cases such as Shell in Nigeria, Talisman in Sudan and Unocal in Burma.⁶¹ Consequently, humanitarian actors continue to be cautious, although findings from this study also indicate that this caution may be shifting.

‘We don’t work with the extractive industries. They have conflicting agendas and there is a negative image associated with working with them. On the ground we would not want to be seen as a tool for their agenda.’

(Humanitarian respondent)

‘In the future we humanitarians will have to figure out how to engage with different actors so they can become part of the solution, not part of the problem. We can’t stop things like corruption but we can work with the commercial sector in conflict contexts.’

(Humanitarian respondent)

Respondents offered few examples of the two sectors systematically engaging together in conflict response and recovery. But, concerning BizPact’s role in Sri Lanka:

‘If they can be successful with this and start to illustrate how it can be done, the private sector will be less averse to working in conflict countries. Now it is often difficult – it is a matter of putting a more positive spin on it – taking a problematic or negative issue and demonstrating how business can effectively do business in a conflict and post-conflict setting.’

(Humanitarian respondent)

Similar to having an expanded engagement for DRR, a more expanded collaboration between the two sides for conflict prevention and recovery brings opportunities but also poses potential constraints in relation to the importance of understanding motives and interests and operating assumptions in respect to the added value of each side.

Collaborative experiences: the ups and the downs

Principles and standards for engagement

For commercial organisations, a mix of approaches and criteria guides their engagement in humanitarian action. For some, the engagement is in response to an appeal by the humanitarian sector. Others have pre-existing arrangements, either contractual or in the form of memoranda of understanding, or a combination of the two.

‘We only have written agreements with two humanitarian organisations. With others it is too complicated, so it is easier to work on an informal basis and so far that has worked.’

(Commercial respondent)

‘We have written agreements with the private sector that define the nature and parameters of collaboration. These constitute rules of engagement but you can’t always envision everything. Agreements lay out the expectations but you also need space for creativity.’

(Humanitarian respondent)

Commercial actors are concerned to work with reputable and accountable agencies, with whom they share values. One commercial respondent stressed the need for an ‘alignment of vision and ways of work’ when a company collaborates with an NGO.

‘We have three criteria for funding projects. They must be aligned with our core values, the activities must fall into either solution building or community building, and the organisations seeking funding must be internationally recognised.’

(Commercial respondent)

‘There is a risk that you don’t have the same way of working. If there is no alignment of goals, you have a problem. Also, it is a risk when there is a lack of transparency about what the other partner is doing. Creating value is key for both parties: at the end of the day, it is about how you can create value.’

(Commercial respondent)

The issue of standards generates equally definite views from humanitarian organisations:

‘The criteria when humanitarian actors select and approach corporate actors are that they already have some sense of corporate social responsibility. For example, they cannot be manufacturers of landmines. Also, it is relevant that a kind of common ground can be identified around which a partnership can be established, like a common orientation towards families and children. Furthermore, geography is a factor and the humanitarian partner needs to work in an area that is relevant to the corporate sector.’

(Humanitarian respondent)

The case of the ICRC (see Box 3) indicates that there is a growing interest among certain commercial actors in humanitarian values and how to apply them to their own business practices. Humanitarian organisations, however, are increasingly challenged to apply humanitarian principles, yet there is a perceived loss of respect for these principles not only from host governments and warring parties but also from international governments and military actors, as well as some humanitarian organisations themselves.⁶² Current models of collaboration do not enable the two sides to engage with contentious issues concerning the potential clash between commercial interests and humanitarian principles, or around differences in perceived values of efficiency and effectiveness. This is a concern for both commercial and humanitarian actors.

Competency and value-added

The issue of competencies came indirectly out of respondents’ comments, but it is worth exploring further in the context of current patterns and trends of engagement. As the findings of this study suggest, the starting point for engagement between the two sides needs to be a recognition of and understanding of core interests, motives and capacities. This then needs to be the basis for determining who is best suited to do what within the life cycle of a crisis, and for different types of hazards and contexts for partnering. With that as the basis, both sides can then seek to assess and define their respective value-added and comparative advantage.

‘Much more analysis is needed on where everyone is coming from and going to – unpacking it all. There needs to be a much better sense of: “What are you here for? What are we trying to do? Who is best suited to do what?” Each of the sides needs to be able to answer that. Instead of trying to have everyone doing the same thing or trying to duplicate one another, concentrate on maximising the added-value of each – including UN, local actors, private sector, NGOs.’

(Humanitarian respondent)

Presently, the two sectors do not have any common mechanisms or approaches to help define or assess competencies against what each brings to a collaborative relationship. Nor is it clear how the commercial side could assist humanitarians in responding to an increasingly competitive funding environment with growing pressures for professionalised management practices. Yet, there is declining space for decision-making about who is best suited to do what, based on what is available or on offer and according to self-referential rules.

As commercial-sector employees are increasingly exposed to the humanitarian world through CSR initiatives or other forms of humanitarian engagement, to what extent will the particular competencies of humanitarian organisations become shared? In the future could there begin to be, at an operational or even strategic level, a blurring of boundaries with overlaps between core competencies, personnel and motives of humanitarian and commercial organisations? As the Bangladesh-based NGO, BRAC uses its commercial expertise to fund its humanitarian activities, to what extent will economic and financial considerations determine BRAC’s critical core competencies? And, in a related vein as a growing number of humanitarian organisations become increasingly ‘professional’ and ‘managerial’, to what extent will core competencies take on the patina of commercial counterparts with respect to efficiency and effectiveness?

At the system level, a 2010 report from Enhancing Learning and Research for Humanitarian Assistance (ELRHA) has advocated greater attention to ensuring standards and competencies for those engaged in humanitarian action, in light of the growing challenges facing organisations with humanitarian roles and responsibilities.⁶³ The report notes that, although the sector does not have any consistent humanitarian occupational standards, over the years different humanitarian actors have sought to address their needs for learning and capacity development, which has resulted in a multiplicity of standards and initiatives.

The ELRHA report proposes that:

‘a system of certification be developed to be applied at the international level that is capable of being applied nationally and the establishment of a true international professional association for humanitarian workers and the necessary supportive academic and training infrastructure.’

Its recommendations pertaining to standard-setting and capacities could go some way towards addressing some of the competency issues, as well as issues relating to comparative advantages and value-added, of humanitarian and commercial organisations. Whether through this sort of initiative or others, it is evident that recognised added value and mutually agreed skill sets are essential to more strategic collaboration. To date, this analysis has not occurred in any systematic or consistent way.

Partnering principles and processes

Respondents in this study do not have a common set of frameworks or processes for partnership to help guide their collaboration. For the most part, they have a very different understanding of and approach to collaboration and partnership. Interviewees referred to the work of the World Economic Forum, which launched the Humanitarian Relief Initiative (HRI) in 2006 in collaboration with UN OCHA. This resulted in *Guiding Principles for Philanthropic Private Sector Engagement in Humanitarian Action*, which provides a set of non-binding principles to guide the engagement between humanitarian and commercial organisations.⁶⁴ However, these principles are perceived as inadequate for defining the partnership process. Nor have they served as the basis for either defining or developing partnership working capacity.

