

**ROLE OF THE CORPORATE SECTOR IN EARTHQUAKE
DISASTER: A CASE STUDY OF DHAKA CITY**



A Dissertation for the Degree of Master in Disaster Management

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ABBREVIATIONS

| | |
|--------|-------------------------------------------------------------------|
| ADB | Asian Development Bank |
| BAT | British American Tobacco Company |
| BGMEA | Bangladesh Garments Manufacturing Exports Association |
| BDT | Bangladesh Taka |
| BDR | Bangladesh Rifles |
| CBRN | Citizen Band Radio Network |
| CDMP | Comprehensive Disaster Management Program |
| CSR | Corporate Social Responsibility |
| CPD | Center for Policy Dialogue |
| CPP | Cyclone Preparedness Program |
| CUK | Chittagong Unnayan Kartipaksha |
| DCC | Dhaka City Corporation |
| FICCI | Foreign Investors' Chamber of Commerce and Industry in Bangladesh |
| FY | Financial Year |
| GDP | Gross domestic product |
| ISDR | International Strategy for Disaster Reduction |
| IT | Information Technology |
| MFA | Multi Fiber Arrangement |
| NGO | Non Government Organization |
| ORS | Oral Rehydration Solution |
| PWD | Public Works Department |
| RAJUK | Rajdhani Unnayan Kartipaksha |
| SME | Small and Medium-sized Enterprises |
| UNICEF | United Nation Children Fund |
| UNCTAD | United Nation Conference Trade and Development |
| UNAIDS | United Nation program on HIV/AIDS |
| VDP | Village Defense Police |
| WFP | World Food Program |

ABSTRACT

Natural hazards are inevitable phenomenon all around the world and when the hazards go beyond human capabilities to cope with, and then it turns into disaster. In the past the number of disasters and their impact on human and economic development worldwide has shown a steady increase. Urban areas in the developing country are more vulnerable due to dense population, unplanned urbanization, poverty and centralization of economic assets. Dhaka the capital of Bangladesh is situated in an earthquake prone area for its geological settings, moreover the unplanned expansion on filling lands magnifies the vulnerability. Bangladesh being an agrarian country, the industrial contribution is significant in the national economy. The corporate sector is an integral part of the community and draws its sustenance from it, and consequently cannot remain isolated from disaster reduction initiatives. The study finds the corporate sector's involvement in risk reduction activities especially on earthquake disaster mitigation. The various private sectors were selected on the basis of their contribution to the national economy. Various issues are to be integrated on corporate disaster preparedness and management to advocate materializing it as the corporate social responsibility. There is a Standing Order in the Government Policy but the incorporation of the business sector is yet to be addressed. It is not possible for the government alone to combat with the disasters for lack of manpower, logistic support; financial assistance etc. The role and responsibilities of the corporate sector identified should be institutionalized to develop a comprehensive corporate contingency planning against disasters. So a comprehensive earthquake preparedness plan can be possible by building partnership with business community and government along with the NGOs.

A disaster is defined as an occurrence disrupting the normal conditions of existence and causing a level of suffering that exceeds the capacity of adjustment of the affected community. Disasters are events that cause great damage, destruction and human suffering. Though often caused by nature, disasters can have human origins. It requires immediate, coordinated and effective response by multiple government, voluntary and private sector organizations to meet human needs and speed recovery. Disasters have in recent years become an undeniably grim feature of our lives. Barely had the world begun the process of recovery after the devastation of the tsunami, which in its wake overran all geographical, social and economic demarcations, then hurricane Katrina brought the world's most powerful nation to its feet.

In the past decades the number of disasters and their impact on human and economic development worldwide has shown a steady increase. About 75% of the world's population live in areas affected at least once between 1980 and 2000 by earthquakes, tropical cyclones, floods or droughts. (Matin, and Muhammad, 2000)

“One billion people are living in the world's unplanned shantytowns, and 40 of the 50 fastest growing cities are located in earthquake zones. Another 10 million people live under constant threat of floods.”

—*International Federation of the Red Cross and Red Crescent,
World Disasters Report, 1999*

1.1 IMPACT OF DISASTERS

Disasters also lead to other losses in terms of their detrimental effect on the quality of life, livelihoods and economic development. The total number of people affected each year by natural disaster i.e. who either lost their homes, crops, animals, livelihood or health – almost doubled between 1990 and 1999. In this period an average of 188 million people per year were affected by disasters. (Matin, and Muhammad, 2000)

It is projected that by the year 2065, the economic losses due to disasters are likely to account for a significant proportion of global gross domestic product (GDP). Munich Re estimates that global economic losses for 1992-2002 were 7.3 times greater than the 1960's. According to it real economic losses in 2002 averaged US\$ 75.5 billion in the 1960's, US\$ 138.4 billion in the 1970's, US\$ 213.9 billion in the 1980's and US\$ 659.9 billion in the 1990's. It counted 700 natural disasters in 2002 and estimated the economic losses at US\$ 55 billion (ADB, 2006).

Disaster losses are often classified as:

Direct Costs – physical damage to productive capital and stocks

Indirect costs – disruption in the flow of goods and services i.e. lower output from damaged asset and infrastructure.

Secondary effects – short and long term effects of the disaster on the overall economy and socio-economic conditions.

Disasters cause major setbacks to the economic and social development of developing countries, very often inflicting massive casualties and diverting funding designed at development goals to the delivery of relief. Urban areas are particularly vulnerable to disruptions from extreme events, especially in developing countries where the combination of structural poverty, decaying and substandard infrastructure, high population densities, centralization of economic assets, and commercial and industrial activities magnify the problem.

Developing economies are additionally vulnerable to the vagaries of international capital flows, which make them particularly susceptible to the devastating impact of natural disasters. The key elements for economic growth include investment, effective governance and social stability -- unfortunately, disasters lead to exactly the opposite conditions. Loss of manmade and natural capital causes sudden disinvestments; post disaster relief increases both the financial and administrative burden on government.

1.2 UNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is not charity – it is a set of practices of doing good business. CSR goes beyond the narrow acts of philanthropy. CSR increasingly entails the private sector's engagement in the social agenda, business community partnerships for addressing social issues, and partnerships between business and civil society organizations to promote the development of the poor and disadvantaged.

It is very important to understand the basic difference between Corporate Social Responsibility and Corporate Philanthropy. Corporate Social Responsibility refers how a company earns at the same time as Corporate Philanthropy refers how a company spends.

The World Business Council for Sustainable Development in its publication "Making Good Business Sense" by Lord Holme and Richard Watts, used the following definition. "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"

The same report gave some evidence of the different perceptions of what this should mean from a number of different societies across the world. Definitions are different as "CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government"

Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes for the company to receive any benefit from the giving.

Creating social value matters, but equally important is building business performance simultaneously. Traditionally, CSR in the form of philanthropy or corporate giving is not integrated in the business strategy. These traditional approaches have short-term impact on society while bringing little bearing to business.

Different organizations have framed different definitions - although there is considerable common ground between them. CSR is about how companies manage the business processes to produce an overall positive impact on society.



Companies need to answer to two aspects of their operations. 1. The quality of their management - both in terms of people and processes (the inner circle). 2. The nature of, and quantity of their impact on society in the various areas.

CSR is an investment not a cost that makes sure better profitability and increases company competitiveness and company image.

1.3 CSR ACTIVITIES OF THE PRIVATE SECTOR

Corporate Social Responsibility (CSR) is a concept whereby companies undertake certain responsibilities towards society independent of their business concerns. Although the activities are not directly related to their business, there is an indirect impact on the business, which is a positive one. For example: there is a positive image of the company in the eye of the public and the employees' morale is boosted, which in turn has a positive effect on the productivity of the company.

Various forms of CSR activities are being performed by the private sector. Many companies have a social responsibility statement in their annual reports. In many instances CSR seems to be an integral component of business.

Charitable activities by the business community in support of various social causes are not an entirely new concept. However, they are ad-hoc and seen as purely optional initiatives. CSR can be seen as a concept that brings benefits to both business and to the community. It is a win-win situation. Its ambit has to be explored fully in order to tap its potential.

1.4 RATIONALE OF THE STUDY

Bangladesh is susceptible to various kinds of disaster. Due to its geographical location and geomorphological settings the country is mostly exposed to floods, cyclones, earthquakes and riverbank erosion. Though the economy of the country depends on agriculture but industrial contribution plays a vital role in the GDP. Dhaka, the capital of Bangladesh, is the core of all economic activities and is also considered as the industrial hub of the nation. Due to unplanned urbanization the capital city is becoming more and more vulnerable to earthquake disaster. Although Bangladesh is extremely vulnerable to seismic activity, the nature and the level of this activity is yet to be defined. In Bangladesh complete earthquake monitoring facilities are not available. There is a Standing Order on Disaster of the Ministry of Food and Disaster Management where the representation of corporate sector has not been provisioned. And as the earthquake disaster is not familiar like other disasters so the level of earthquake disaster preparedness in Corporate Sector is yet to be addressed. The occurrence of earthquakes in an earthquake prone region cannot be prevented. Rather, all that could be done is to make a prediction and issue a warning for minimizing loss of life and property. Although precise prediction is not always possible, an acceptable valid prediction of an earthquake will certainly minimize the loss of life and property. It is not possible for the Government alone to combat with the earthquake disaster so a need for corporate involvement has been identified where the preparedness measures will be as a guide to facilitate earthquake disaster preparedness in the corporate sector in reduction of risk and vulnerability of disaster caused by earthquake.

The research focuses on the CSR disaster reduction, with the emphasis on pre-disaster mitigation and preparedness activities on earthquake disaster. It is based on a literature review, Internet resources review and key informant's interview.

2.1 OBJECTIVE

The broader objective of this study is to identify and document the corporate sector's involvement in risk reduction activities especially on earthquake disaster and mitigation work-not commercially but as a part of philanthropic/social responsibility programs and to assess the potential for further involvement.

2.2 SAMPLING

The private sectors selected for this research were some groups of industries (Jamuna Group, Square, Kazi and Kazi, Eastern Housing, Basundhara Group, Beximco Group), banks (Dutch Bangla Bank, Dhaka Bank) multinational companies (British American Tobacco, Uniliver, Grameenphone) and also various associations (BGMEA, FICCI). These companies were selected in view of their contribution to the national economy.

2.3 METHODS FOR DATA COLLECTION

The information for this research was collected from primary and secondary sources.

2.3.1 Primary data

Informal interviews were held with the informants from the corporate sector as well as specialist from ISDR dealing with disaster management. Discussions were held on the basis of an open-ended questionnaire. (Appendix A)

2.3.2 Secondary data

Information was collected from different journals, newspaper reports, financial reports and from the internet.

2.4 LIMITATIONS FOR CARRYING OUT THE RESEARCH

It was often very difficult to get hold of people for their interviews. The general business people were often too busy; as a result it was difficult to get time from the senior level officials or directors for in-depth discussions. Scheduled meetings were often cancelled and junior level officials were assigned for interviews. Later on though they tried their best to help but felt uncertain about making any decisive statements or opinions.

