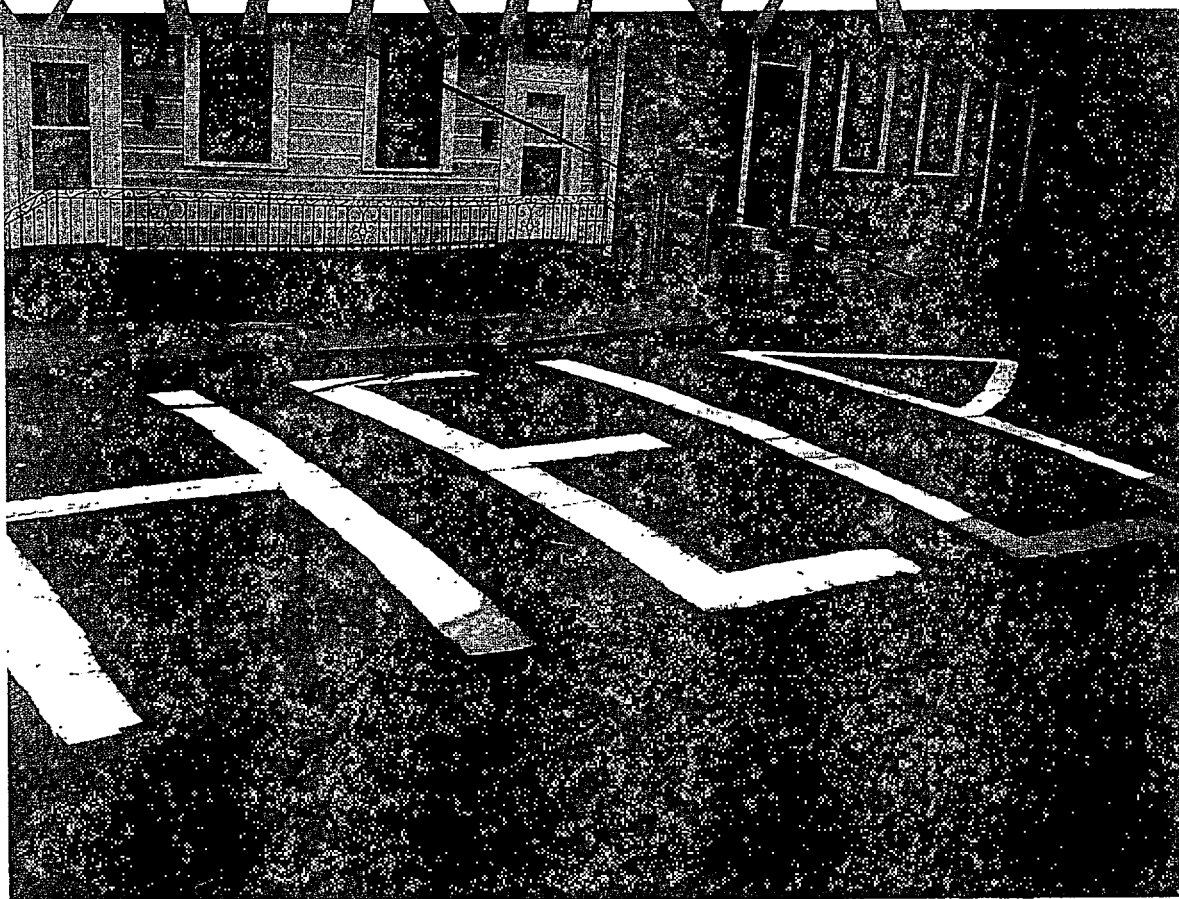




Edited by
Elizabeth T. Boris
C. Eugene Steuerle

After KATRINA



Public Expectation and
Charities' Response

Emerging Issues in Philanthropy Seminar Series

About the Seminar Series

The essays in this collection grew out of the 14th Emerging Issues in Philanthropy seminar, "Charities Response to Disasters: Expectations and Realities," held on December 2, 2005, in Cambridge, Massachusetts. This seminar series is jointly sponsored by the Center on Nonprofits and Philanthropy at the Urban Institute and the Hauser Center for Nonprofit Organizations of Harvard University. The seminar was conducted as a roundtable, organized around four themes: expectations of the charitable sector; the capacity of the sector; lessons from September 11, the Asian tsunami, and Hurricanes Katrina and Rita; and aligning myths and realities. Designated roundtable participants initiated each topic with brief remarks to start the conversation. The five essays in this collection capture the major dimensions of the presentations and discussion.

