ROLE OF COMMERCIAL ENTITIES IN MANAGING DISASTER MANAGEMENT: A CARE OR AS A RESPONSIBILITY

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Abstract

The natural advantages of enterprises in the capital, technology and types of equipment shall make them great potential in managing disasters. Prevention and mitigation efficiently is completely the responsibility of the government. With that, it is the government which has to ensure that the enterprises also join their hands in preventing the disaster or managing it so that the government can be relieved out of the pressure of responsibility to some extent. This paper shows how enterprises join their hands to curb these disasters and even take measures to help those suffering from them. It even introduces the role played by them. This paper analyses the legal, social and economic responsibility of the government in making enterprises participate in managing disasters. The paper shows the deficiencies the enterprises cause during disaster management and the role of government in bringing a compulsion upon the enterprises to manage the disaster when necessary.

Keywords: Disaster management; enterprise participation; government responsibility; government role; emergency management

INTRODUCTION

Unlike the bounty of nature, its fury is a great leveler. Natural disasters affect everyone alike, although the nature of impact varies from region to region and sector to sector with the coping capacity of an individual sector being the differentiating factor. The effect of the disaster may vary from place to place. At the same time, their impact on the existence, survival and viability of the economic muscle of a nation, community and region, i.e. the corporate sector, also merits equally focused attention. The critical and catalytic role the corporate sector can play in mainstreaming disaster management into not only it is own functioning but also in other sectors and among the community is now being appreciated and duly recognised as an inalienable part of corporate social responsibility.
Natural disasters\(^1\) are frequent, and India is vulnerable to these disasters because of the geo-climatic condition. In view of India’s high vulnerability profile, the recurrent phenomena of a range of geophysical as well as hydro-meteorological hazards impact millions across the country, leaving behind a trail of heavy loss of lives, property and livelihoods. There are so many areas in the country that tend to overweigh the development gains. As disaster occurs with an unfailing regularity that shall encompass every segment that shall including the industrial or corporate sector.

As corporate sector was considered as a separate entity ranged at other ends of society and now the concept has changed. The society and the corporate are treated as complementary to each other depending upon each other for mutual existence and prosperity. Now they too are held responsible to join their hands for preventing disaster management.

The rising or expanding human and economic infrastructure over a few decades has led to greater exposure of hazards. The involvement of the corporate sector with the national risk reduction and risk management initiatives. Hazards belong to nature and cannot be wished away the risk can definitely be reduced and the vulnerabilities could be tackled. The extent of loss, the scale of natural disasters have made it imperative for the corporate sector to initiate, and integrate disaster risk prevention and mitigation measures in all the facets of their functioning and has forced them to take measures and help people. It has been seen that the loss due to disasters tends to overweigh the gains from that of the development gains. The economic and social costs with regard to the loss caused due to the natural disaster shall continue to mount every year as there is no particular structure or occurrence of disasters that shall encompass the segment of national life, including the industrial and corporate sectors.

India has been too reactive in its approach towards the disasters with that of the precious resources spent on its relief, rehabilitation and reconstruction efforts. There is a paradigm shift from the traditional approach to the approach for today where the government departments and agencies including stakeholders from different communities, the corporate sector and many others have built holistic capabilities for handling the disaster management. There has been a balanced approach that includes the pre-disaster aspects such as disaster prevention, mitigation and preparedness as it is felt that appropriate mitigation measures can substantially reduce the heavy toll and property, the dissipation of development, industrial and infrastructural gains and even the hard-earned socio-economic infrastructure. Recognising and integrating the corporate sector into the work of disaster management a framework as drawn by the Ministry of Home Affairs makes them join hands for the management of disaster, the framework envisages “involvement of corporate sector in awareness generation and disaster preparedness and mitigation planning” through sensitisation, training and co-opting of the corporate sector and their nodal bodies in the planning process and response mechanisms. Similarly, the GoI- UNDP\(^2\) Disaster Risk Management\(^3\) Programme also entails the promotion of

\(^1\) A natural disaster can cause loss of life or damage property, and typically leaves economic damage in its wake. [https://en.wikipedia.org/wiki/Natural_disaster](https://en.wikipedia.org/wiki/Natural_disaster) accessed on 21 Mar 23.

\(^2\) The United Nations Development Programme (UNDP) is a United Nations agency tasked with helping countries eliminate poverty and achieve sustainable economic growth and human development.
partnerships with the private sector in awareness generation and sensitization leading to development of disaster risk management plans.