Respondents identified several factors inhibiting the development of better partnering processes and capacity between commercial and humanitarian organisations.

- One factor was described as ‘no commonly agreed global definition for partnership’.⁶⁵ Thus, the term ‘partnership’ is used very broadly and with differing meanings.
- Also, collaboration between non-traditional actors from different sectors (cross-sector or multi-sector) is a relatively new phenomenon.
- Another factor relates to the voluntary and self-regulating nature of the relationships and the tension on both sides of simultaneously holding both collaborative and competitive relationships.⁶⁶
- The absence of neutral fora and platforms to specifically build partnering capacity and an understanding of what this requires also inhibit collaboration. While many respondents wanted to develop collaboration, neither side appears to have a clear sense about issues such as how to create an enabling environment for partnering, scalability, ways to identify common objectives consistent with mutually agreed principles, and ways to transform good intentions into mutually acceptable strategic objectives. What, in other words, do scalability and strategic partnership actually mean to either side?
- Lack of common models and frameworks for different types of partnerships, ranging from financial or in-kind contributions to more transformative models of collaboration.

A related challenge regularly identified by various commentators as a key constraint to better engagement is the lack of mutual understanding and communication between the humanitarian and commercial sectors. The findings from this study are no exception to this persistent concern. Collaboration requires a significant investment of time and negotiation to build an effective relationship and trust – all of which can be a big disincentive or pose risks to engagement. Too often, long conversations can lead to very little at all.

‘Partnership is not necessarily the answer to all known global ills. The transaction costs involved in partnering can be high and can be out of proportion to the benefits to those involved in a partnering approach. Sometimes a partnership is just too unwieldy a response to a situation that simply requires direct action by one sector.’⁶⁷

Even for those directly responsible for brokering engagement between the two sides, there is a clear recognition that attempts too often run aground because most initiatives do not invest the time needed to build an enabling environment for the relationship or take into account the differences between actors (e.g. size, geographic reach, capacity). Nor do they provide the sort of consistency required for developing strategic and operational collaboration.

‘It need not be complicated, but within all categories, communications are poor. Specifically, not knowing each other will lead to a lack of understanding. If we don’t know each other, we don’t talk to each other. On the other hand, if you have good open dialogue with the private sector, it is

possible to gain information from one another. Thus, it is very productive to speak to each other even if the net result is to “disengage” or seek an alternate form of collaboration. At least you’ve had a fair crack at exploring the potential.’

(Humanitarian respondent)

Platforms for exchange and engagement

While the importance of dialogue, good exchange and access to knowledge is often emphasised by representatives from both sides, it is difficult in practice to determine how best to approach the communications gap in terms of who should be part of the dialogue, and where and how it should take place. Realistic assumptions need to be made about the consequences and impediments to greater communication.

‘It is really important to try to push beyond a lot of the rhetoric that is out there on the private sector and corporate social responsibility, and to understand the types of businesses and companies that engage. We are not all the same, and means are needed to let all interested parties know what motivates us to engage in social-change initiatives – our own needs and interests. You need to get to know each other and to understand each other’s worlds. The corporate just can’t take the attitude that it is the one who has a lot to offer – you have to see it as a two-way street.’

(Commercial respondent)

At a system-wide level, a number of initiatives have specifically aimed to promote exchange and improve communication between actors. The UN, for example, has created a website (business.un.org/en) to match what private-sector actors have to offer against UN needs.⁶⁸ According to a mix of humanitarian and commercial respondents in this study, the United Nations could potentially be a resource for facilitating more structured dialogue and open exchange. However, most respondents also noted that even this is somewhat problematic.

‘Now in the UN there is not one overarching common platform to facilitate engagement with the private sector. This runs the risk of having the approach fragmented or compartmentalised and is confusing for the private sector – who do they go to for what or work with on what? The IASC (Inter-Agency Standing Committee) is potentially the entity that could bring this together but at the headquarters level it is already too slow and at country level it is very limited; it is not all that inclusive – development actors are not involved, there are not many NGOs that participate as equal partners and the private sector is not even part of this. So, the idea of having a one-stop shop is difficult at both the global and the country level.’

(Humanitarian respondent)

Another option noted by respondents for promoting dialogue is the Humanitarian Relief Initiative (HRI), which principally attracts a well-established coterie of members but does not necessarily increase the diversity of actors who should be brought to the table. The HRI was seen as a possible mechanism for connecting commercial and humanitarian organisations to other initiatives such as the UN Global Compact. Other respondents suggested that a body such as the World Economic Forum (WEF) could act as a potential facilitator and ‘filter’ for managing public–private partnerships linked to the UN’s emergency cluster system.⁶⁹ However, this would require a more inclusive approach to bringing the commercial sector into existing fora, as the current perception

is that they are mostly excluded (from Clusters, IASC Humanitarian Country Teams, etc.).

Having a more effective common platform for exchange and information-sharing could go a long way in furthering knowledge of each other's sector in general and on how collaboration could and should work in practice. The commercial sector needs to better understand how the humanitarian system and architecture works. Both sides would benefit from having access to services to help them structure successful relationships, navigate problems and challenges towards being able to mainstream partnering as a fundamental element of humanitarian action. Of the 31 respondents to this study, 22 directly or indirectly suggested a need for a new approach to developing a neutral platform for promoting more coherent and open exchange and information-sharing. Only 10 of those 22 suggested that a part or all of the answer to the communication conundrum lay in global mechanisms, while 17 of the 22 felt that ultimately better communication between the two sides could only really occur in-country. Unless a more structured and assertive approach like this is taken, according to a UN multi-mandated organisation, 'informal networking with all its inconsistencies and unpredictability will be the only effective way of communicating'.

Documentation and dissemination of results

The communications gap directly relates to the difficulties that both sides experience in accounting for their contributions, agreeing on the strategic and operational results, measuring the impacts of their collaborative undertakings, and disseminating that knowledge. Some respondents, principally in the commercial sector, felt that NGOs were inclined to evaluate the consequences of their collaboration, although the results of these evaluations were not widely shared or made accessible. For the small group of commercial actors who raised this point, such perceived practices were seen as undermining any systematic effort to generate evidence of good practice or to differentiate between experiences at different levels and between different types of humanitarian activities.

On both sides, reporting on performance, and particularly on financial and in-kind contributions, was seen as inconsistent. In fact, in preparing this study, the authors were challenged on two occasions to find any consolidated, globally available information on the commercial sector's contribution to humanitarian action. Given the complexities entailed in tracing humanitarian contributions from a growing number of actors – including non-state actors, diasporas and small commercial enterprises – the same challenge could be issued about the humanitarian sector's contribution.