In many cases respondents felt that the research was too distant from their day to day activities. Short-term relief activities during or after disaster were largely believed to be sufficient for responding to, as it was often termed, the “humanitarian” need. In case of earthquake people are not even concerned about it. As an earthquake has not happened in the recent past so they have given that in least priority. Not a single evidence was found in case of preparedness for earthquake though their own high-rise buildings were built on filled lands.

The material available was mostly on business philanthropy, but documented evidence of corporate social responsibility (CSR) in the context of natural disaster reduction is virtually non-existent.

Last but not the least; political instability was one of the major causes which hindered getting appointments and gathering information on time.

3.1 EXPERIENCE OF DISASTER

The unique river system and the rainfall pattern of Bangladesh are responsible for regular flooding. However this frequent flooding is a part of the life and livelihoods in the country. Usually Bangladesh experiences four different types of flooding throughout the year, which includes monsoon flood, riverine flood, tidal flood and flash flood. In normal years 30% of the land is inundated but in the case of severe flood like the ones in 1988 and in 1998 around 70 % of the total land are submerged. The floodwater in 1998 stayed more than 65 days. (Nishat, 2001). In 2004 the duration of stagnant water was the most, as it did not have enough room to flow out.

The tropical position of the country has also made it vulnerable to cyclone and tidal surges generated to atmospheric depression in the Indian Ocean. On an average Bangladesh is hit by cyclone of varying severity 2, 3 times a year. The worst cyclone in recent years was in 1970, claiming 500,000 lives. Other than this 5 enormous cyclone happened in the 1990s, where estimated 2.5 million people had to evacuate and around 140,000 people died during the cyclone in 1991. (Banglapedia, 2004)

In recent decades drought has become a recurrent natural phenomenon of northwestern Bangladesh mainly in the Barind Tract that covers most parts of the greater Dinajpur, Rangpur, Pabna, Rajshahi, Bogra, Joypurhat and Naogaon districts of Rajshahi division. Rainfall is comparatively less in Barind Tract than the other parts of the country. Drought mostly affects Bangladesh in pre-monsoon and post-monsoon periods. During the last 50 years, Bangladesh suffered about 20 drought conditions. The drought condition in northwestern Bangladesh in recent decades had led to a shortfall of rice production of 3.5 million tons in the 1990s. (Banglapedia, 2004)

Table 3.1: Summarized Table of Natural Disasters in Bangladesh from 1904 to 2006

| Event | No.of Events | Killed | Injured | Homeless | Affected | Total Affected | Damage US\$ (000's) |
|---------------------|--------------|-----------|---------|------------|-------------|----------------|------------------------|
| Drought | 6 | 1,900,018 | 0 | 0 | 25,002,000 | 25,002,000 | 0 |
| Avg per event | | 316,670 | 0 | 0 | 4,167,000 | 4,167,000 | 0 |
| Earthquake | 6 | 34 | 625 | 15,000 | 3,500 | 19,125 | 0 |
| Avg per event | | 6 | 104 | 2,500 | 583 | 3,188 | 0 |
| Epidemic | 28 | 403,102 | 0 | 0 | 2,757,519 | 2,757,519 | 0 |
| Avg per event | | 14,397 | 0 | 0 | 98,483 | 98,483 | 0 |
| Extreme Temperature | 17 | 2,041 | 2,000 | 0 | 85,000 | 87,000 | 0 |
| Avg per event | | 120 | 118 | 0 | 5,000 | 5,118 | 0 |
| Flood | 69 | 50,103 | 102,220 | 32,703,724 | 291,664,773 | 324,470,717 | 14,183,100 |
| Avg per | | 726 | 1,481 | 473,967 | 4,227,026 | 4,702,474 | 205,552 |
| Wave / Surge | 2 | 3 | 10 | 12,000 | 0 | 12,010 | 0 |
| Avg per event | | 2 | 5 | 6,000 | 0 | 6,005 | 0 |
| Wind Storm | 147 | 614,248 | 873,916 | 9,970,443 | 53,066,911 | 63,911,270 | 3,008,880 |
| Avg per event | | 4,179 | 5,945 | 67,826 | 360,999 | 434,771 | 20,469 |

Source: "EM-DAT: The OFDA/CRED International Disaster Database, www.em-dat.net - Université catholique de Louvain - Brussels - Belgium" (Created on Dec-12-2006. - Data version v06.06)

3.1.1 Earthquake disaster in Bangladesh

Earthquake is a form of energy of wave motion, which originates in a limited region and then spreads out in all directions from the source of disturbance. It usually lasts for a few seconds to a minute. The point within the earth where earthquake waves originate is called the focus, from where the vibrations spread in all directions. They reach the surface first at the point immediately above the focus and this point is called the epicenter. It is at the epicenter where the shock of the earthquake is first experienced.

Earthquakes are distributed unevenly on the globe. However, it has been observed that most of the destructive earthquakes originate within two well-defined zones or belts namely, 'the circum-Pacific belt' and 'the Mediterranean-Himalayan seismic belt' (Choudhury 2005)

Accurate historical information on earthquakes is very important in evaluating the seismicity of Bangladesh in close coincidence with the geotectonic elements. Information on earthquakes in and around Bangladesh is available for the last 250 years. The earthquake record suggests that since 1900 more than 100 moderate to large earthquakes occurred in Bangladesh, out of which more than 65 events occurred after 1960.

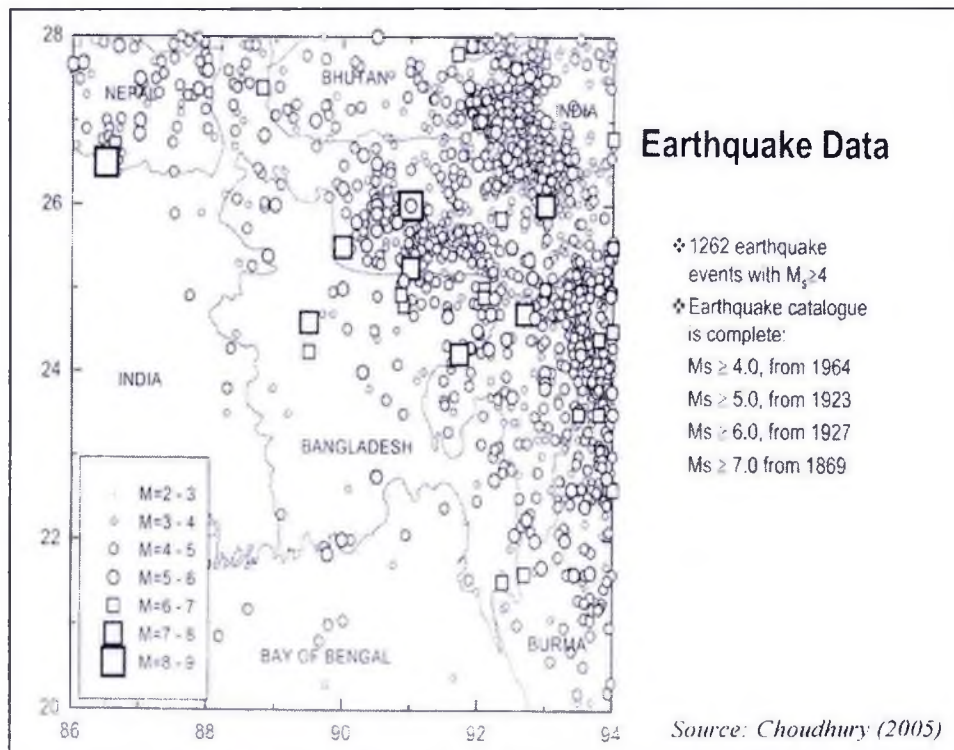


Figure 3.1: Major earthquake events effecting Bangladesh

The figure shows the 1262 earthquake events that had occurred with magnitude less than 4 in the Richter scale. Frequency of this magnitude is quite high in the southeastern region of Bangladesh. An earthquake with a magnitude of 7 in the Richter scale occurred in 1869 known as “Cachar Earthquake”. It was severely felt in Sylhet but there was no loss of life. The steeple of a church was shattered, the walls of the courthouse and the circuit bungalow cracked and in the eastern part of the district the banks of many rivers caved in (Banglapedia, 2004). The distance of the epicenter was only 250 km away from Dhaka (Choudhury 2005).

Bangladesh is surrounded by the regions of high seismicity, which include the Himalayan Arc and Shillong Plateau in the north, the Burmese Arc, Arakan Yoma anticlinorium in the east and complex Naga-Disang-Jaflong thrust zones in the northeast. It is also the site of the Dauki Fault system along with numerous subsurface active faults and a flexure zone called Hinge Zone. These weak regions are believed to provide the necessary zones for movements within the basin area.

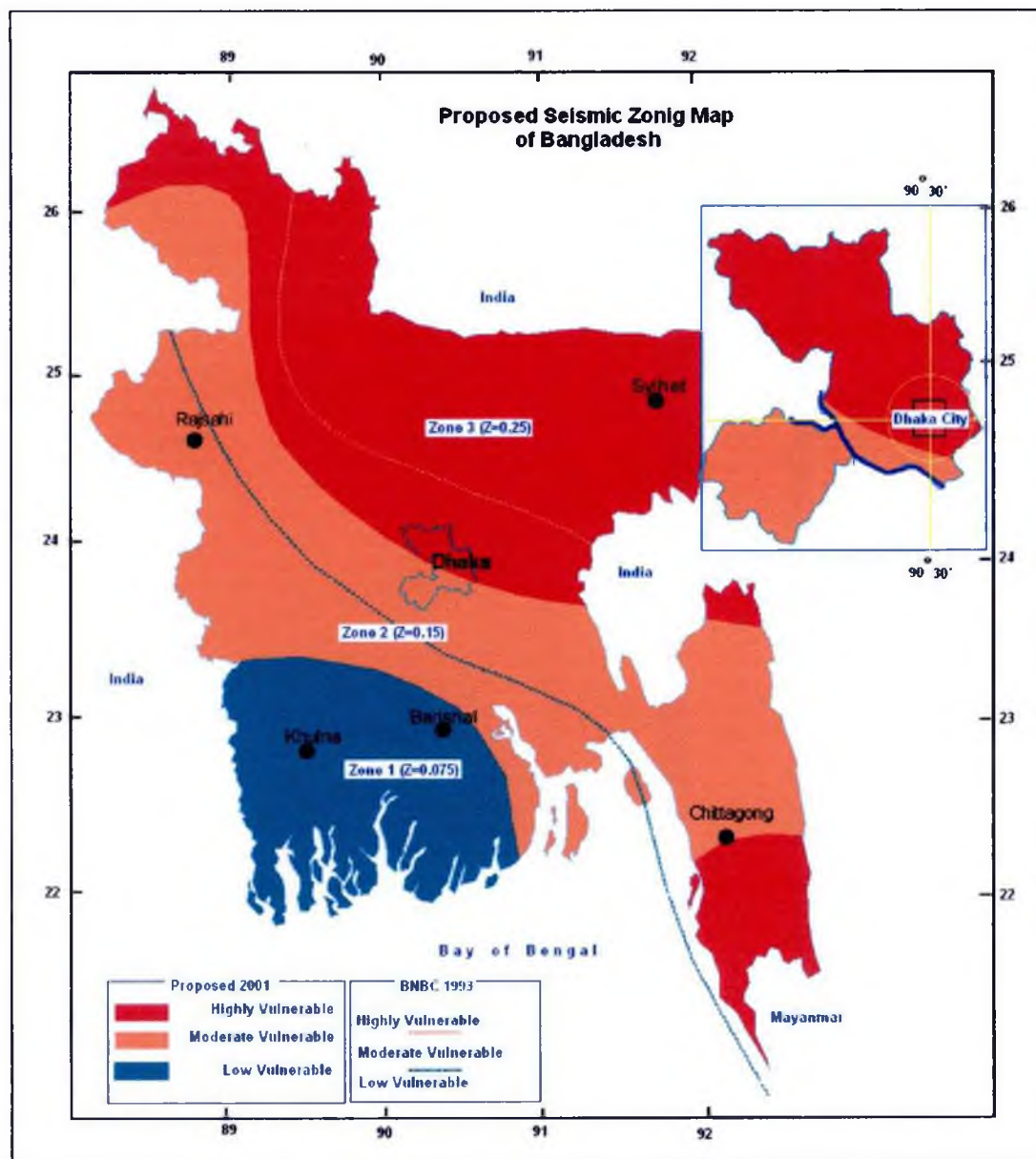
Table 3.2: Significant Seismic Sources for Earthquake Hazard in Bangladesh