Disaster Management is a continuous and integrated process of planning, organising, coordinating and implementing measures for:

1. prevention of damage or threat of any disaster
2. mitigation or reduction of risk
3. capacity building
4. preparedness
5. prompt response
6. evacuation, rescue and relief
7. rehabilitation and reconstruction

The Definition of Disaster:

If corporations have got some sort of legal responsibility to get relief from disaster or "disaster risk reduction," then we have to understand the definition of "disaster" in order to know what are the kinds of events that might trigger a duty for a corporation to respond. The International Law Commission\(^4\) (ILC), in one of its Draft Articles on the Protection of Persons in the Event of a Disaster, removed the causation portion of the Tampere Convention language and defined disaster as "a calamitous event or series of events resulting in widespread loss of life, great human suffering and distress, or large-scale material or environmental damage, thereby seriously disrupting the functioning of society." The International Federation of the Red Cross and Red Crescent Societies (IFRC) provides a similar definition that it summarizes with the following formula: "(Vulnerability + Hazard) / Capacity = Disaster."\(^5\)

There are many different definitions of disaster. Most such definitions tend to reflect the following characteristics:

1. Disruption to standard patterns of life. Such disruption is usually severe and may also be sudden, unexpected, and widespread.
2. Human effects such as loss of life, injury, hardship, and adverse effect on health.
3. Effects on social structure, such as destruction of or damage to government systems, buildings, communications, and essential services.
4. Community needs include shelter, food, clothing, medical assistance, and social care.

\(^1\) Disaster risk management is the application of disaster risk reduction policies and strategies to prevent new disaster risks, reduce existing disaster risks and manage residual risks, contributing to the strengthening of resilience and reduction of disaster losses. https://www.undrr.org/terminology/disaster-risk-management accessed on 18 May 23.

\(^4\) The International Law Commission was established by the General Assembly, in 1947, to undertake the mandate of the Assembly, under article 13 (1) (a) of the Charter of the United Nations to "initiate studies and make recommendations for the purpose of encouraging the progressive development of international law and its codification", https://legal.un.org/ilc/

\(^5\) Beyond Voluntary Corporate Social Responsibility: Corporate Human Rights Obligations to Prevent Disasters and to Provide Temporary Emergency Relief by Anastasia Telesetsy accessed on 04 April 2023.
Classification of Disasters

When it comes to the definitions and categorization of disasters it varies according to the sectors, the geographical factors and social settings in which they are profound to be located. Every new disaster that takes place would add a dimension to human suffering. The realities that had to confront the disaster- as affected communities in developing countries often challenge conventional Western academic definitions. In the absence of ‘official ’definitions, observations from the field suggest that disasters be classified under three broad categories: “natural, human-made, and other disasters.” Amongst these, it is considered that there are the major disasters that cause huge loss to the nation and society and the minor disasters which may not cause as much loss as compared to the major disasters. It is not just the damage or the destruction potential that defines a disaster as major or minor categorization under the former may just be result of being comparatively will discussed and reported by the media. For a large number of people in several states of India, the distinction is academic: for them, most disasters are major and occur constantly.

Policy Disasters

This is another category that includes situation such as a lack of rational policies that restricts the sale of hazardous and harmful drugs, stops the free sale of tobacco and liquor, banned pesticides and excessive displacement of people in the development projects, this consists of disasters caused due to the negligent on the part of those of the policymakers. This is mentioned here for an explanatory purpose. For example, in 1996 the flood-accumulated water in the Western desert state of Rajasthan became an ideal breeding ground for mosquitoes. This ignited vector proliferation, leading to a malaria epidemic outbreak. Amplified by a systemic failure, the epidemic took a heavy toll, far more than that of the flood disaster itself. The actual reason lay elsewhere than in just the quantum of rainfall, which had been undoubtedly relatively higher: it was the way in which civic structures that had come up (violating basic laws) in the past two decades amplified the flood.

Similarly, the policy changes could even weaken the public health system has been blamed for the re-emergence of many epidemics such as tuberculosis, which kills one Indian every minute.

Often, certain policies expose some groups of people to greater vulnerabilities and amplify the impact of disasters: an irrational drug policy that permits dumping of hazardous and dangerous products, for instance, causes irreversible terratogenic impacts and magnified health problems. A lack of policies to contain the unrestricted sale of tobacco and liquor has led to a global calamitous situation. Each year, tobacco causes 3.5 million deaths worldwide, or about 10,000 deaths per day\(^6\). It is predicted that tobacco will become the leading cause of death and disability, killing more than millions of people annually, thus causing more deaths worldwide than HIV, tuberculosis, maternal mortality, motor vehicle accidents, suicide, and homicide combined.