The lack of a common framework to guide the partnering process, and lack of access to information on what the relationships are achieving, also suggests why evaluating and disseminating knowledge on the results and impact of collaboration may be so difficult. Both sides raised concerns about this, and some respondents acknowledged the need for better reporting and information-sharing.

'One of the problems working with NGOs is follow-up and accountability. What did our partnership produce? After we engaged, did anything change? We need to measure so that we can responsibly measure development and effective use of resources.'

(Commercial respondent)

'There are no formal evaluations of the benefits that come out of the partnerships. There are informal discussions after events with companies, but nothing that is put together in a structured way.'

(Humanitarian respondent)

'We recognise that NGOs that have succeeded in working with corporations need to document the work, describe the impact of the partnership, both on the local environment and on the NGO and they need to share this with other NGOs.'

(Humanitarian respondent)

'We need to create a body of knowledge and say "this is why this works, you should do this", and the same should happen in the corporate world.'

(Humanitarian respondent)

Commercial-sector respondents have expertise in the areas of accountability, performance management, evaluation and scalability. Yet, based on the experience of those contacted for this study, the avenues through which the commercial sector can share these competencies with its humanitarian counterparts are not well identified. And, were the commercial sector to assist humanitarian organisations to improve in these areas, the question has to be asked, 'Why?' Are they merely interested in supporting agencies to become more efficient for the sake of more effective humanitarian response, or are they seeking more effective agencies to partner with to realise their 'CSR objectives'? Or, is it about understanding how to solve humanitarian problems and challenges, or all of the above?

Any effort to establish a more common knowledge-based mechanism or standards for measuring impact and knowledge exchange would need to take into account prevailing attitudes and constraints to information-sharing or publicising partnership challenges, as well as achievements. Such efforts would need to address two gaps in current approaches to producing case studies and documenting good practices. First is that they are perceived as being too anecdotal and, second, the findings don't necessarily translate to different sectors and contexts.

4 Conclusion: making the business case for collaboration – now and in the future

The respective core interests and motives of commercial and humanitarian organisations outlined in the previous sections present clear challenges but also significant opportunities for more strategic collaboration in a range of humanitarian contexts. This section reflects upon the present state of engagement, and also looks at emerging transformations in the humanitarian context that will influence closer commercial–humanitarian collaboration in the longer-term future.

The present state of play

The reality of commercial and humanitarian engagement in crisis contexts now and in the immediate future will most likely remain a mix of last-minute engagements, memoranda of understanding, isolated interventions and long-term commitments. This does not reflect any consistent pattern, other than the fact that both sectors are more willing to collaborate and that collaboration seems to be growing.⁷⁰ In dealing with each other, it is apparent that each side remains encumbered in various ways with suspicions about not only respective motives and interests, but also the relevance of respective competencies and value-added. Each side has questions and misperceptions about where, when and what each has to offer, in the life cycle of humanitarian crises.

However, there is an emerging ‘business case’ that circumscribes commercial–humanitarian engagement. Recent analyses confirm the assertion that corporations are genuinely seeking a more holistic role in a global society. In an examination of the relationship between the commercial sector and social-service organisations (including disaster-relief and development agencies), it was noted that ‘the liberalization of markets is forcing executives and social activists to work together. They are developing new business models that will transform organizations and the lives of poor people everywhere.’⁷¹

Global economic liberalisation is a major force behind commercial–humanitarian collaboration. Liberalisation has facilitated corporate-sector access to countries around the world, and simultaneously increased global scrutiny of corporate behaviour. As a result, both the humanitarian and commercial communities find themselves reliant on one another in order to fulfil their mandates as thoroughly as possible. The logic of this trend suggests a stronger corporate commitment to crisis management than some humanitarians might suppose. Broad trends towards greater liberalisation around the world indicate a strong likelihood

that the commercial sector’s motivation to participate in crisis management will remain relatively steady.

A new social compact may be emerging that links the commercial sector with humanitarian actors. This proposition assumes that the commercial sector and social activists must establish greater convergence to meet their objectives, and is based on three major trends:⁷²

1. pooling expertise in order to create mutually beneficial operating standards
2. leveraging credibility and networks to enhance mutual access to difficult markets⁷³
3. growth in professional norms that facilitate coordination.

By highlighting the benefits that each community gains through collaboration, these trends support the argument that commercial involvement springs from serious motivations, and is unlikely to drop precipitously in the future. This applies similarly to the humanitarian sector. Major factors in this business case for each sector are outlined below.

The commercial sector’s humanitarian business case

1. **Corporate Social Responsibility Plus.** To some extent, the growth of corporate social responsibility (CSR) before the 2008 recession reflected a pragmatic way for businesses to align their behaviour and values with their stakeholders: it was perceived as good business. Now, the business case for CSR is even stronger as public distrust of commercial institutions in the West, and even those in emerging markets, intensifies in a world of financial and economic uncertainty. CSR increasingly goes beyond isolated initiatives and reflects longer-term commitments that relate to vulnerability and poverty alleviation.⁷⁴ The business case in this instance is that being seen to be engaging in humanitarian intervention is an advantage when it comes to engaging with present and future stakeholders.
2. **The human resource dimension.** When the 2005 Pakistan earthquake struck, a senior official in one of Europe’s largest insurance companies noted that a high percentage of the firm’s employees – principally in this instance from South Asia – wanted to know how their company could help and how they individually could help. Business

analysts discern an increasing trend of companies realising that employees want to work for organisations that transcend the ‘bottom line’. As noted by one corporate consortium representative, corporate involvement in humanitarian response is also ‘good human resource management’.⁷⁵

3. Total responsibility management. While the 2004 tsunami affected several countries where clear business interests were at stake (including Indonesia, Thailand and India), the Kashmir earthquake predominantly affected a remote portion of northern Pakistan with a largely underdeveloped business climate. Dismissing the commercial sector’s recent crisis-management efforts as purely self-interested, therefore, seems inappropriate. In fact, some might say that the commercial sector appears to behave as if its survival and sense of identity transcend traditional notions of ‘good business sense’ to embrace the idea of a deeper role in global society. One survey found American CEOs to be overwhelmingly in favour of greater corporate collaboration on important global issues.⁷⁶ In other words, there really does appear to be an emerging sense of ‘total responsibility management’ – the idea that the commercial organisation is and should be seen as part of the communities in which it operates, with commensurate obligations.