| Location | Maximum likely Magnitude |
|-----------------------|---------------------------------|
| Meghalaya fault zone | 8.0 |
| Tripura fault zone | 7.0 |
| Sub- Dauki fault zone | 7.3 |
| Bogra fault zone | 7.0 |

Source: Choudhury (2005)

The significant sources of earthquake hazards are basically from the northern and eastern region. The Meghalaya fault zone situated in the northern side is likely to have a earthquake with a maximum magnitude of 8.0 in the Richter scale. Tripura fault zone in the eastern side and Bogra fault zone in the northwestern side are likely to have relatively less magnitude maximum 7.0 in the Richter scale. The Dauki fault zone situated in northern side of Sylhet can be a source of earthquake with a magnitude of 7.3. So basically these are the various significant sources from where Bangladesh can experience a devastating earthquake, which might be not that far away.

The Geological Survey of India compiled the first seismic zoning map of the subcontinent in 1935. The Bangladesh Meteorological Department adopted a seismic zoning map in 1972. In 1977, the Government of Bangladesh constituted a Committee of Experts to examine the seismic problem and make appropriate recommendations. The Committee proposed a zoning map of Bangladesh in the same year. The latest seismic zoning map was modified and attached in 1993 in the Bangladesh National Building Code that is now accepted widely. The experts in 2001 proposed the revised version of the seismic zoning map where Dhaka is situated in the vulnerable zone.



Source: Choudhury, (2005)

Figure 3.2: Proposed Seismic Zoning Map of Bangladesh

In the zoning map, Bangladesh has been divided into three generalized seismic zones: zone-I, zone-II and zone-III. Zone-III comprising the northern and eastern regions of Bangladesh has high seismic risk with a basic seismic co-efficient of 0.08. Northern Bangladesh comprising greater Rangpur and Dinajpur districts is also a region of high seismicity because of the presence of the Jamuna Fault. Zone-II comprising the central part of Bangladesh represents the regions of recent uplifted Pleistocene blocks of the Barind and Madhupur Tracts, and the western extension of the folded belt. Zone-I comprising the southwestern part of Bangladesh is seismically quiet, with an estimated basic seismic co-efficient of 0.04.

3.2 THE ROLE OF PRIVATE SECTOR IN ECONOMIC DEVELOPMENT

The private sector in Bangladesh is vibrant and developing. It is ahead of the public sector in terms of productivity. The main industries of the private sector are: textiles and clothing, leather goods, food, beverages and tobacco, toiletries, pharmaceuticals. The private sector is also dominant in the service sector: banking, insurance, hotels and travel, media and communications. There has also been considerable growth in the information technology (IT) arena.

3.2.1 Large-scale industry

The growth of the corporate sector in Bangladesh has been modest. During the 1973-74 to 1999-2000 period, manufacturing GDP has increased at an annual compound rate of only 3.8%. However the 1990s experience some upturn in the sector's performance. Between 1988-89 and 1994-95 the annual growth rate was estimated to be nearly 8.2 % with some decline in the second-half of 1990 (CPD, 2001).

A disaggregated picture of the sector shows that the large industries have played an increasingly important role in recent years. In 1999-2000 the contribution of large-scale industry to GDP accounted for 11.1%. More than 1/5 of the growth in 1980s was accounted by 5 industries: readymade garments, fish and seafood, leather goods, fertilizers and pharmaceuticals. In 1990's industrial growth became broader based. And small –scale industries registered a robust performance. (ADB, 2006)

Driven by robust manufacturing performance, overall growth in the industry sector during FY2006 is estimated at 9.6%, higher than 8.3% in FY2005. Manufacturing growth is expected to reach 10.5% (8.2% in FY2005); growth in power, gas, and water supply together is estimated at 7.7%, while construction is expected to grow by 8.4%. Growth in manufacturing was largely lifted by a steady increase in external demand. (ADB, 2006)

The strong expansion of the construction industry led to higher demand for domestic production of cement and import of construction materials including iron, steel, and clinker. Electricity and gas production also experienced a substantial surge, reflecting strong consumer and industrial demand.

In the first 9 months (July 2005–March 2006) of FY2006, output of medium- and large-scale manufacturing expanded by a strong 12.1% compared with the same period of FY2005 (ADB, 2006). The production increase was broad-based, covering export and domestic market-oriented enterprises.

The growth was boosted by food processing, garments, knitwear, cotton textiles, jute goods, pharmaceuticals, tobacco, footwear, leather products, ceramic, cement, and plastic products. Concerns about the impact of the phasing out of the Multi Fiber Arrangement (MFA) on manufacturing have not materialized. Outperforming many competing countries, garments and knitwear exports of Bangladesh continue to maintain strong growth. However, toward the end of FY2006, widespread labor unrest engulfed the garment sub-sector causing concerns.

3.2.2 Small-scale industry

The output of small-scale manufacturing, accounting for 40%–45% of total manufacturing production, continues to register robust performance. During July–March of FY2006, small-scale production increased by 10% over the same period of FY2005 (ADB, 2006). Production of rice milling, dairy products, knitwear, leather products, footwear, wooden furniture, paper and paper products, nonmetallic mineral products, etc. showed significant growth. The faster growth of Small and Medium-sized Enterprises (SMEs) was hampered by limited access to medium- to long-term credit, markets, technology, and information. Banks and other financial institutions generally prefer large enterprise clients because of lower transaction costs, and greater availability of collateral.

3.2.3 Service

Expansion of the services sector was strong and sustained in line with rapid growth in agriculture and industry. Growth in the sector in FY2006 is estimated at 6.5%, up from 6.4% in FY2005 (ADB, 2006). Wholesale and retail trade, transport, telecommunications, real estate, and community and social services increased substantially. The mobile phone services market continued to drive telecommunications due to strong consumer demand for mobile phones. Grameenphone is one of the largest private sector investments in the country with an accumulated investment of BDT 5200 crore up to December 2005. Grameenphone is also one of the largest taxpayers in the country, having contributed nearly BDT 5000 crore in direct and indirect taxes to the Government Exchequer over the years. Of this amount, BDT 1670 crore was paid in 2005 alone (Grameenphone, 2005). The addition of several new private television and radio channels contributed to the expansion of community and social services. The increased number of health care service providers also contributed to services sector growth. Profit margins of the private sector banks remain quite healthy; this is likely to positively impact financial services growth.

3.3 DISASTER IMPACT ON ECONOMIC DEVELOPMENT

The contribution of the industrial sector played a major role in the national economy but natural calamities affected growth. The deceleration in growth is attributed mainly to the floods of 1998 that resulted in the fall of the growth rate to the level of 3.2 % in the year 1999. During 1997-98, the year preceding the catastrophic floods of 1998, the growth rate for large-scale industries was 9.3% and that of the small industries was 6.8%. During the catastrophic flood of 1998-99 both industries suffered from the flood damage but while the growth rate for large industries dropped to 4.2% that for the large-scale industries declined sharply to 0.75%. (Nishat, 2001)

According to World Food Program (WFP) the cost of total damage in 2004 flood was estimated to be 42.00 thousand crore taka or 12.81% of current GDP. While in 1998 flood the total damage was estimated to be 10.20 thousand crore taka or 4.66% of current GDP (Nishat, 2001).

3.4 PREPAREDNESS COST LESS DURING RESPONSE

The best time to respond to a disaster is before it happens. A relatively small investment of time and money now may prevent severe damage and disruption of life and properties in the future. Every area in a country is subject to some kind of disaster – flood, hurricane, earthquake, ice storm, and landslide, to name a few. Even man-made disasters – oil spill, civil unrest, fire, etc. – can devastate the surrounding neighborhood and economy. Even if an area has never been damaged before, there is no guarantee that there will not be a disaster tomorrow. Regardless of how much time is left to react to a disaster, things can be done well in advance to prepare. A little advance planning can save life and property.

Between 1980 and 2000 approximately 1.5 million people died in earthquakes, volcanic eruptions, tropical storms, droughts and other “natural disasters” (Matin, and Muhammad, 2000)-- yet with better preparedness many if not most of these lives could have been saved. The impact of disasters can be sharply reduced if effective initiatives are taken to reduce risk before a disaster happens, rather than rush to respond after the damage has been done.

Disaster preparedness minimizes the adverse effects of a hazard through effective precautionary actions, rehabilitation and recovery to ensure the timely, appropriate and effective organization and delivery of relief and assistance following a disaster. This is a broad definition of disaster preparedness. Regardless of how much time have to react to a disaster; things can be done well in advance to prepare.

The lesson of 2005 is that we can and must take steps that save money and lives:

- In Pakistan, 500 children in one school alone were crushed to death when the building collapsed on them. £500 could have paid to make the school earthquake resistant: just £1 per child.
- While Japan warns its citizens of possible tsunamis within 30 seconds of a major earthquake, there was no warning system for the Indian Ocean. But just £20 would pay for a wind-up radio to help warn of cyclones, floods or tsunamis.