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\(^6\) DISASTER RESPONSE IN INDIA : AN OVERVIEW, Parasuraman S and Unnikrishnan P V
Tasks and responsibilities in the event of a crisis or disaster

The following parties are responsible for dealing with a crisis or disaster: the mayor, the fire brigade, the medical and municipal services and the police. The army may also be deployed.

**Mayor**

The mayor is responsible at the administrative level for ensuring that the response effort runs smoothly. He/she convenes the representatives of the various public services who make up the disaster management team. In view of the mayor's administrative responsibility, the municipal council may call him/her to account for the overall management of the response effort.

**Fire service**

The fire service is the linchpin of the disaster response. The fire chief is charged with the operational management of the response effort. Everything that occurs in the disaster area falls under his/her authority. As a member of the disaster management team, the fire chief puts the team's decisions into practice. He/she also coordinates the work of the emergency services. In the disaster area, the fire service's first duty is to save people and animals. Firefighters also put out fires, of course, and conduct tests to find out whether any hazardous substances have been released.

**Regional accident and disaster medical teams**

Anyone injured in a disaster will require medical assistance as soon as possible. Ambulance paramedics will usually provide first aid and stabilise the injured so that they can be taken to hospital.

**Police services**

The police will ensure that the fire and ambulance services can do their job. They will cordon off the disaster area, direct traffic and sometimes set up a safety zone around the disaster area. If victims are difficult to identify, the police will deploy the disaster identification team, consisting of experts convened on an ad hoc basis. This team of specialists perform their work in consultation with one another.

**Armed forces**

The Ministry of Defence can deploy military personnel to respond to a disaster. Their duties include evacuating people.
Municipal services

The municipality is responsible for the residents' immediate welfare. Municipal services will assist in other practical ways, such as providing food and temporary shelter; they may also offer psychological care. In addition, the municipality will register the victims and may help them attend to uninsured damage.

Other services that respond to a disaster

The services that take part in the responses will depend on the kind of disaster.

1. **Water Authorities**: In the event of flooding caused by burst dikes or heavy rainfall.
2. **Coastguard**: helpful during the disaster off the Dutch coast.
3. **Red cross**: Helpful in treating the injured.
4. **Rescue dog organisations**: to look out for the victims who are trapped beneath the rubble
5. **Salvation Army**: To provide both the victim and emergency workers with that of sandwiches and soup.

What are the Activities In Managing the Disaster?

There are many kinds of activities that are involved in the management of disaster as found in the preliminary study. A few reported activities are:

1. Encouraging rescue operations immediately and providing relief and rehabilitation.
2. Establishing industry associations and providing mutual help groups among the corporations that are located in the same region or have to share the common expertise.
3. Coping with NGO, Government and Military support to be provided rather than providing bigger scale of relief operations.
4. To set up an international network to respond to disasters with the capacities of the corporate sector, particularly of engineering and construction companies.

CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

The concept and momentum of “CSR” (Corporate Social Responsibility) have been rapidly gaining influence, particularly among developed nations and as well as developing countries. One can witness the rhetoric of CSR gaining its influence to the extent that many stakeholders, who were not used be thought of as an integral part of the business community, have started to look at corporations for their responsible
activities toward a society in which they operate directly and indirectly. Section 135 of Companies Act 2013, speaks about corporate social responsibility.7

According to the Business for Social Responsibility, CSR is “operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.” Of course, there is no universally accepted definition of it, but the role of CSR in disaster and also environmental management has been recognized over the years, particularly after witnessing the magnitude of the recent earthquakes and Tsunamis.

CSR and Disaster Management:

Corporate Social Responsibility Policy (CSR Policy) has become a common practice nowadays. Most of the companies have come forward in various philanthropic and CSR work. Most companies have long practised some form of corporate social responsibility and environmental responsibility with the broad goal of contributing to the well-being of society. But nowadays, there is increasing pressure to show CSR as a business routine that has to deliver the best result. Having a CSR policy of the company enhances the reputation of the company, contributes to the company's financial results, and helps the community at large. The companies must refocus their CSR activities on fundamental goals and provide a systematic process for bringing coherence and discipline to CSR strategies.