Marion Fremont-Smith, Hauser Center, hosted this seminar and with co-convenors Elizabeth T. Boris and C. Eugene Steuerle of the Urban Institute, summarizes the major issues discussed at the seminar in the first essay of this collection. Steven Rathgeb Smith, University of Washington, then elaborates on the capacity of the local secular and religious nonprofits to respond to the disasters and the importance of the government's role in large-scale efforts of this type. Cynthia M. Fagnoni, Government Accountability Office, describes the lessons learned in the response by charities to the September 11 disaster and makes preliminary observations about how those lessons were applied after Hurricanes Katrina and Rita. Karin Kunstler Goldman, New York Attorney General's Office, details the steps taken to oversee and coordinate the charitable response after September 11 in the state of New York and draws out the lessons learned to inform responses to future disasters. The final essay by Mark H. Moore, Hauser Center, reflects on how the outpouring of donations and voluntary aid connects people to those affected by disasters, letting the donors express their sympathy with immediate relief for victims. He notes, however, that this spontaneous response cannot be rationalized completely; it is the source of the immense strength and considerable weakness of the charitable response. The critical role of government leadership is thus a necessity—to facilitate coordination among charities and between charities and government. The importance of government's role with charities in disaster relief was a common theme both in the roundtable discussion and in the essays.

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The editors are grateful to the seminar participants and to the authors who expanded their remarks into the essays presented in this collection. We wish to acknowledge the work of the steering committee that organized this seminar and the 13 that preceded it.

Emerging Issues in Philanthropy Seminars Steering Committee

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About the Photographer

In addition to being an amateur photographer, Christian Kuffner works for WWOZ 90.7 FM, New Orleans' Jazz and Heritage Station, and plays accordion for a local band called the Zydepunks.

Christian is a native of Cuenca, Ecuador.



MARK H. MOORE

Disasters and the Voluntary Sector

Reflections on the Social Response to Hurricane Katrina

Disasters—whether man-made or natural—galvanize societies. The death, injury, loss, and despair left in their wake mobilize bursts of sympathy and unleash a flood of voluntarily contributed money, materials, and time. Such new resources and new capabilities are often required to buttress the response of existing institutions, for they are likely to be overwhelmed by the effects of the disaster. And, material hardship is the aspect of disaster most easily fixed by an infusion of emergency aid. If the victims' spirits are not broken, if the social structure does not completely collapse, if public institutions and leaders are capable, an influx of aid can make a big difference in a short time. So we expect the voluntary sector will play a large part in the social response to disaster.

That, at least, is one story. And it has long been a powerful one—a strong reason to believe in the voluntary sector's role in helping societies move from disaster to recovery. Observations after Hurricane Katrina give us no particular reason to doubt this story. We have been given, however, an opportunity to reflect on how we rely on the voluntary sector—both in its actions and as a force that shapes the actions of business and government. We can begin to discern and calibrate the sector's various roles as a resource mobilizer and coordinator, as an emergency service provider, as an operational link to victims, as a space where new emergency capacities might be built, and as a voice for those whose interests might be ignored in recovery.

The Voluntary Sector Facilitates Human Solidarity

Voluntary sector organizations provide a channel for those both near and far from a disaster to express solidarity with its victims. Simply by providing an address where money can be sent, or a location where clothes can be donated, or a facility where blood can be distributed, charities create an opportunity to display sympathy and solidarity. Charitable voluntary sector organizations create the scaffolding of a worldwide community that exists to help fellow human beings who have suffered through no fault of their own.

It is tempting to measure contributions primarily by volume and by the relief they provide. We can count the money, the canned goods and clothes, and the volunteer time. But often overlooked is the effect that donations have on those who give. This is

unfortunate, for any proper accounting of a contribution's value would recognize its value for the giver—and for the community that giving helps create—as well as for the victims. After all, if we think it is socially valuable to produce lemon-scented furniture polish because people seem to want it and are willing to pay for it, we must also view creating an opportunity to alleviate the suffering of others as socially valuable.

Further, to the degree that creating an opportunity to give connects with, sustains, or amplifies values such as empathy and charity, the voluntary sector creates a kind of sacrament. In participating, we renew our commitment to our values and to one another. The voluntary sector transforms disasters into occasions for the creation of what Robert Putnam has called “social capital.” Social capital refers to the felt willingness and obligation of individuals to help one another without necessarily expecting an immediate personal return from their effort. And as Putnam has shown, social capital improves the quality of individual and community life in such disparate areas as governmental performance, economic performance, and even the health of communities (Putnam 2000).

Material Resources—More for Disaster Relief, Less for Disaster Recovery

Having emphasized the voluntary sector's importance to those who wish to help victims and in encouraging the expression of values and commitment to the human community, I restate the more obvious point: the expression of charitable aspirations also unleashes a flow of material resources that improves victims' welfare. When we focus attention on material resources and on improving conditions in a disaster area, two crucial questions emerge: (1) how much of the aid actually reaches its target, and (2) how efficiently (and perhaps equitably) is the aid distributed?

Interestingly, some evidence has shown that charitable contributions are larger in the United States than in other countries. Yet, however large the donations are, they have been dwarfed by government contributions and by society's overall need (Steuerle and Hodgkinson 1999). This finding implies that we cannot expect charitable contributions to meet the needs of disaster relief.