- Without a comprehensive disaster risk reduction strategy, the World Bank predicts that the costs of helping people after disaster will rise to US\$6-10 trillion over the next ten years – up to 230 times more than it spent in post-disaster reconstruction in just over two decades to 2003.
- Disasters in 2004 caused about US\$123 billion worth of damage, much of this from the Indian Ocean tsunami. But scientists say that even simple, inexpensive measures would have enabled them to sound the warning and save tens of thousands of lives.

Each year, an average of 258 million people suffer from disaster – most of them in the developing world. As the pace and intensity of disasters rises, the poor are hit ever harder. Disasters may be natural. But their consequences are not. Many low-cost steps can be taken to reduce the impact of disasters.

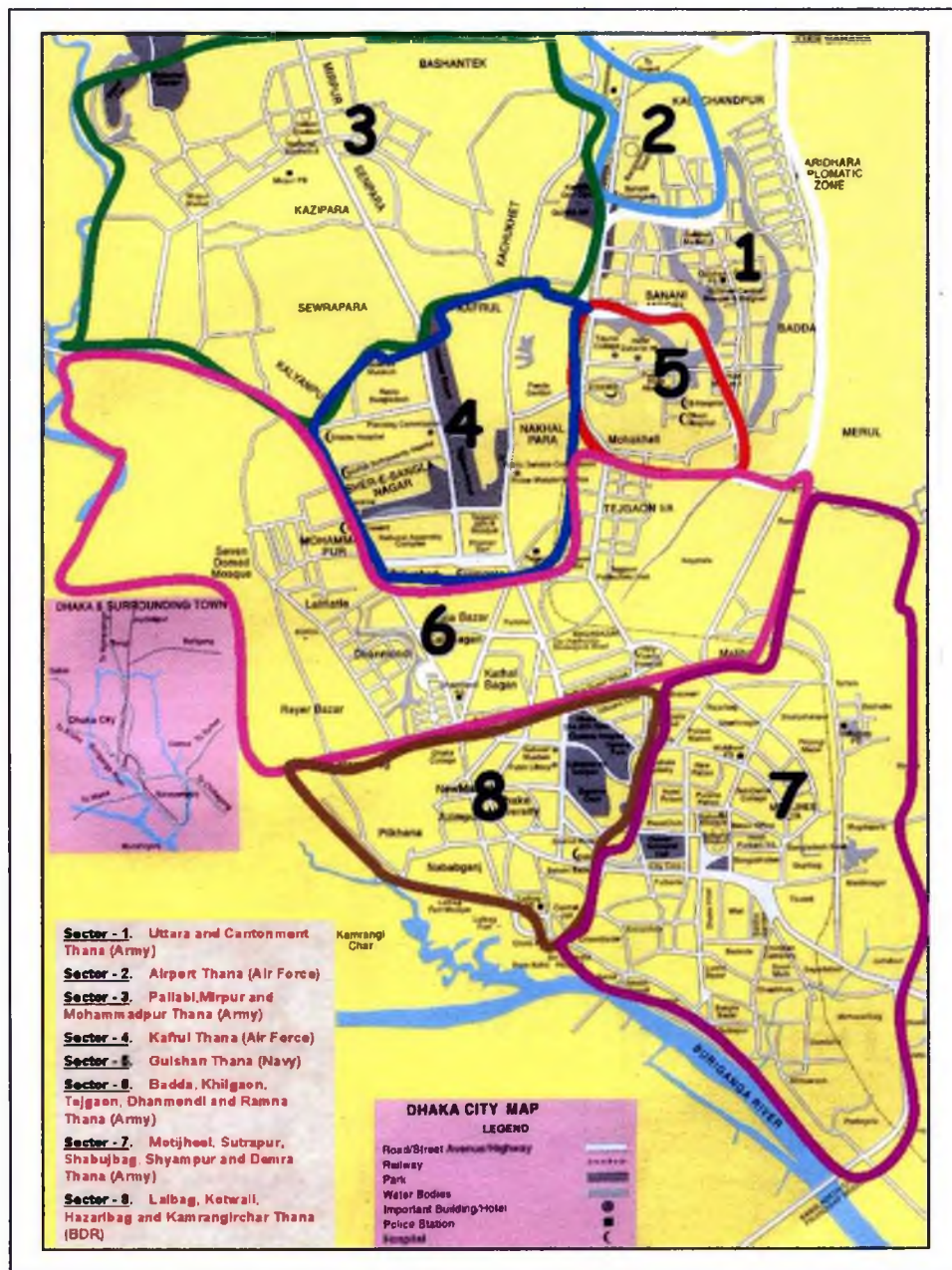
The World Bank and the US Geological Survey have estimated that economic losses worldwide from natural disasters in the 1990s could have been reduced by US\$280 billion if US\$40 billion had been invested in preventative measures. They also estimate that every pound spent on risk reduction can save £7 in relief and repair costs. In other words, for every US\$1 spent, US\$7 would be saved in the long term – to say nothing of lives saved.

3.4.1 Preparedness on Earthquake Disaster Management in Dhaka

As Dhaka has become more and more vulnerable in recent years so various workshops and seminars are held in different institutions throughout the year in order to make the people aware of the devastation.

Disaster Management Bureau, with the help of different international funding agencies and local administration and other organizations, has been conducting various types of training sessions, seminars, workshops and other public awareness programs throughout the country. As a continuation of such programs the Bureau, with funding from UNICEF, undertook a 5 year long project titled “The Rights-based Planning and Monitoring: Disaster Preparedness”. Under the project there was a briefing session.

Year round briefing sessions in Dhaka have been conducted for professionals from RAJUK (Capital Development Authority), City Corporation, Public Works Department (PWD), Armed Forces, Fire Service and Civil Defense, Ansar (Community Police) and Village Defense Police (VDP).



Source: Choudhury (2005)

Figure 3.3: Sectors of Dhaka City for emergency response

For emergency response in earthquake disaster management Dhaka city has been divided into 8 parts and in each part various government agencies like-army, navy, air force and BDR were assigned for rescuing and mobilizing people. They will go to different area to

help the effected community. The drills, workshops or seminars all these are held only with the participation of the government but here in rescuing or in emergency situation there are places where the corporate sector can lend their hands with their logistics and manpower. The big cooperates have their own setup they don't rely on the government services. They have their own power station and also the water supply system. They have housing projects where sophisticated equipments are used which might be really helpful in case of the emergency situation. In case of emergency response these equipments and live saving utilities can lessen the impact a lot. So an initiative must be taken where there can be room for the incorporation of corporate sector in order to minimize the risks.

4.1 THE CORPORATE HOUSE IN BANGLADESH

Philanthropic activities have been carried out by Bangladeshi business houses in an organized manner, and small business in a random manner with a religious based approach CSR as holistic approach is difficult to trace. It is also fuzzy due to the economy accepted belief that industry has detrimental effects on its surroundings, and yet some industries earn respect for their philanthropic work. Bangladesh's industrial economy, which has invested much in garments, textile and real estate housing, contrasts with the poverty that persists, particularly in rural areas. Roughly two-thirds of the population are involved in agriculture, both subsistence- mainly cereals – and cash crops including tea, rubber, jute, sugarcane. Growth in this sector has been steady despite frequent damage through drought and flooding.

Bangladesh's main industrial development has been in garment sectors, especially manufacturing and textiles. Economic reforms were put into effect throughout the mid 1990s, under which trade has been liberalized, the sprawling public sector cut back, and state-owned industries sold off. Cheap labor has also attracted multinational corporate entities to set up production and sourcing facilities in Bangladesh.

To quote from UNCTAD's (United Nation, 1999) report on The Social Responsibility of Transnational Corporation, an external program of good deeds will not protect a firm whose actual operations harm its surrounding society. Thus, just being purely philanthropic externally is not enough. At the same time, complying with the law is just the minimum behavior to legally stay in business and it certainly has nothing to do with society's expectations, which is essential for the "social" in CSR to have any meaning.

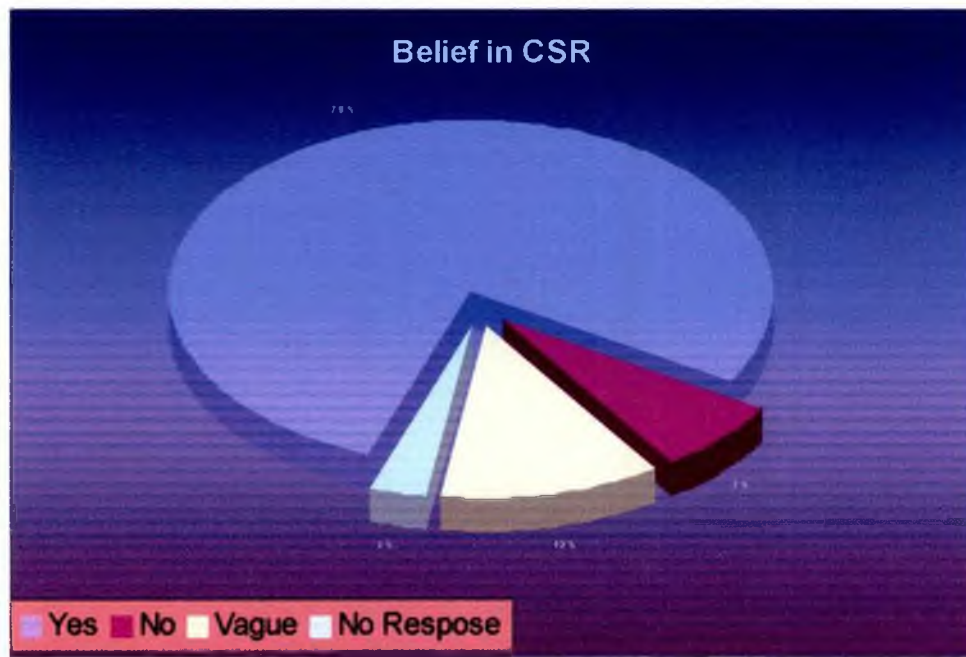


Figure 4.1: Belief in CSR

The private sectors, which were taken into consideration for research sample of that 78% of them, have an understanding of the corporate social responsibility. Basically they contribute to society by donating and through relief in the post disaster situation. 12% of them do not have any clear idea about how to contribute to the society. 7% think that business is all about making money and giving service through their product. The rest were reluctant to response.

4.2 TRADITIONAL CSR AND EMERGING TRENDS

Corporate Social Responsibility (CSR) is a concept whereby companies undertake certain responsibilities towards society independent of their business concerns. Although the activities are not directly related to their business, there is an indirect impact on the business that is a positive one. For example: there is a positive image of the company in the eye of the public and the employees' morale is boosted, which in turn has a positive effect on the productivity of the company.

For instance if we take the case of “Fair n Lovely Foundation” of “Uniliver” at the beginning of the year 2005, this Foundation had announced scholarships for higher education for women with the potential and passion for university education and a professional career. The Foundation provided a scholarship worth Taka 25,000, to 200 female students (who have passed their HSC Exams in 2003) to pursue 4 year undergraduate studies in the fields of Arts, Commerce, Science, Engineering, Higher Agro – Science, and Medicine.