The CSR policies of the corporate industry play a pivotal role in supporting and building the knowledge, capacity, and skills of society through different disaster management activities. They ensure that the industrial assets and the infrastructure are disaster-resistant. Sensitization programs including the safety and mitigation strategy and developing disaster-resilient infrastructure among communities living in the disaster-prone area is an effective steps for reducing disaster risk. With the help of the government, the corporate sector can help train the industry people, the communities, the volunteers, etc. for disaster management. Mock drills are conducted regularly for effective disaster management to look at the preparedness levels and linkages with different agencies. Some of the objectives for the conduct of the mock exercises are, to highlight the roles and responsibilities and enhance the coordination among the contributors, identify gaps in the resources, communications & systems, identify areas for public-private partnership and empower the community to face disasters. Bringing in the mechanism of risk transfer through insurance for the poor, the middle class, and the affected people is also important during disaster management. Implementing effective disaster management in a country like India, which is the second-most populous country is a long and arduous task. However, with a proper road map and collective efforts from Government, corporates, and other contributors, it can certainly strengthen the country against natural calamities.

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7 According to section 135 of the Companies Act, 2013, CSR is compulsory for all companies whether government or private and applies to:

- every company
- its holding company
- its subsidiary company
- foreign company

Provided they meet the following fiscal criteria:

- Net Worth > 500 Crore
- Turnover > 1000 Crore
- Net Profit > 5 Crore
It is rare that such CSR involvements are initiated in a proactive manner, and among Reported cases of CSR initiatives in disaster reduction, most of them were focused only on responsive and post-disaster activities. It thus seems that CSR initiatives in this field have three general traits. They are:

(1) One-off intervention;

(2) Responsive action; and

(3) Non-involvement of community.

First, most of the CSR activities in the field of disaster management are found to be short-term, one-off types of intervention. Even if CSR activities are meant for a long-term, it rarely exceeds one year of duration. Second, current CSR initiatives mainly focus on post-disaster activities, rather than proactive, pre-disaster measures. It is, however, natural for the private sector to be focused more on post-disaster activities, as disaster relief activities attract media and international attention and thus give them a good opportunity to build up the reputation of a socially responsible company image. But because of its PR-related attribute, the company often considers such contributions as unquantifiable and unaccountable financial contributions. And such commitments can come and go with changes in the business climate or management. Such a tendency results in short-term action, rather than a long-term approach to disaster management. It is particularly so when corporations in general do not feel responsible for such events and see this as an issue for the government. Third, it is often the case that corporations develop CSR activities without involving the local community.

Characteristics:

1: Environmental protection

Companies in the business gift sector can do their bit for the environment primarily by raising awareness among employees, clients and suppliers. This can be done by way of simple incentives such as installing recycling dustbins, giving tips on reducing energy consumption, encouraging people to take the train instead of the car and purchasing sustainable swag, (Promotional products). Hard-core ethical companies go even further. They insist on every activity for which the company is responsible – from importing to production and exporting – fully comply with environmental standards and legislation.

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2: Employee safety and commitment

Employees should be given the respect they deserve. A number of scandals have demonstrated that this is not always the case. Bullying and unsafe workplaces are by no means the exception. Draft an ethical code⁹ and have it signed by all companies. While managers like to be in charge, it has been proven that employees are more motivated when they are given a share of responsibility. Most companies organise team-building days to increase employee commitment. Small companies often lag behind this due to financial considerations, so you can always give a gift or incentive instead. These do not have to be extremely expensive gifts of incentives.

3: Collaborating with not-for-profit organisations

While profit is important to companies, they could share a portion of their profits with not-for-profit businesses or charitable foundations. Companies can do so in a number of ways. For example, companies in the business gifts sector can do so by offering not-for-profit organisations discounts or offering them free printing or printed items. In addition, they can set up specific projects to support organisations.

4: Sustainable investment and purchasing policies

More and more companies are making sustainable investments. This means that they take into account the economic, social, ecological and cultural impact of their entire processes, both in the short term and then long term. Campaigns set up by suppliers are carefully studied to ensure an ethical policy. The various interested parties are interviewed, in order to look at the various requirements side by side. IGO Promo also has a sustainable purchasing policy that investigates how products are manufactured, people's working conditions, etc.

5: Corporate Governance

Corporate Governance¹⁰ is a general term for the way in which companies are managed. IGO Promo attaches great importance to having an efficient management team that maintains good relationships will all interested parties. Scandals such as the Enron scandal that came to light in the past led to changes in national and international law. Our sector must also comply with the various requirements and laws that are there to protect everyone.