The humanitarian sector’s business case

- 1. Continuing philanthropy.** It is evident that the commercial sector is seen as an increasingly important factor in the financial wellbeing of humanitarian organisations.⁷⁷ Despite a lack of collated financial information, there is abundant anecdotal evidence that confirms the importance of this resource flow. This trend is not restricted to the aid sector that defines itself as ‘international’ non-governmental organisations. As the numbers of Southern commercial organisations, and of NGOs based in South America, Asia and Africa continue to increase, they too are likely to recognise that the commercial sector is a much-needed resource in crisis response and will develop their own drivers and approaches to engagement.
- 2. In-kind assistance and core competencies.** Substantive corporate involvement in crisis management, beyond financial giving, has mostly developed only since the late 1990s. Increasingly, since then, commercial engagement has begun to draw on a company’s ‘core competencies’ as a way of enhancing the efficiency of overall response efforts. By centering contributions on the value-added of specific corporate expertise and product lines, corporations have started to refine their place in humanitarian response. Companies specialising in logistics, such as DHL and TNT, have begun to work with UN partners such as the Office for the Coordination of Humanitarian Affairs, the UN Development Programme, and the World Food Programme, as well as with NGOs such as CARE.⁷⁸
- 3. Institutional support.** In the 2010 report, *The State of the Humanitarian System*, the authors refer to the growing managerial capacity of many organisations within the

humanitarian sector, as well as several areas of institutional deficiency.⁷⁹ While there is a general acknowledgement that the humanitarian sector has become more managerially effective, this very pattern also suggests why, at the same time, there is a growing awareness of the need for even better management and management systems, including human-resource systems. For a sector that has become concerned about managerialism – for reasons both positive and negative – this awareness has enhanced the business case for many humanitarian actors to seek support from the commercial sector.

Emerging challenges and opportunities for future engagement

Given the present and potential advantages to commercial and humanitarian organisations, there is a compelling case for both sides to intensify their collaboration in actual and threatened crisis situations. However, the issue that inevitably arises here is the extent to which the transformational changes affecting humanitarian crises (as identified in Section 1) will support or undermine collaboration in the future.

Of particular importance is the growing political centrality of humanitarian crises and the marked trend towards host governments exercising far greater control over the aid delivery process, which means that humanitarian action will have ever-increasing political consequences. Governments will be far more assertive in determining who intervenes in humanitarian situations as well as how and with what. The survival of governments will depend increasingly on how they are perceived to have handled humanitarian crises, in terms of both response and preparedness, for both conflict and natural hazards. This means that humanitarian action will have ever-increasing political consequences.

Then, there is the evolving nature of the crises themselves – both increasing in frequency and complexity and with the addition of new types of crisis threats (particularly in relation to climatic and environmental factors). Humanitarian action in response, therefore, can no longer be separated into the standard categories of prevention, mitigation, preparedness and response, nor can it be isolated from development and economic growth. Vulnerability and risk reduction are likely to assume greater prominence in policy terms as the human, economic and political costs of disasters mount. The value-added and comparative advantage of those who provide assistance will be judged increasingly from the perspective of vulnerability reduction.

For the traditional aid providers, these factors pose both challenges and opportunities as they seek to establish their continued relevance in the face of new challenges. This demands constant review of performance against standards and principles. Further, it also requires review of the standards and principles themselves, in light of new circumstances and new demands – not least for greater accountability, professionalism and consistency. The emergence of ‘new’ international aid actors – from non-OECD government donors to diaspora populations worldwide – is matched in many places by the emergence of new local actors with close ties to affected populations. New forms of cross-sector partnership between the public and commercial sector and with civil society are

likely to be a growing feature of future humanitarian action. This will challenge traditional principles such as independence and neutrality – already under severe strain in contexts where humanitarians have become associated with Western political and military strategies.

For commercial organisations, these trends also create a number of challenges – as well as opportunities. As noted, one critical issue is the business rationale for investing in disaster risk reduction. The increasing effects of climate change are assuming new levels of importance from humanitarian and wider perspectives. There are likely to be significant new opportunities for business collaboration both directly with governments and through the international aid system, as donors invest more in preventive rather than purely responsive action. Meanwhile, post-disaster and post-conflict reconstruction is likely to continue to provide major business opportunities.

Factors between commercial and humanitarian organisations that can either enhance or impede future engagement

This study affirms that there is considerable interest, scope and potential for increased commercial collaboration in humanitarian action in the future. However, for the collaboration to grow, the fundamental tensions, contradictions and gaps related to the overall rules of engagement between the two sides need to be addressed. Any undertaking also needs to be framed against the broader types of transformations affecting humanitarian action in general. In fact, an altogether new starting point may be what is required if the engagement is to demonstrate that it has an added value for addressing potential crises of the future in a rapidly changing and complex context. The following list summarises key areas for attention to enable more strategic collaboration.

- **Terminology and common language.** The two sides lack a common vocabulary for their collaboration and for humanitarian action, including for terms such as risk and vulnerability, prevention, preparedness, response and recovery. Such terminological issues, however, mask a more fundamental point: namely, that the sorts of distinctions that complicate the relations and understanding between humanitarian and commercial organisations reflect a view of humanitarian affairs that is increasingly becoming challenged. The division between humanitarianism, development and sustainability is outmoded if not dysfunctional and does not reflect what makes human beings vulnerable and how such vulnerabilities can best be addressed. Also, any further analysis of these issues needs to focus on common values and principles, and how these can be negotiated and accommodated within an increasingly diverse global community.
- **Comparative advantage and value-added.** There is shrinking space for decision-making about who should do what based on what is available or on offer, and according to self-referential rules for engagement. Future humanitarian action will involve more diverse actors, different types of expertise, more demanding national authorities and more active local players. There will be increased pressure for commonly held standards that

help to define who has what comparative advantage for different humanitarian needs. Given the trend for commercial organisations to expand their engagement into activities classed as prevention, preparedness and recovery, for both natural hazards and situations of insecurity and conflict, the definition of ‘commercial actor’ is likely to expand to include small and local companies, foundations attached to commercial organisations and even parastatals. Without better ways of deciding ‘who should be here’, duplication of effort, perceived competition and resource rivalry could continue to undermine engagement.

- **Partnering principles and exchange.** This study confirms the lack of shared and accessible information on commercial–humanitarian engagement, in areas such as funding, models of working together and outcomes of the engagement. Linked to and perhaps a contributing factor to these gaps is the issue of how to create an enabling environment for collaboration. All too often, current efforts to introduce guidelines and general principles of engagement result in levels of generalisation that do not in and of themselves overcome the constraints and consequences of stereotyping and different organisational assumptions and procedures. For example, despite frequent calls for a neutral platform for information exchange, there has been little attention given to defining who should participate and how.

One approach could be to link commercial–humanitarian engagement to existing for or operational structures such as the cluster system.⁸⁰ However, this study generated mixed views as to whether or not the clusters offer a substantive means for grounding commercial–humanitarian efforts to promote greater understanding of each other’s role and humanitarian policy and operational frameworks. The more pertinent point is about where, at what level and with whom should the discourse take place. The numerous fora noted in this report to support such dialogue are, in and of themselves, currently not adequate for meeting the challenges that the two sides will need to face in the future. Furthermore, whatever guidelines and understandings might be developed at the global level, the types of transformations taking place mean that engagement with national actors will become increasingly important.