Emphasizing in the areas of Health and Education Uniliver’s ‘Dental School Program’ has educated nearly 2 million school children on Dental Health and Hygiene along with support for Maa O Shishu Hospital in Chittagong.

‘Lifebuoy Friendship Hospital’ has provided health services to more than 72,000 underprivileged people in the riverine rural community of Bangladesh where mothers have given birth to babies in a sanitized environment. People got relieved from deformities like cleft lip and clubfoot and had their eyesight restored from cataracts, which would otherwise have slowly dimmed to blindness. In 2005 Tk. 2.5 crores was contributed towards this project.

The main forms of CSR activity observed in Bangladesh can be categorized as follows:

1. Philanthropic and charitable activities.
2. Environmental conservation
3. Public awareness
4. Corporate sponsorships

4.2.1 Philanthropic and charitable activities

Most of the companies that took part in this research are involved in charitable and philanthropic efforts as part of their social responsibility. They have various trust funds especially for the purpose of community service.

Dutch-Bangla Bank has been contributing for the treatment of the children who have cleft lip. Children who are under 20 years of age and whose parents are not capable of carrying the treatment by their own Dutch-Bangla Bank is there to help them by getting a plastic surgery in the hospital free of cost.

The business case for CSR in disaster mitigation has not yet been taken seriously into consideration by the private sector. By and large, the business community feels that the NGO and government should bear the responsibility for disaster mitigation.

Following this, most of the initiatives of CSR in natural disaster mitigation are in the category of charitable or philanthropic activities. This typically includes donations and grants. In cash or in kind to flood affected people or to other groups working in disaster relief.

For instance during the floods in 1998 a BGMEA team led by its President visited some flood hit garments factories and distributed 3700 kg of flour, 3700 kg molasses, 11017 packs of Oral Rehydration Solution (O.R.S) and 3700 leaves of water purifying tablets and paracetamol tablets to flood affected garments workers.

4.2.2 Environmental conservation

The officials of the different companies have been interviewed to know the activities regarding environmental conservation. The British American Tobacco Company (BAT) has been engaged in environmental conservation by planting trees.

Kazi and Kazi works for environmental conservation. They distribute various types of medicinal plants such as *Neem*, *Nisinda*, to the neighboring villages of their tea estate, which is situated in the northern side of Bangladesh.

Companies in the garments sector have anti-pollution programs (Source BGMEA). They are often collaborators with the relevant government authorities which are responsible for river and air pollution.

Beximco Printing and Garments is one company involved in these activities. It organizes awareness campaigns for its employees. The company deals with chemicals, and has strict procedures regarding the disposal of these chemicals. Its printing company has a policy

whereby a percentage of recycled paper has to be used in the production of paper. Apart from the conservation work directly related to its business, the company has other on-going environmental projects.

4.2.3 Public awareness

The media is engaged in building public awareness on common issues. Various satellite television channels and private radio channels have been active in informing the public on various social issues like AIDS, vaccinating children on time, awareness against throwing acid, family planning, female education, early marriage and also preparedness for flood disaster.

The involvement of the Foreign Investors' Chamber of Commerce and Industry in Bangladesh (FICCI) in growing awareness on HIV/AIDS is noteworthy. An agreement between FICCI and UNAIDS was executed in 1998 for implementation of a proposal on the Formation of business Coalition on AIDS in Bangladesh". The overall aim of the program was to mobilize the private sector in order to have a broad-based multi-sectoral response to AIDS in Bangladesh

Some private banks such as Dhaka Bank and Dutch-Bangla Bank are also involved in public awareness activities, through signboard, billboards about road rules and safety messages and also they are engaged in making the people aware about keeping the city clean and by beautification activities in Dhaka City in 2005.

Companies engaged in the pharmaceutical business have been collaborating with the media in educating the public about various epidemics. For instance in the rainy season when it is the time for mosquito to breed there are many sponsored programs on dengue and malaria. Square Pharmaceuticals Ltd has introduced a special type of ointment which is very useful for keeping away the mosquitoes that have been very popular in the mosquito breeding seasons.

4.2.4 Sponsorships

The print media is working for the awareness of against throwing acid and also there is a fund which is known as “Prothom Alo Acid Survivors Foundation” which is a sister concern of the Transcom ltd one of the largest group of companies. The Daily newspaper along with the people from all walks of life contributes in this foundation from where many acid victims were given treatments even taking them abroad.

Kazi and Kazi Ltd. supports and encourages young boys and girls in outdoor sports. In Panchagar district they distributed sports equipment such as footballs, volleyballs, cricket bats, and carrom boards free of cost to primary and secondary schools, and local clubs. This company is also engaged to educate their illiterate laborers for one hour every day after work. They hire graduate female teachers from the same village to instruct the workers. Already several batches of workers have demonstrated the ability to read books and newspapers and write letters without assistance. At Rowshanpur they have opened a computer lab to initiate IT education for the community. Around 60 students per day can be instructed, running in two separate shifts.

BGMEA signed a project on family welfare and reproductive health education and services for garment workers with UNFPA, in 1998. The objective of the project was to raise awareness of the workers in reproductive health practices; and raising awareness about the use of contraceptives to prevent sexually transmitted (including AIDS) diseases. The project targeted to reach 1 lac garment workers from 175 selected garments factories from Dhaka. They distributed contraceptives and now are planning to carry out the project outside of Dhaka.

5.1 HAZARD AND VULNERABILITIES

Climatic hazards turn into disaster when the community at risk does not have the ability to withstand the devastating situation of danger and death. The degree of vulnerability of a group, race, or community depends on its economy, social structure, culture, exposure to information, location, etc. Because of the weak infrastructure and the magnitude of poverty, 90 per-cent of natural disasters and about 95% of disaster related deaths worldwide occur in the developing countries. During the past decade 56 % of those who were killed worldwide by disasters were mainly from the South Asian countries (Bhatti, Amjad, 2000).

In Bangladesh most of the disasters occur in the forms of cyclone, flood, riverbank erosion, earthquake and drought. These leave behind huge impact where it takes many families the whole life for recovery.

5.2 VULNERABILITY PROFILE OF BANGLADESH

Vulnerability is defined as the extent to which a community, structure, service or geographic area is likely to be damaged or disrupted by the impact of particular hazard, on account of their nature, construction and proximity to hazardous terrain or a disaster prone area. The concept of vulnerability therefore implies a measure of risk combined with the level of social and economic ability to cope with the resulting event in order to resist major disruption or loss. This susceptibility and vulnerability to each type of threat will depend on their respective differing characteristics.

5.2.1 Physical vulnerability

Bangladesh can primarily be divided into three major types of disaster. Floods, which occur almost every year in different parts of the country. Earthquakes are frequent in south eastern region and cyclone are experienced in the month of March-April and also in October-November.

Geo-physical setting with unplanned and inadequate developmental activity is a cause of increased losses during disaster. More than 1 million houses are damaged annually in Bangladesh apart from high human, social and losses. Urban growth and concentration of limited resources are realities of the time, while the rural sector faces lack of access. This compounds the problems of disaster vulnerability.

5.2.2 Socioeconomic vulnerability

The degree to which a population is affected by a calamity will not purely lie in the physical component of vulnerability but is contextual to the prevailing social and economic conditions, and their consequent effect on human activities within a given society.

Effects of disaster are seen to be directly proportionate to the poverty-gap and poverty-intensity in the society, location as it is the poor that normally live in high concentration in marginal areas (flood plains) with little infrastructure and fewer resources to cope. Single parent families, handicapped people children and the aged are particularly vulnerable social groups.

5.2.3 Vulnerability of Dhaka

Dhaka City has 90 wards covering 304 square kilometers, with 80 lac population. Migration due to various natural and unnatural hazard has increased the high population density of the capital. People come here in search of food and livelihood. As a result, to meet the demand of the high population, the low-lying areas have been filled and infrastructure developed. There is a risk of liquefaction in the filled lands as construction takes place before the soil settles down. There is a National Building Code but the enforcement of this is not yet visualized. Subsidence of infrastructures (Spectrum garments, Phoenix Building) has occurred due to over expansion and low quality of construction material. This type of infrastructure are scattered everywhere in the city. Moreover there are old buildings which have expired long time back and now in need of renovation but still people are residing as there are no other alternatives.

Kamal (2004) shows that Dhaka appeared to have one of the highest values of Earthquake Disaster Risk Index (EDRI) mainly due to:

- Inherent vulnerability of building infrastructures
- High population density
- Poor emergency response and recovery capacity
- Rapid unplanned urbanization

Rapid unplanned urbanization has made Dhaka City vulnerable to all types of disaster. More over the socioeconomic condition lack of awareness had increased the vulnerability. According to the experts a fault line passes through Dhaka City.

Table 5.1: List of Major Earthquakes affecting Bangladesh

| Date | Name of Earthquake | Magnitude (Richter) | Intensity in Dhaka (EMS) | Epicenter Distance from Dhaka (km) |
|------------------|-------------------------|---------------------|--------------------------|------------------------------------|
| 10 January, 1869 | Cachar Earthquake | 7.5 | V | 250 |
| 14 July, 1885 | Bengal Earthquake | 7.0 | VII | 170 |
| 12 June, 1897 | Great Indian Earthquake | 8.7 | VIII+ | 230 |
| 8 July, 1918 | Srimongal Earthquake | 7.6 | VI | 150 |
| 2 July, 1930 | Dhubri Earthquake | 7.1 | V+ | 250 |
| 15 January, 1934 | Bihar-Nepal Earthquake | 8.3 | IV | 510 |
| 15 August, 1950 | Assam Earthquake | 8.5 | IV | 780 |

Source: Choudhury (2005)

*EMS-European Macroseismic scale

Experts show that several earthquakes occurred in the past where the epicenter was only few hundred kilometers away, and the intensity felt in Dhaka was quite high. At that time

there was fewer infrastructure and less amount of population so the degree of damage was less but in the present time if the same earthquake with the same magnitude and with the same epicentral distance occurs then the level of devastation would be much higher.

5.3 UNDERSTANDING CSR IN EARTHQUAKE MANAGEMENT

Corporate social responsibility has been practiced all over the world in different dimensions. It has been observed that during the flood disaster this sector lends their hand side by side with the government and this is on an ad-hoc basis. They pay the money to the Prime Minister's Relief Fund. The corporate sector thinks that all their responsibilities are in donating money to the fund.