John Twigg¹¹, in a report on corporate social responsibility and disaster reduction, identifies five types of corporate involvement in disaster reduction and disaster mitigation, including:

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⁹ A code of ethics in business is a set of guiding principles intended to ensure a business and its employees act with honesty and integrity in all facets of its day-to-day operations and to only engage in acts that promote a benefit to society. https://www.investopedia.com/terms/c/code-of-ethics.asp#:~:text=What%20Is%20a%20Code%20of%20Ethics%20in%20Business%,%20promote%20a%20benefit%20to%20society. Accessed on 23 May 23.

¹⁰ Corporate Governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running a company. https://www.cgi.org.uk/about-us/policy/what-is-corporate-governance#:~:text=Corporate%20governance%20is%20the%20system,accountability,and%20who%20makes%20decisions. Accessed on 21 Jun 23.

¹¹ a scholar at the Benfield Greig Hazard Research Centre at University College London.
(1) Philanthropic involvement (donations of cash, goods, services, or facilities to groups working in disaster reduction).

(2) Contractual involvement (contracting with public or private groups to carry out work for public benefit)

(3) Collaborative involvement (working in partnership with other groups for disaster reduction),

(4) Adversarial involvement (using public relations to work against additional corporate involvement), and

(5) Unilateral involvement (the business operates independently to reduce disaster). Twigg’s characterization of CSR and disaster reduction could also apply when there is corporate involvement in disaster relief.

**DUTY OF CORPORATE DURING DISASTERS**

The corporate duty to support and respect the rights of a human is captured in both the Global Compact Principles which is embodied within the law of disaster through that of two distinct duties for the corporations the less controversial duty that has to be prevented is that is related to the corporate activities and the more controversial duty for business in that of the disaster zones to deliver emergency relief for the communities within that of the disaster zone. The basis for each of these duties is the responsibility of companies to secure fundamental human rights within their "sphere of influence.” A failure by a corporate actor to prevent disaster by reducing disaster risks over which it has control, or a failure to deliver emergency relief when it has the viable capacity to do so, will likely impact the ability of a state to achieve its obligations related to fulfilling positive human rights during a disaster. Here, the fundamental positive rights that would be implicated by a failure to act would include the satisfaction of the right to food, the right to medical care, and the right to housing. Because all of these rights have the potential to be impacted by corporate inaction or corporate malfeasance, corporations must have a self-reflexive and affirmative duty to their immediate community in order to satisfy their recognized duty to support and respect human rights. The immediate community would extend beyond employees with a vested interest in the operation of the corporation to the geographical community in which a business entity is located.

1. Duty to Prevent Disaster through Disaster Risk Reduction or Mitigation Efforts

Corporate sectors’ cooperation in reducing people’s vulnerabilities to natural disasters would also help it in protecting its market catchment areas. In the aftermath of a catastrophe, the resources of the community are more likely to be utilized in protecting and rebuilding livelihoods rather in acquiring goods and services offered by the corporate sector. Thus, their involvement in minimizing the impact of a natural event or in facilitating speedy and sustainable recovery should be viewed as a form of investment in protecting and securing its own "sources of livelihood”.

As an inalienable part of its CSR, the corporate sector can play an essential role in leading and supporting the community in comprehensive risk management activities and in mobilizing human and financial resources as well as materials for utilization during a disaster situation. In addition to this, the corporate sector can be a precious source of technical knowledge, as for example in the case of identification and research on technological solutions to prepare for and respond to natural disasters.

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12 As mentioned under Constitution of India as Fundamental Rights.
CONCLUSION

Disaster management is an encompassing and multidisciplinary activity which is spinning around all the sectors of development that coordinate actions in relation to all stakeholders that includes even corporate sectors for overcoming all the vulnerabilities and minimizing the risks. It is both a care and a responsibility for the development of a nation and that needs a concern. It is not only health pooling the resources but also could help exchange information and expertise across the sectors. The objectives of disaster management initiatives are to consciously move towards strengthening the national capabilities in accordance with the status acquired by India, which is a self-sufficient and self-respecting nation well positioned to mount an effective and substantive disaster response and manage the same across different sectors. However, effective disaster management is long drawn battle against the courses of nature which are natural and draws necessity pulling up the importance to concentrate upon providing the shortcomings and gaps to build successful disaster management. It’s Government of India and as well as the stakeholder of several sectors should join hands to manage the disaster and resolves to achieve the objective of moving towards a resilient and safe nation during the disaster. No doubt the task is challenging and needs huge concentration from both ends but, there has to be a policy which could resolve the problem of disaster. There will be social and economic damage due to disaster situations with a special focus towards the business community calling to provide a safe society and protect them during disasters caused by nature itself or maybe through the actions of man himself.

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