Motives and interests

With respect to the core motives and interests between the two sides, the first issue is that the respective interests and motives of each side are evolving. On the part of the commercial sector, while there is no consistent or discernible pattern, few would doubt that high visibility CSR philanthropy explained the initial inclination to engage in humanitarian activities. Yet, philanthropy which is assumed to be the main humanitarian support mechanism of the commercial organisation no longer appears to be the first and last resort. In-kind contributions and innovation, as well as the active intervention of experts, are increasingly coming to the fore of commercial–humanitarian action. These changes suggest that conventional approaches to a public relations oriented CSR are not seen as adequately serving the interests of the organisation. CSR is increasingly being subsumed within a more holistic

corporate policy approach to external engagement, focused on demonstrating that the company can reconcile commercial success with community engagement.⁸¹

Similarly, the rationale for humanitarian organisations to engage with the commercial sector has also evolved considerably over the past decade. Now, the calculation for engagement is fraught with issues ranging from institutional survival to security, and from contending values and principles to type of expertise.

The second issue related to motives and interests is that the definition of who and what are 'commercial' and 'humanitarian' are increasingly complex. With regard to the former, the importance of local as well as transnational businesses is recognised, although local organisations rarely participate in those fora intended to bring commercial and humanitarian organisations together.

A few commercial organisations have sprung from humanitarian organisations and vice versa, and this, too, adds complexity if not confusion to understanding core interests and motivations. At the same time, a growing number of Southern hemisphere commercial organisations are playing humanitarian roles regionally and internationally,⁸² and all too little attention has been given to the factors that trigger their engagement.

All such trends make it difficult to discuss with any certainty the intentions, interests and motives which define the commercial sector.

A similar case can be made for the humanitarian sector when it comes to identifying their core interests and motives. One reason for this is that most 'humanitarian' organisations are multi-mandated, or, in other words, have development as well as humanitarian functions. Equally importantly, however, most are also focused on institutional survival, which, no matter how justifiable, adds more than a degree of ambiguity and uncertainty to a clear understanding of 'why are you here?'

Here the humanitarian organisation has to deal with an uncomfortable balance between institutional survival and humanitarian principles. Faced with economic pressures to do more with less, increasing demands for better integration of development and humanitarian activities, and a growing number of humanitarian actors, there is an emerging gap between humanitarian organisations' aspirations and their humanitarian performance, reflected in their choices of how to respond to crises and in their acquiescence to donor-governments' own agendas.

To what extent do these evolving core interests and motivations enhance or undermine the prospects for more coherent and consistent collaboration? Perhaps a more demand-driven approach to humanitarian assistance in the future will mean that neither the commercial nor the humanitarian organisation will have the exclusive option to determine what type of assistance to provide, or how or when it will be delivered. This restriction on choice will be driven by the emerging political centrality of humanitarian assistance, and will be a consequence of the dominant role that national authorities will increasingly play in determining the roles and responsibilities of humanitarian participants.⁸³



5 Five dimensions of future engagement

How can we do this better – now and in the future?

Taken together, the present pattern and trends noted in this study require that both sectors ask, from a humanitarian perspective, ‘Are we doing the right thing?’ and ‘How can we do it better?’ Above all, new life and urgency needs to be breathed into the concepts of vulnerability and risk reduction, capacity building and resilience, and partnering. The humanitarian and commercial sectors both have the potential to do far more here. As a starting point, there are five dimensions around which an agenda for future engagement can be structured.

- 1) New business paradigm for collaboration.** Broad trends towards greater economic liberalisation around the world indicate a strong likelihood that the commercial sector’s motivation to participate in crisis management will remain relatively steady. As a result, both the humanitarian and commercial communities will find themselves reliant on one another in order to fulfil their mandate as thoroughly as possible. This offers the potential for a new social compact to emerge that links commercial and humanitarian actors. This trend will continue as the institutional survival interests of those in both sectors find themselves with an increasingly societal focus.
- 2) Holistic approach.** The divisions persisting between response, post-crisis recovery, and development and prevention have declining justification. More and more governments will look for integrated approaches that go far beyond managing response, with an increasing emphasis on the concepts of vulnerability alleviation, managing risk and preventing avoidable human suffering. This applies both in cases of natural hazards and in situations of insecurity and violence. This study has found that the commercial sector has the interest and potential to expand its role beyond response to natural hazards. Yet, both sides will have to define comparative advantages and be able to assign value-added for what are likely to be increasingly diverse and complex crisis situations in contexts where governments will be much more sensitive to who assumes humanitarian responsibilities, and how.
- 3) Evolving motives and core interests.** Increasingly, motives and interests will evolve as a result of both internal drivers within the two sectors and changes in the broader humanitarian system. Commercial and humanitarian organisations will have to take into account and engage more actively with a range of other actors who will regularly or periodically become involved in aspects of humanitarian related activities. The scope for further engagement between commercial and humanitarian

organisations will increasingly depend on greater appreciation of comparative advantages and value-added, between each other and with different players including local organisations, military coalitions, diasporas and non-state actors. The different motives and core interests of these ‘new actors’ will play an increasingly important part in determining the framework and models for how commercial and humanitarian organisations collaborate.

- 4) Partnering capacities and learning.** The current reality of commercial and humanitarian engagement in crisis contexts is that the two sectors do not have a common language or partnering processes. Nor is there a systematic way in which commercial and humanitarian organisations are learning from their collaborative successes and failures. Given the developing global and political context, enhanced effectiveness will become less an option and more a requirement, as will the need for more multi-actor and multi-sector partnerships between public, private and civil society organisations. The tools and approaches are available for developing more effective partnering capacity and processes, and for capturing and disseminating impact and lessons learnt. Both sectors will need to consider how they should be used.
- 5) Fora for exchange.** A persistent theme in this study is the desire for more effective fora in which to plan and undertake joint engagement around the alleviation of vulnerability. This needs to be translated into action. However, emerging reality dictates that such fora are far less effective at global levels, and need to be contextualised within specific geo-political contexts, including individual countries and regions.

Going forward

The findings and conclusions that underpin this study need to be tested in national, regional and global contexts. To this end, the study was reviewed at the HFP’s Annual Stakeholder Forum. This was followed by a joint meeting of HFP and the International Business Leader’s Forum, attended by 28 commercial sector and humanitarian professionals, to start to develop an agenda for action for the future. Further work will be undertaken to determine how the above suggestions can serve as the starting point for a future action agenda for more strategic commercial–humanitarian collaboration.