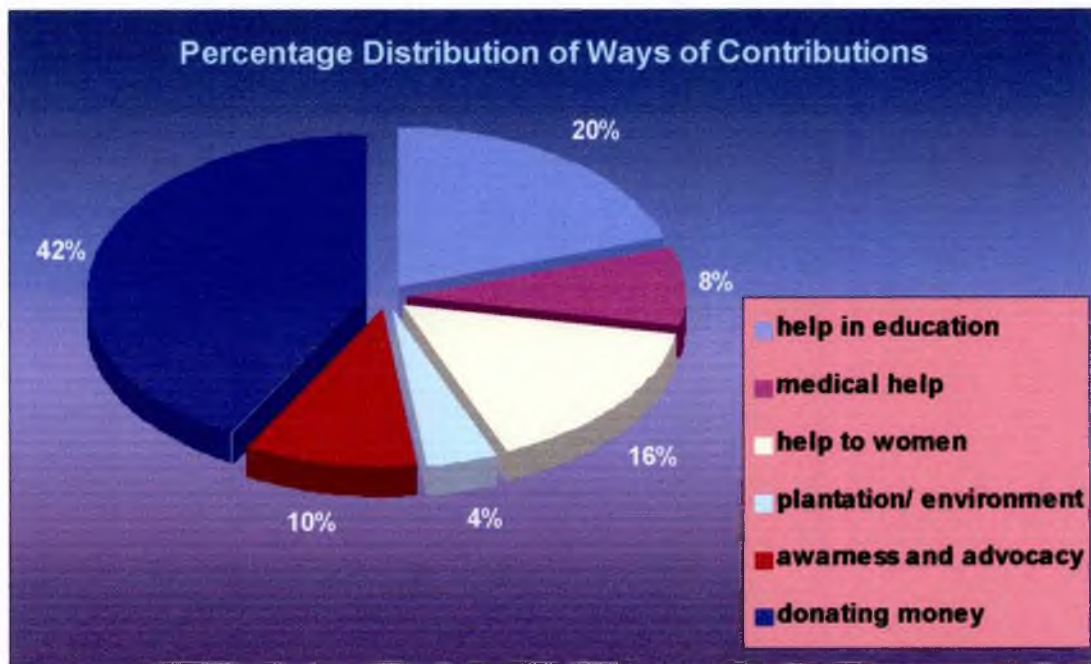


Figure 5.1: Ways of Contribution

Now-a-days it has been observed that besides donating money, the corporate sector also contributes in different ways. From the research sample findings the majority of the contributions is by donation. 20% of the business community prefer in helping for educational purposes by giving away books, computers and also scholarships to meritorious students. Standing beside women and helping them to be independent by ensuring their livelihood is also an appreciating approach of the business sector to contribute and 16% of the business house is practicing this. 10% of the sample business group is engaged making people aware about traffic rules and about public health issues

and this is how they contribute to society. Helping poor people with free health treatment, operations along with medicines are magnificent approach of the corporate sector and 8% of this sector is assisting the deprived population. 4% of the business society is engaged conserving the environment from degradation by planting trees, keeping the city clean and by helping in beautification on different occasions.

These are the various ways in which the private sector is contributing to the society. But talking about disasters was a vague idea for them as disasters are unforeseen events and when that happens contributing in relief distribution activities are the best solution. But the terminology “preparedness” for earthquake disaster is very new and also unknown to the corporate sector. They compare it with accident, which might take place at any time.

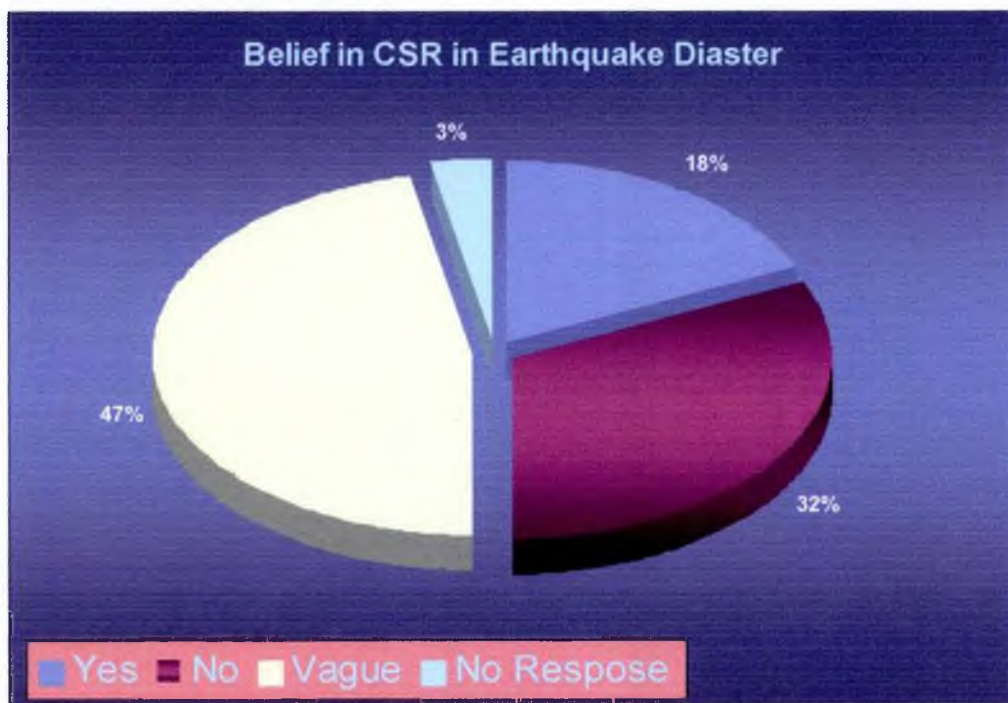


Figure 5.2: Belief in CSR in earthquake disaster

Earthquake preparedness of the corporate sector is very unclear. 47% of the business sector does not have any idea how to be prepared or what this preparedness measures should include. They always think how to make money. The business sector does not have any interest in spending for preparedness activities, rather they think it is a wise decision to invest in the business and the percent of believing in this is theory is 32. 18%

of the corporate sector have introduced fire extinguisher, alarm, drills, emergency exits in their offices and factories which might work as preparedness measures. According to the company, the housing projects that they have, the piling is done in such a way that it is capable to withstand an earthquake with 6 magnitude in the Richer Scale. And the rest were reluctant to talk as they had time constraint and for some bureaucratic problem.

5.4 ADVOCACY ISSUES FOR PROMOTION OF CORPORATE SOCIAL RESPONSIBILITY IN EARTHQUAKE PREPAREDNESS

The Corporate Sector in Bangladesh has been contributing a lion's share in national GDP, which needs a code of ethics to care and consider the apprehended risk of disasters to save the contributions for development and sustainability of the economy. The voices of the business community should be channeled to the disaster management ethos of the country to uniform in delegation of responsibilities in preparedness building and response to earthquake disasters. In the existing law and Standing Orders on Disaster of the Ministry of Food and Disaster Management an integration of the corporate sector should be enacted to have a legal framework to generate mandates to reduce the risk and vulnerability of disasters.

The research finds some issues on corporate disaster preparedness and management to advocate materializing it as the corporate social responsibility. It needs a comprehensive advocacy work to mainstream disaster management into the corporate charter and practices. The promotion of corporate social responsibility in reduction of disaster should be entitled to the disaster management program of government and NGOs.

The preparedness activities for earthquake should have been addressed in the various business policies and it has to be in the business code of conduct. Awareness and advocacy for earthquake disaster in the corporate sector is important. The various ways of advocacy can be:

- ❑ Include Corporate Representatives in disaster management committees
- ❑ Disaster management standing committee provision in the constitution of corporate sector
- ❑ Development of corporate network

- Development of good corporate labor standard in the context of earthquake and other disasters
- Development of corporate standing orders

5.5 INCORPORATE OF CORPORATE REPRESENTATIVES IN DISASTER MANAGEMENT COMMITTEE

The representation of Corporate Sector has not been provisioned in the Standing Orders and Draft Law of Disaster Management of the government. Since the Corporate Sector has potentials of recovery and preparedness of disaster their role should be designated in the Standing Orders and in the law of disaster management. The responsibilities of Corporate Sector identified, should be promoted with a legislation of the government for the reduction of corporate and community risk and vulnerability to disasters. It needs advocacy work on incorporation of Corporate Sector into the Government Disaster Management Procedures to recognize the participation of the business community in building of disaster preparedness.

5.6 DISASTER MANAGEMENT STANDING COMMITTEE PROVISION IN THE CONSTITUTION OF CORPORATE SECTOR

The constitution of the corporate sectors i.e. Chamber, Association, Federation, etc should have provisions to incorporate the development of Standing Committee on Disaster Management. Since there is provision of Standing Sub Committees in the charter of the Chamber, it would not be inconsistent to the philosophy to constitute provision of Disaster Management Standing Committee to develop and promote disaster preparedness and reduction in the corporate sector.

5.7 DEVELOPMENT OF CORPORATE NETWORK

A lot has to be done for development of Corporate Network for reduction of disaster in Bangladesh. The Corporate Sector should start to develop the network. There needs to be a mindset of the corporate sector to assemble corporate organizations for Corporate Network. NGOs could play the role of advocate to facilitate the process of development of Corporate Network.

5.8 DEVELOPMENT OF WELL CORPORATE LABOR STANDARD TO THE CONTEXT OF EARTHQUAKE AND OTHER DISASTERS

In compliance with international standard, labor standard should be established in the corporate sector. The standard must relate the context of earthquake, fire, floods, cyclones, etc disasters to ensure the safety measures, standard compensation, insurance, health care, security, etc.

5.9 DEVELOPMENT OF CORPORATE STANDING ORDER

The Corporate Representative Bodies should develop Corporate Standing Order for all member organizations to ensure development of Disaster Management Committee with defined role of individuals of the committee and response plan in response to disaster emergencies. It requires immediate attention for Development of Corporate Standing Order to address the corporate disaster management.

5.10 REALIZATION OF NEED

Disaster management cannot be responsible only for the government in a country where the population is more than a billion such as Bangladesh. Convergence of efforts of all concerned sector is a pre-requisite for effective disaster management. More importantly, the focus needs to shift towards pre- disaster action since efficient post disaster response will have to be built upon extensive pre-disaster preparedness. This sentiment is also reflected in the change of approach at the national level. The change has been articulated in CDMP (Comprehensive Disaster Management Program) which was set up with the collaboration of the 'Ministry of Food and Disaster Management' and the donor agency. CDMP has emphasized on "paradigm shift" towards prevention and risk reduction.

5.11 ADVOCACY AND AWARENESS

The corporate sector emphasizes on more day-to-day activities than on some unseen event. Lack of awareness of disasters was seen in this sector. Contributing in the post disaster period, which was in the form of relief distribution, was an easy and convenient solution for them. Earthquake was something very far away from their business. Though Dhaka is vulnerable to earthquake disaster, as there is no recent experience of a devastating earthquake people merely think about it, as a result it has been given least

priority. Many of the corporate offices and their factories are built on filled land and they are vulnerable not only to ground shaking but also to liquefaction. Building codes are not maintained. Though some informants claimed that they have emergency exits and fire fighters but they are not at all sufficient in ratio with the number of their staff.