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Annexe I: List of interviewees

Commercial sector

Accenture: Gib Bulloch, Executive Director, Accenture Development Partnerships

Arup: Jo da Silva, Director, International Programmes

Barrick: Peter Sinclair, Director, Corporate Social Responsibility

Boeing: Anne Eleanor Roosevelt, Vice President, Global Corporate Citizenship

Booz&Co: Robin Schofield, Principal

Business Roundtable Partnership for Disaster Response: Maria Schneider, Manager, Partnership for Disaster Response

DHL Forwarding, UK: John Brough, Global Head – Aid and Relief Services Sector

DLA Piper: Sheldon Krantz, Partner

Eureka Forbes: Dr Abhay Kumar, General Manager of the Water Technologies Division

KPMG: Lord Hastings, Global Head of Citizenship & Diversity

Novo Nordisk: Priya Narayan, Director of Corporate Responsibility

Singapore Economic Development Board: Jonathan Kua, Director, International Organisations Programme Office

Swiss Re: Carolina Hess, Assistant Vice President, Corporate Citizenship

TNT: Rose Verdurmen, Director, Moving the World at TNT, N.V.

Veolia Foundation: Franck Haaser, Head of Emergencies, Veoliaforce

WSP: Prashant Kapoor, Director of Environment & Energy

Zubed: Adam Stevens, Partnership Development at Zubed

Humanitarian sector

CARE: Rigoberto Giron, Director, Emergency and Humanitarian Assistance Unit

Doctors Without Borders: Trine Buch-Hansen, Fundraiser

ICRC: Claude Voillat, Economic Advisor, Private Sector Relations; Ursula Eugster Verhoeff, Head, Corporate Partnership

ICVA: Ed Schenkenberg, Coordinator

Interaction: Jim Bishop, Vice President, Humanitarian Policy and Practice

International Alert: Rhadika Hettiarachchi, Policy Research Advisor, also Private Sector Partnerships Advisor, UN Resident Coordinator's Office

ISDR: Stefanie Dannemann, Programme Officer

OCHA: Ivo Freijnsen, Head of Office, Middle East, North Africa, Iran, and Afghanistan

Red Cross, Denmark: Kenneth Øhrberg, Head of Fundraising

Save the Children: Rudolph von Bernuth, Emergency Director, Save the Children, USA

UNDP/BCPR: Jahal de Meritens, Cluster Coordinator; Pierre Bessuges, Inter-Agency Early Recovery Field Advisor

UN Global Compact: Melissa Powell, Head, Strategy and Partnerships, UN/Business Partnerships

UNICEF: Julien Temple, Project Coordinator, Standby Arrangements; Nicole Brown, Chief, Corporate and Foundation Fundraising

WHO: Dr Daniel Lopez-Acuna, Director, Strategies, Policies, and Resource Management, Health Action in Crises

Annexe II: Supplemental resources

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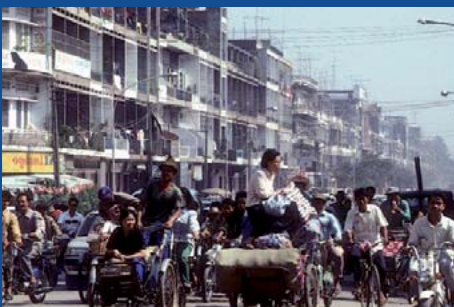
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Notes

- 1 This study is an initiative undertaken by: the Humanitarian Futures Programme, King's College London; the European Institute of Business Administration (INSEAD); and World Vision International. It draws on the work undertaken with the Humanitarian Policy Group/ Overseas Development Institute, *Discussion Paper: Commercial and Humanitarian Engagement in Crisis Contexts: Current Trends, Future Drivers*, 2011.
- 2 See Annexe I, List of interviewees.
- 3 *Gaining the Future: Collaboration Guidelines for 21st Century Organisations* (Humanitarian Futures Programme, London, May 2009), pp5–7.
- 4 UN General Assembly, *Towards Global Partnerships*.
- 5 European Commission, *Implementing the Partnership for Growth and Jobs*.
- 6 Bass (2008) notes the ancient history of humanitarian intervention, its inherently political nature and ways in which on occasion Western governments have risen above such political calculations. However, such apolitical approaches to humanitarian intervention have been the exception rather than the rule.
- 7 For full analysis of relevant trends, see Centre for Research on Epidemiology of Disasters (University Catholique de Louvain). Available at <http://www.cred.be/>
- 8 See, for example, Minear, Larry, *The Humanitarian Enterprise: Dilemmas and Discoveries* (Kumarian Press, Hartford, Connecticut, 2002).
- 9 During the 1984–1985 Ethiopian famine, media accessibility amongst other factors brought the famine and its consequences into the living rooms of many throughout Western Europe and the United States. This public demonstration of need caught most UN agencies and governments off guard, and open to accusations of indifference and complacency. It was from this period that the multilateral sector as well as a number of Western governments were determined not to be caught again in that sort of negative publicity trap.
- 10 ALNAP, *The State of the Humanitarian System: Assessing Performance and Progress – A Pilot Study* (ALNAP, London, February 2010), pp9–10.
- 11 One example of such diplomatic perspectives occurred in 1988 when a food convoy of the UN's World Food Programme (WFP) was attacked and riddled with bullets by the Tigrayan People's Liberation Front (TPLF). At the time, the United Nations' only comment on the incident was that a WFP convoy had broken down during delivery.
- 12 See, for example, the works of Professor Susan Strange as descriptions of what might be described as the MNC phenomenon, including: *States and Markets* (1998) ISBN 082647389X; *Rival States, Rival Firms: Competition for World Market Shares*, with John M Stopford and John S Henley (1991) ISBN 0521423864; *The Retreat of the State: The Diffusion of Power in the World Economy* (1996).
- 13 'Over the last five years, some corporations have started to pay attention to customers at the bottom of the economic pyramid... As the pioneers move into inner cities and villages, their middle managers are... acquiring local knowledge, value engineering, developing low-cost business models, and community-based marketing. Meanwhile, several NGOs have set up businesses to provide jobs and incomes in order to free people from the tyranny of poverty. Product development, logistics, project management, and scaling techniques are some of the mechanisms they're using to kick-start socioeconomic development in long-neglected communities. Realizing that they each possess competencies, infrastructure, and knowledge that the other needs to be able to operate in low-income markets, companies and NGOs are trying to learn from and work with each other. For example, Danone has set up a joint venture with Bangladesh's Grameen Bank to manufacture and sell bottom-of-the-pyramid dairy products. Microsoft has tied up with the NGO Pratham to deliver personal computers to Indian villagers, while Intel and two large Indian information technology firms, Wipro and HCL Infosystems, have launched the Community PC in partnership with other NGOs to do the same. Nestlé has joined hands with health professionals and NGOs in Colombia, Peru, and the Philippines to deliver educational programs on nutrition and nutritionally fortified food products to the poor.' (Brugmann and Prahalad, 2007, p80).
- 14 Commercial organisations are increasingly donating funds through the UN's Central Emergency Response Fund, as evidenced in recent crises such as China's 2008 Sichuan earthquake, Haiti's earthquake in 2010 and floods in Pakistan that same year.
- 15 Homer Dixon, Thomas, *The Upside of Down: Catastrophe, Creativity and the Renewal of Civilisation* (Souvenir Press, London, 2007).
- 16 Aon Benfield UCL Hazard Research Centre et al, 2010.
- 17 See, for example, Rubin, Vanessa, 'The humanitarian–development debate and chronic vulnerability: lessons from Niger', *Humanitarian Exchange Magazine* 33 (April 2006). The term, 'sustainable development', discussed in Section 4, is normally credited to the UN's 1987 Brundtland Commission report (World Commission on Environment and Development, *Our Common Future*, Oxford University Press) in which the concept that development should meet 'the needs of the present without compromising the ability of future generations to meet their own needs' was introduced. This theme was reconfirmed in the 2005 World Summit on Sustainable Development, and has increasingly become an approach fostered by the commercial as well as non-governmental sectors.
- 18 'Addressing vulnerability would become the key focus... rather like with the safety net system in Ethiopia. Humanitarian agencies will have to choose between being independent emergency players and long-term providers of welfare, working closely with government systems. It is not a matter of right or wrong; both are legitimate, but they call for very different types of agencies.' (Peter Walker, IRIN interview, 12 February 2010, discussing *Humanitarian Horizons: Practitioner's Guide to the Future*, HFP, King's College, London and Feinstein International Center, Tufts University, January 2010).
- 19 See, for example, Annex D of ASEAN's Asian Disaster Management & Emergency Response Agreement. (2005).
- 20 See HFP and Linksbridge, *Project Alyssa: A Humanitarian Challenge* (<http://www.humanitarianfutures.org>).
- 21 See Appadurai (2004), p18; also Sen, Amartya, *The Idea of Justice* (Allen Lane, London, 2009).
- 22 Donini, Antonio, 'The far side: the meta functions of humanitarianism in a globalised world', *Disasters*, (Blackwell Publishing, Oxford, 2010), pS223.
- 23 In 2008, the total number of aid workers was 210,800, with global staffing increasing by 6% per year. See ALNAP, *The State of the Humanitarian System: Assessing Performance and Progress – A Pilot Study* (ALNAP, London, February 2010), p18.
- 24 Interaction Interview, November 2009.
- 25 INSEAD, *Corporate Responses to Humanitarian Disasters: The Mutual Benefits of Private–Humanitarian Cooperation* (INSEAD, Geneva, 2008).
- 26 INSEAD, *Agility: A Global Logistics Company and Local Humanitarian Actor* (INSEAD, Geneva, 2009).

- 27 Wayne Visser, Director of CSR International (Available at www.iseas.edu.sg/CSR%20Report.pdf), p11.
- 28 Wheeler, Victoria and Graves, Sue, Policy Brief: Private Interest in Humanitarian Action – Trends and Issues’ (HPG; available at www.alnap.org/pool/files/red-bramalingam_pp/), p23.
- 29 ALNAP, The State of the Humanitarian System: Assessing performance and Progress – A Pilot Study (ALNAP, London, February 2010).
- 30 INSEAD, Case Study on Global Impact (INSEAD, Geneva, 2008).
- 31 This point has been reaffirmed by the World Economic Forum’s *Innovations in Corporate Global Citizenship: Responding to the Haiti Earthquake* (WEF, Geneva, 2010): ‘currently, no commonly accepted centralised platform or clearing house exists to match needs of humanitarian agencies and the capacity of private sector donors. Because there is no agreed-upon intermediary, many potential donations that have the potential to meet some of the persisting needs of the aid community are not put to work.’
- 32 ICRC Interview, November 2009.
- 33 *Emerging Opportunities for NGO–Business Partnerships: Feedback from the Cross-Sector Partnership Project involving Accenture Development Partnerships, the Partnering Initiative* (World Vision, 2008).
- 34 Bridges, Mary, Greenhill, Robert and Rogan, Ian, *Innovations in Corporate Global Citizenship: Responding to the Haiti Earthquake* (World Economic Forum, Geneva, 2010).
- 35 John Holmes speaking at the Summit on the Global Agenda held by the Geneva-based World Economic Forum (WEF) in partnership with the government of Dubai (Dubai 7–9 November, 2008). Available at <http://www.irinnews.org/Report.aspx?ReportId=81384>
- 36 The provision of emergency services and public assistance during or immediately after a disaster in order to save lives, reduce health impacts, ensure public safety and meet the basic subsistence needs of the people affected (UNISDR, *Terminology on Disaster Risk Reduction*, 2009).
- 37 Warhurst, 2006.
- 38 The knowledge and capacities developed by governments, professional response and recovery organisations, communities and individuals to effectively anticipate, respond to, and recover from, the impacts of likely, imminent or current hazard events or conditions (UNISDR, *Terminology on Disaster Risk Reduction*, 2009).
- 39 The restoration and improvement where appropriate of facilities, livelihoods and living conditions of disaster affected communities, including efforts to reduce disaster risk factors (UNISDR, *Terminology on Disaster Risk Reduction*, 2009).
- 40 Warhurst, 2006.
- 41 Ibid.
- 42 In a 2005 study for the United Nations on so-called Integrated Missions, it was recommended that commercial organisations – through local Chambers of Commerce or other representational institutions – should be involved in post-conflict planning at the in-country level. This recommendation was removed from the final report. See: Espen et al, *Report on Integrated Missions: Practical Perspectives and Recommendations* (May 2005).
- 43 The concept and practice of reducing disaster risks through systematic efforts to analyse and manage the causal factors of disasters, including through reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events (UNISDR, *Terminology on Disaster Risk Reduction*, 2009).
- 44 UNISDR, *Hyogo Framework for Action 2005–2015: Building the Resilience of Nations and Communities to Disasters*. Available at <http://www.unisdr.org/eng/hfa/docs/HFA-brochure-English.pdf>
- 45 However, there are various fora emerging in which Hyogo Framework discussions are taking place between the commercial world, humanitarian and development organisations and the public sector. One example is an April 2008 conference in India on disaster-risk reduction, supported by a number of international agencies, multi-national organisations and corporate bodies like USAID–IRG, International Federation of Red Cross and Red Crescent Societies (IFRC&RCS), United Nations International Strategy for Disaster Reduction (UN/ISDR), Sphere India, Tata Teleservices, International Association for Emergency Managers (IAEM), Swiss Re, GeoHazards International, Services International, Grant Thornton, Micro Insurance Academy, Motorola, Steria (India) Limited, British Standard Issues (BSI), IFFCO–TOKIO, AMS Acoustics, DURAN Audio and DIGITEXX.
- 46 The outright avoidance of adverse impacts of hazards and related disasters (UNISDR, *Terminology on Disaster Risk Reduction*, 2009).
- 47 Warhurst, 2006.
- 48 *Private Sector Activities in Disaster Risk Reduction* (UNISDR, 2008).
- 49 Dalberg, *The Case for Business to Undertake DRR Activities* (World Economic Forum, July 2007), p5.
- 50 UNISDR: *The Development of a Public Private Partnership Framework and Action Plan for Disaster Risk Reduction In Asia* (2009).
- 51 www.amcdmalaysia.com/my
- 52 INSEAD, *Corporate Responses to Humanitarian Disasters: The Mutual Benefits of Private–Humanitarian Cooperation* (INSEAD, Geneva, 2008), p26.
- 53 Feil et al, 2008.
- 54 Tufts University and Humanitarian Futures Programme, *Humanitarian Horizons: A Practitioner’s Guide to the Future* (January 2010), p24: in 2008 the number of major incidents of violence affecting aid workers was 177 percent higher than the numbers in 1997. Analyses of the apparent motives indicate that the ‘attacks on aid workers in the most insecure contexts were increasingly politically motivated, reflecting a broad targeting of the aid enterprise as a whole.’ (Stoddard, Harmer and DiDimenico (2009), cited in Borton, 2009, p14).
- 55 Mercy Corps, *Mercy Corps Taps DHL’s Global Logistics Expertise to Deliver Medical Supplies to Iraq, April 2008*. Available at www.mercycorps.org/aboutus/pressroom/11714
- 56 KPMG Interview.
- 57 Veolia Interview.
- 58 www.bizpact.org; interview.
- 59 RedR/ Humanitarian Futures Programme, *Conference Notes, Conference: Hard Realities and Future Necessities: The Role of the Private Sector in Humanitarian Efforts, Conference Summary* (2009).
- 60 Gearson, 2001.
- 61 Ballentine and Hauffer, 2005, p4.
- 62 Harvey et al, 2010.
- 63 ELRHA (Enhancing Learning and Research for Humanitarian Assistance), *Professionalising the Humanitarian Sector: A Scoping Study*, Catherine Russ and Peter Walker (ELRHA, London, May 2010).
- 64 *International Alert, A New Business Model for Humanitarian Assistance? A Challenge paper* (2009), p17; WEF–OCHA *Guiding Principles for Public–Private Collaboration for Humanitarian Action*.
- 65 Tennyson et al (2008), p5.
- 66 The Partnering Initiative, *Changing the Rules of the Game: A Scoping Proposal* (October 2010), p3.
- 67 Tennyson et al (2008), p7.