5.12 ABSENCE OF INTERSECTORAL COLLABORATION

Disaster management is not the responsibility of any particular agency or organization. It requires skilled human resources and well-coordinated efforts from all concerned bodies. Architects, civil engineers, private builders and policy makers moreover most importantly community representatives and other professionals from different relevant agencies are equally responsible for taking preparedness measures, related to earthquake disaster management.

Inter-sectoral partnership in general and particularly in the case of disaster mitigation has been a problematic area in Bangladesh where independent action by each sector remains the dominant mode of response. Though in recent years there have been attempts in promoting collaboration between government and NGO sectors, as reflected in individual projects and in the government document on Standing Orders on Disaster. Partnership between the Government and the private sector has remained largely unexplored. At the level of rhetoric, though national policy makers often make general statements inviting private organizations to cooperate in government led initiatives, not much actual effort is noticed on the part of the government in evolving a partnership with private business.

The relationship with the government and private sector has not always been congenial and at times there has been considerable tension between them on “freedom to operate” on the part of the private sector and “ensuring accountability” on the part of government. Despite this, no substantial attempts are noted on the part of the government to bring the corporate sector within its disaster management purview. In the Standing Orders there is no mention of the role of business or collaboration with it in management of disasters. Partnerships are occasionally observed between the private business and the government on providing advertisements and sponsoring or funding for certain activities or events.

Collaboration with the corporate sector and the government is also limited. Whatever partnership or collaboration there is tends to be short-term or based on one off funding.

6.1 ROLE OF THE GOVERNMENT

In Bangladesh the Ministry of Food and Disaster Management is responsible for natural disaster mitigation as well as relief, reconstruction and rehabilitation. The National Disaster Management Committee, under the Ministry, has the mandate to attend to all disaster related matters.

The government still does not have any clear idea as to how the private sector could get involved in disaster mitigation. The fact is that the private sector's role is more visible in the area of relief and reconstruction than in mitigation and preparedness. There can be various ways to incorporate the private sector in mitigation activities. These activities could include the use of their valuable equipment and resources that could be useful in disaster management. Drills of emergency situations for their safety and rescue, and preparing communities for recurrence of the earthquake disaster could also help the private sector in responding to the mitigation process. Collection of monies and essential items, as a safety measure of the earthquake situation can also decrease the level of vulnerability.

In our country we have disaster committees at the root level. The union level committee is only proactive in terms of relief distribution and reconstruction but no initiative has been taken for preparedness and mitigation measures. The government could take an effort to make the corporate sector involved in sponsoring different types of drills, workshops, and for advocacy and awareness program. They can also conduct a survey to take an inventory of the resources and information related to private sector resources and capabilities, which can be utilized in the emergency period.

6.2 THE ROLE OF INSURANCE COMPANIES

In western countries insurance companies have taken a number of initiatives in disaster mitigation and reduction (Twigg, 2001). But this kind of initiatives are absent in our country though some of them exists but the lengthy procedure and bureaucratic system is a hindrances for the people to have insurance for their life and property

People affected by natural disasters in this country are the poorer sections of the community who are not aware of the insurance policies. Moreover they can not afford to pay the high insurance premiums. The insurance companies should play a vital role in having schemes designed for people living in hazard-prone areas.

The insurance companies should have introduced schemes for construction in the earthquake prone areas so that the quality of the construction would have been maintained along with implementing the building code properly, which could decrease the vulnerability of the disaster. For instance, in Texas there is a regulation that no construction is possible without insurance and the insurance company would not assure any scheme unless and until the quality of the building materials is up to the mark. If this kind of regulations could exist in our country then the vulnerability would have reduced a lot.

6.3 ROLE OF TELECOMMUNICATION SECTOR

The Metrological Department is responsible for disseminating the warning of disaster. But like some hazards earthquake does not have any kind of warning so the telecommunication sector can play a viral role only after an earthquake disaster. After earthquake there is a possibility of damage to land or fixed phone communication service. Here the mobile networks can be used as a source of disseminating information by which people from the neighboring area can come and rescue the affected community along with the other authorities.

6.4 CORPORATE SECTOR SHOULD INCORPORATE EARTHQUAKE DISASTER PREPAREDNESS ISSUE INTO THEIR BUSINESS CODE OF CONDUCT

The corporate sector should constitute a window of disaster preparedness issue into their regular compliance of business code of conduct with standards of business i.e. exercise labor law, environment, facilities, principles, welfare, compensation system, etc. of the company to develop disaster management and preparedness culture to reduce the risk of earthquake and fire disasters to their business, establishment, structures, equipments and human resources. The issue of earthquake disaster should be incorporated into disciplines to ensure the safety and well-being of the company considering the impact of earthquake disaster.

The representative body of the corporate sectors the chamber, association, forum, platform, etc should incorporate a set of principles on disaster preparedness issues to address in their operations for development of practices in the sister organizations to ensure reduction of risk of earthquake disaster. This principle is to fabricate values to safety rights of the workers as well as productions of the sectors.

Corporate sector is an organized and disciplined organization. There is a hierarchy in this sector to do the business. The top of the sector should be oriented and aware of earthquake disasters. The reflection from the top will go the bottom. Since it is an organized force it will disseminate the messages quickly to the periphery. The top can adopt disaster friendly plans.

The sector should consider addressing the earthquake hazard in factories and industries to make them disaster resistant. The sector has role in promotion of disaster preparedness measures, rescue and evacuation of its member organizations, bodies to reduce the risk and vulnerability caused by earthquake disasters.

(Dr. Shahidul Islam, Associate Professor, Department of Geography, University of Chittagong)

It should introduce development of Disaster Management Committees in the representative bodies and member states to facilitate disaster preparedness and management activities.

The committee will be formed with specific responsibilities of individuals to undertake to respond to preparedness building and emergencies.

It should form disaster management sub committees in the constitution of the Chamber like the committee on Women Entrepreneurship Development, Environment and Tourism, etc.

6.5 A COMPREHENSIVE PLAN OF CONTINGENCY CONSIDERING THE PROXIMITY AND RISK AND IMPACT OF EARTHQUAKE DISASTERS SHOULD BE DEVELOPED

A contingency plan should be developed in corporate organizations for preparedness and response to earthquake disaster. The contingency plan should spell out necessary logistic arrangement, generation of contingency funding for meeting during and post disaster emergency, standard compensations, scope of development of skill, knowledge and expertise of the management and workers, development of group of people for rescue, evacuation and first aid, alarm system in response to earthquake preparedness, mobilization of disaster management committee plan of periodic simulation exercise on fire and earthquake, development of relationship with concerned government departments i.e. police, fire brigade, army, ansar,, gas, power and water authority, CUK(Chittagong Unnayan Kartipaksha), RAJUK (Rajdhani Unnayan Kartipaksha), Meteorological department, hospitals, media , NGOs, etc. Regular follow-up and review of the plan is required so that it works in time of disaster emergencies. A portion of profit should be channeled for development of earthquake or any disaster preparedness and to face emergencies. It needs to set mind of people of the corporate sector to invest in disaster management to

“We should develop a contingency fund to meet the crisis of disaster emergency. He called on to develop this fund by depositing taka three every month. He pointed out that it is not possible for the government only, to build earthquake preparedness with limited resources and capacity; civil society, the corporate sector and NGO should put their hands to develop a comprehensive earthquake disaster management plan to reduce the risk of the people, institutions and the community at threat”.

Mr. SM Nurul Haque, Senior vice-president, Chittagong Chamber of Commerce and Industry, in Workshop with the business leaders on their responsibilities in earthquake preparedness. 12 February 2005, organized by ActionAid Bangladesh

Regular sitting of corporate people, civil society, press and NGO on earthquake preparedness and response plan 1% profit could be donated for building of earthquake preparedness. Sharing about school and hospital and school based earthquake preparedness programme Regular cross sharing of opinion on earthquake response and preparedness plan

Mr. Shashanka Saadi, Team Leader, Risk Reduction and Emergency Response Project Coordinator, PPDP, ActionAid Bangladesh

save the investment in business. The portion of the profit could be channeled from member organizations to the association, chamber, forum, etc to disburse the same in time of need.

6.6 DEVELOPMENT OF CORPORATE NETWORK FOR DISASTER RESPONSE (CNDR)

The corporate sector should develop a network for reduction of disasters in Bangladesh. The Network should comprise all branches of business and its representatives and corporate services, national and multinational companies, banks, insurance companies, transport companies, national and international agencies, community volunteers to carry out the efforts in reducing risk and vulnerability of disasters. The network will act as an advocate to ask for necessary preparedness, mitigation and response mechanism and strategies to minimize the threats of disasters to investment, profit, manpower and resources. The network is to channel the role of the business community in contributing for disaster management plan to developed a partnership with government and NGOs.

The network would be entrusted with the responsibilities to organize training, workshop, discussions and earthquake preparedness activities for the business people as well as community people. The network will develop skilled manpower and facilities and equipment for rescue, evacuation and emergency response to earthquake disaster. It should develop safety nets in the sector to immunize hospitals against the earthquake disasters.

6.7 DEVELOPMENT EMERGENCY COMMUNICATION

Development of corporate communication system in response and communication in emergency situation is a requirement. The formal communication system i.e. telephone, fax, e-mail, mobile phone, even the radio and television channels may be disrupted after an earthquake. So Citizen Band Radio Network (CBRN) can be introduced for disaster emergency. The CBRN is a wireless telecommunication system operated by battery backup with movable antenna. Through CBRN it is possible to cover at least 3 km around the affected area. The information dissemination system of police and cyclone warning dissemination procedure could be mobilized in earthquake emergency response.

It quite ethical to utilize the resources available rather than introduce new things. The communication devices of Cyclone Preparedness Programme (CPP) and Bangladesh Police, Armed forces, private transport services, etc could be used to maintain communication in earthquake emergency. The corporate sector can develop relations with these organizations to mobilize their resources to respond to corporate emergencies caused by earthquake disaster. For development of own CBRN, CS should set up their offices in an engineered building which can resistant the shaking of earthquakes.

Muhammad Saidur Rahman. Director, Bangladesh Disaster Preparedness Center (BDPC)

6.8 DEVELOPMENT OF CORPORATE WEBSITE NETWORK (CWN)

The information on direction, propensity, intensity, and occurrence of earthquake disaster and its management and corporate contribution, efforts, initiatives and management in earthquake preparedness at home and abroad could be shared through development of Corporate Website Network. The corporate organizations can initiate to develop web site with corporate locations and atlas and contact information, standard of workers and response capacity and strengths in response to disaster emergencies. The messages of disaster preparedness as well as emergencies could be shared and disseminated through the website for taking necessary measures to minimize the effects caused by disasters.

6.9 DEVELOPMENT OF CASUALTY UNIT

The corporate organizations can develop a Corporate Casualty Unit in different corporate zones for mass casualty management in time of disaster emergencies. The corporate casualty unit set up could be an important agenda as part of earthquake disaster preparedness of the corporate sectors. The corporate sector can represent their contribution to establish mass casualty unit in private hospitals, schools, etc.