- 68 INSEAD, *Corporate Responses to Humanitarian Disasters: The Mutual Benefits of Private–Humanitarian Cooperation* (INSEAD, Geneva, 2008), p30.
- 69 <http://www.business.un.org/en>
- 70 It is interesting to note that the ‘humanitarian sector’ itself has been seen in a recent assessment of the sector as not demonstrating ‘consistency’. As noted in ALNAP’s report, *The State of the Humanitarian System*, ‘The humanitarian system is above all inconsistent; interview and evaluation findings identified huge variability within and between crises in terms of performance’ (Harvey et al, 2010, p23).
- 71 Bruggmann and Prahalad, 2007.
- 72 *Ibid.*
- 73 Most major corporations find it difficult to penetrate the bottom-of-the-pyramid market, where 5 billion real and potential consumers exist. Humanitarians, in turn, can find it difficult to reach the higher end of the pyramid for funding and advocacy purposes. Convergence of humanitarian and corporate interests occurs, for example, where the former have access to social structures and the latter have commercial capacities in the fields of micro-finance and micro-insurance.
- 74 While CSR might be heading in that direction, most corporations when it comes to involvement in issues of development and recovery still opt for CSR that focuses upon physical presence – schools, hospitals – rather than the more intangible aspects of engagement, such as micro-finance.
- 75 Kent and Ratcliffe, 2008, p19.
- 76 In a poll of CEOs conducted by the Committee for Encouraging Corporate Philanthropy (CECP), 94% said the private sector should collaborate to move the needle on global issues. According to the CECP, responses were much more fragmented when the question becomes ‘How?’.
- 77 The World Economic Forum (WEF) was quick to recognise the synergy between business and crisis management and in 2001 created the Disaster Resource Network (DRN) in an effort to ‘mobilize the resources of the international business community to rebuild the lives and livelihoods threatened by natural and man-made disasters’, *Engineering & Construction Disaster Resource Partnership*, World Economic Forum (2010), p8 (Binder, A Witte, J, *Business Engagement in Humanitarian Relief: Key Trends and Policy Implications*, June 2007, London, Humanitarian Policy Group).
- 78 The humanitarian sector appears to welcome and increasingly seek such collaboration, as long as it does not detract from the perceived role of the collaborating humanitarian organisation. As part of its malaria-prevention programme in Nigeria, a non-governmental organisation, NETSFORLIFE, in partnership with Coca-Cola Foundation, Exxon Mobil and Standard Chartered Bank, distributed 82,500 long-lasting insecticide-treated nets to communities with high prevalence of reported malaria cases in Abuja. Rather than using NGO community networks, the networks of Coca-Cola were seen as a far more effective way to distribute (see Netsforlife.org).
- 79 ‘The overall capacity of the humanitarian system is consistently seen as in need of strengthening. The *Humanitarian Response Review* (Adinolfi et al, 2005) concludes that “the major gap identified is the low level of preparedness of the humanitarian organisations, in terms of human resources and sectoral capacities”. More recently, the *Humanitarian Response Index (HRI 2009)* concludes that there is a continuing need to strengthen the overall capacity of the system and that international actors are “stretched to the limit” (Harvey et al, 2010, p35).
- 80 The cluster approach is designed to bring together sectoral (e.g. water/sanitation, shelter, nutrition) expertise to prepare for and respond to humanitarian crises. It is part of a 2005 UN ‘humanitarian reform’ initiative, intended to promote: (1) high standards of predictability, accountability and partnership in all sectors or areas of emergency-related activity; (2) more strategic responses; and (3) better prioritisation of available resources.
- 81 ‘Some companies may well be moving toward voluntary “total responsibility management” and incorporation of externalities. But many more are doing so because of peer pressures from competitors, consumer or investor interest, activism (or potential activism), employee demands, or to avoid threatened regulation. Responsibilities are integral to whatever strategies, practices, and impacts companies have. For good or for ill, there is a level of responsibility built into any action that has an impact on stakeholders or the natural environment – which is, of course, every action. In my view, corporate responsibilities cannot be avoided and responsible companies go well beyond the law to ensure that they are treating their stakeholders and nature well, in part because it is in their long-term business advantage to do so, especially in an era of transparency.’ (Harvard Business Review blog, 26 April 2010, Sandra Waddock).
- 82 Price, Gareth, *India’s Aid Dynamics: From Recipient to Donor?* Asia Programme Working Paper (Royal Institute of International Affairs, London, September 2004).
- 83 While this perspective should not deny the determination and commitment of many in the humanitarian sector to provide timely and appropriate assistance, there is a growing call for a new approach to humanitarianism and a growing body of literature that is concerned with the present direction of the humanitarian sector. See, for example, Harvey et al, 2010; and Polman, Linda, *War Games: The Story of Aid and War in Modern Times* (Viking, London, 2010).



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