It may be one of the responsibilities of the corporate sector to contribute in establishment of Mass Casualty Unit to respond to earthquake or any other disaster emergency. The casualty unit will be to manage casualties and reduce the critical cases and health complexities

*Dr. Md. Jalal Uddin, Head,
Community Medicine,
Bangabandhu Memorial Hospital,
USTC*

6.10 CONCLUSION

The extent of the private sector's involvement in disaster reduction activities in Bangladesh is extremely small. This sector's involvement in this sphere is largely seen in response to emergencies in the form of relief distribution.

In the present context it is difficult to expect anything different, since the general approach in the country towards disasters is that of emergency management. Disaster preparedness, with all its associated limitations, is seen as the responsibility of the state.

This study reveals that the nature of the CSR activities in the disaster sphere is spontaneous and ad-hoc. Whenever there is an emergency, private sector organizations come forward to assist. The assistance may comprise donations by the employees, investment from the companies' resources, and collections from the general public.

The study has shown that the evidence on CSR in general and for disaster mitigation in particular is limited in Bangladesh. The evidence that is available indicates that private sectors involvement has been altruistic, one-off short term and fragmented in nature. The discourse on disaster mitigation as a continuous integrated and long-term process is yet to gain ground among public policy makers, NGOs and other civil society actors engaged in the natural disaster mitigation and more among the private businesses.

In this context, and given the internal challenges faced by the corporate sector in achieving a viable growth rate, it seems unlikely that considerable expansion will take place in CSR involvement in the near future. However there is a potential for undertaking activities that would combine business interests and broader social concerns and needs. The recent experience of major disasters have amply shown that there is indeed a 'business case' for CSR as business themselves are affected in terms of output loss as evidence from the sharp decline in their growth rates during disasters. A beginning could be made here by engaging in business contingency/continuity planning in the context of natural disasters. Such planning could consider the potential effects of the disaster and the ways by which the business could prepare by them, and in the process lead towards mitigation initiatives that would benefit not just the companies but the community at large as well.

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Appendix A

Questionnaire

Name of the organization:
Type of Business:
No. of staff:

1. What is your understanding about CSR?

.....
.....
.....

2. Vision behind business involvement and CSR?

.....
.....
.....

3. Kind of logistics do you have?

.....
.....
.....

4. Any kind of activities for disaster reduction?

Structural.....

Non structural.....

5. Any kind of deed in business policy for emergency response

Yes

No

6. Understanding of earthquake disaster in Dhaka city

.....
.....
.....

7. Any contingency plan for earthquake particularly for your organization?

.....
.....

8. Any agreement with GO/NGO

Yes

No

9. Other than relief distribution what kind of intervention are you thinking of?

.....
.....
.....

10. What kind of in-house activities do you have for your employees (Drill, Fire Extinguisher, Fire escape, compensation for affected)

.....
.....
.....

11. Kind of Medical support do you have for emergency response?

.....
.....
.....

12. Kind of preparedness measures taken for construction in Dhaka city?

.....
.....
.....

13. Has there been any planning for developing a comprehensive corporate network for disaster response?

.....
.....

14. kind of facilities do you have in you organization?

Fire fighting equipments

Adequate number of emergency exists

Effective and automatic fire and emergency alarm

Easy information dissemination process

Insurance of worker

Health corner with emergency kits

Thank you

Appendix - B

Company profile

Square Pharmaceuticals Ltd.

The company was established, initially as a partnership, in 1958 and was incorporated as a private limited company in 1964. It was converted into a public limited company in 1991. Its business lines include manufacturing and marketing of pharmaceutical finished products, basic chemicals and agro-vet products. It was awarded the ISO-9001 certificate in 1998. The authorized capital of the company was TK 1000 million and paid-up capital Tk. 250 million in 2000-2001.

In 2004-5 the pharmaceutical sector in Bangladesh attained a growth of 25.7 per cent while Square Pharmaceutical achieved a growth rate of approximately 30 percent. This performance is attributed to the overall economic situation and existing agrarian sector. The company has added one basic chemical to the existing line of six products, this raised plant capacity utilization to 67%. It also added 16 new products raising the total to 214 during 2004-5. The pharmaceutical product categories include tablets (82 types), capsules (27), liquid injectables (20), ENT preparations (29), ophthal preparations (5), dry syrup (14), inhalers (4), basic chemicals (7) and tab/powders-Agrovet (11).

The company has three basic plants: the Pharma Unit Pabna, the chemical plant and the Dhaka plant. The Dhaka plant is relatively new and has carried out trial operations for various products. The gross turnover of the company was Tk 3451 million in 2000-1, the net was Tk 3000 million and net profit after tax was estimated at Tk 573 million.

Source: Square Pharmaceuticals Ltd. Bangladesh, Annual Report 2004-2005.

Beximco Group

Bangladesh has come a long way since its independence. It has improved key social indicators and the well being of its people. The Beximco Group of Companies has been an integral part of this progress. BEXIMCO's philosophy is simple: In identifying opportunities, it has targeted those industries which the country needs most in order to progress and to improve living standards. Beximco is also focused on those industries, which make the most of Bangladesh's competitive advantages in the international market. As a result of this philosophy, the Beximco Group is today Bangladesh's largest private sector industrial conglomerate. In the course of its growth, it has created industrial and management capabilities that will serve the country for generations to come. BEXIMCO's industrial businesses include jute, textiles, basic chemicals and pharmaceuticals and marine foods. BEXIMCO's non-industrial undertakings are focused on real estate and construction, engineering, media, information technology, trading and financial services.

Beximco Group is the largest private sector industrial conglomerate in Bangladesh. It has a turnover of Tk 16.5 billion and employs 22,000 people. Beximco has 152,000 shareholders and contributes to 8% of the market capitalization of Dhaka Stock Exchange.

Beximco industries include Textiles, Basic Chemicals and Pharmaceuticals, Jute, Marine Foods, Real Estate and Development. Beximco services include Engineering, Media, Information Technology, Trade and Financial Services.

It is the creation and expansion of businesses critical to Bangladesh's development, businesses, which are developed and run by Bangladeshis, businesses that develop technologies and practices specific to the needs of the country, which is the defining characteristic of the BEXIMCO story.

Source: Beximco Group Bangladesh, Annual Report 2004-2005

Grameenphone

Grameenphone is now the leading telecommunications service provider in the country with more than 10 million subscribers as of November 2006. Starting its operations on March 26, 1997, the Independence Day of Bangladesh, Grameenphone has come a long way. It is a joint venture enterprise between Telenor (62%), the largest telecommunications service provider in Norway with mobile phone operations in 12 other countries, and Grameen Telecom Corporation (38%), a non-profit sister concern of the internationally acclaimed micro-credit pioneer Grameen Bank. After almost 10 years of operation, Grameenphone has over 10 million subscribers.

Grameenphone is one of the largest private sector investments in the country with an accumulated investment of BDT 5200 crore up to December 2005. Grameenphone is also one of the largest taxpayers in the country, having contributed nearly BDT 5000 crore in direct and indirect taxes to the Government Exchequer over the years. Of this amount, BDT 1670 crore was paid in 2005 alone.

Grameenphone nearly doubled its subscriber base during the initial years while the growth was much faster during the later years. It ended the inaugural year with 18,000 customers, 30,000 by the end of 1998, 60,000 in 1999, 193,000 in 2000, 471,000 in 2001, 775,000 in 2002, 1.16 million in 2003, 2.4 million in 2004 and it ended 2005 with 5.5 million customers.

The Village Phone initiative was given the “GSM in the Community” award at the global GSM Congress held in Cannes, France in February 2000. Grameenphone was also adjudged the Best Joint Venture Enterprise of the Year at the Bangladesh Business Awards in 2002.

Source: Grameenphone Annual Report, 2005

The Foreign Investors' Chamber of Commerce & Industry (FICCI)

FICCI was established in 1963 in the port city of Chittagong under the name "Agrabad Chamber of Commerce & Industry" (Agrabad being the name of the commercial hub of the city) as an initiative of the foreign companies located in and around Chittagong. At that time, most of the foreign companies, mainly British, has their establishments located in that region of the country. Chittagong is the largest port of Bangladesh.

After emergence of Bangladesh as a sovereign country in 1971, it was decided that the Chamber's office should shifted to Dhaka, the capital of Bangladesh. It was also decided to change the name of the chamber to include foreign companies located outside the Chittagong region. Accordingly, in June 1987 the Chamber assumed its present name and shifted its office to Dhaka.

FICCI is affiliated with the Federation of Bangladesh Chamber of Commerce and Industry as an 'A' class chamber and is a founder member of the Bangladesh chapter of the Paris-based International Chamber of Commerce (ICC-B). The chamber maintains regular communications with the International Trade Center (ITC) in Geneva and the World Trade Organization (WTO) in Paris.

The chamber is represented in various consultative and advisory committees of different government ministers and agencies. Companies having a minimum 50 percent foreign share holding in their equity and/or 100 percent management control in case the percentage of foreign share holding is less than 50 percent, are eligible for 'Ordinary' membership of the chamber and those having less than 50 percent foreign share holding in their equity are eligible for 'Associate' membership.

The main sources of income of the chamber are membership subscriptions, entrance fees of new members, fees for issuing certificates of origin, interest on bank deposits, and donations. During 2001 the net assets of the chamber amounts to Tk 3.33 millions.

Source: FICCI Annual Report 2000-2001

Bangladesh Garment Manufacturers and Exporters Associations (BGMEA)

The BGMEA is a recognized trade body that represents the export oriented garment manufacturers and exporters of the country. It was formed in 1977 with 19 garment manufacturers and exporters. In 2000 it had a registered membership of over 3000 garment manufacturers and exporters.

The fundamental objective of BGMEA is to established a healthy environment for a beneficial relationship between manufacturers, exporters and importers and ensure a steady growth of foreign exchange earnings for the country.

BGMEA also handed over a donation of Taka ten lac to the Prime Minister's Relief Fund for flood-affected people in 1998. It also handed over a cheque of Taka five lakhs to the leader of the opposition in the parliament as donation for the same purpose. BGMEA made similar contribution in the floods of 2000.

During the 2000 (September-October) floods in the country's south-western districts BGMEA urgently took up a relief distribution program for the flood victims. A Relief Committee on Labor to monitor the relief program. A team of BGMEA distributed relief goods among the flood-affected people of Satkhira, Jessore, Meherpur and Jhenaidaha districts amounting around 20,000 Kg rice, 3000 Kg pulses, life-saving medicine/drugs and oral saline worth Tk 50,000 and 10,000 pieces of clothes. It also issued a press released urging its member organizations and the relief program of the association.

Source: BGMEA Annual Report 1998, 2000; BGMEA Newsletter Issue 7