Yet, what is true for charity in general might not be for disaster relief. The gap between charitable dollars and need might be smaller in the case of natural disasters, where charitable contributions come much closer to meeting needs and seem larger relative to government and private

sector contributions, than in other cases such as health, education, or care of the aged. Indeed, in cases such as September 11 or famines, the amount of aid contributed has sometimes been greater than what was needed—at least for the purposes of short-run relief. In such cases, material resources for disaster relief have accumulated unspent and undeployed, raising weighty questions about what should be done with the excess.

At this point, I will distinguish between disaster *relief*, on one hand, and disaster *recovery* and *rehabilitation*, on the other. The line between the two is admittedly blurry, but nonetheless important. Donors often give to relief, not to rehabilitation—perhaps because disaster relief is relatively simple, straightforward, and morally uncontroversial. When victims lack shelter, food, clothing, and medical care, it is pretty obvious what needs to be done. Further, the response is neither particularly difficult nor particularly expensive. And the effects are immediate, large, and gratifying.

When, however, the issues become how much money should be provided for rebuilding individual homes and businesses, how much mental health care should be provided to those who suffered even before the disaster, whether funds should be given to those who plan to resettle elsewhere—our obligations are less apparent and our tasks more difficult. Meanwhile, administrative costs rise, the immediate gratification of doing right falls, and controversy emerges. When there are excess funds for disaster relief and inadequate funds for disaster recovery, diverting funds is tempting. But donors may contest this new, more problematic use of their money.

This issue has become salient after Hurricane Katrina because the natural disaster exposed a man-made one. It is hard to draw the line between disaster relief efforts designed to restore New Orleans and much larger and more sustained efforts to improve it. And it is by no means clear which of these goals is being supported by the social response to Katrina.

Fungibility of Resources and Its Costs

The voluntary sector's ability to mobilize resources can also be profoundly affected by the forms in which those resources come. Money, of course, is the most liquid and fungible resource, and therefore probably the easiest to use—it can be converted quickly and precisely into things victims need and want—and account for. But in the aftermath of Katrina, resources appeared in other, less fungible forms: food, clothing, and volunteer efforts. When material resources are more concrete and specialized than

money, they are less easy to fit to particular needs and wants.

This problem was vividly illustrated by a report that the IRS had been asked for a charitable exemption for an organization that would distribute clean underwear to Katrina victims. On one hand, it seemed hard to deny the charitable intent and value of the effort. On the other, what a peculiarly specific way to contribute!

It is perhaps enough to observe that the administrative costs associated with moving material resources from donor to beneficiary are likely different for money than for food and clothing or volunteers. The value of volunteers depends on how readily they adapt to conditions in the disaster area and adjust their initial ideas about how they can help.

Particularism and Sectarianism in the Voluntary Sector Response

Related to the issue of resource adaptability is particularism and sectarianism in the use of voluntarily contributed resources. As noted above, a general problem with voluntary contributions is that they do not always come in precisely the form that is needed. This can be attributed to the physical characteristics of the resources themselves (money versus material contributions and volunteer time). But the problem also arises when donors not only give certain kinds of resources, but give them to some individuals and not others without necessarily considering *relative* need. For example, some church groups whirled into action to collect food and clothing for the victims of Katrina. Then the resources were delivered to a "sister church," whose congregation or beneficiaries may not have been those in most urgent need of aid.

The problem of delivering aid to those we feel closest to rather than to those who have the greatest need can arise completely unselfconsciously. It feels natural and good to reach out to others through social networks that already exist. The difficulty is that such networks tend to follow lines marked by class, race, and religion, which may not be reliably correlated with the urgency of need. But this problem can also be produced self-consciously; donors sometimes condition that their donations be used for particular groups judged worthy of help.

What is at issue in both an unconscious and a conscious preference for helping those we feel particularly close to is the potential conflict between donors' desire for specific accomplishments and the objective needs of all victims. The difficulty, of course, is that establishing any objective,

shared view of the best possible social response, particularly in the midst of a crisis, is difficult. Afterward, how well voluntarily contributed resources managed to hit the target of greatest social need can be examined. And there will be many different views expressed about how fair and just and socially responsible and efficient the voluntary response was. But during a crisis, in the urgency to mobilize, there is the risk that the aid will be spotty (rather than systematic) and marked by different kinds of favoritism (rather than focused ruthlessly on the most urgent need).

Even if we could organize a policy process that would produce a collective agreement about priorities, it would be hard to ensure that the voluntary, spontaneous response actually corresponded to the most just and effective distribution of effort. After all, donors decide voluntarily what to do. They can be guided by some collective process, but not necessarily controlled by it. If a process emerged that defined particular contributions to particular individuals as especially worthwhile, then possibly, many donors who wanted to give in other ways would be discouraged from doing so. Thus, charities must accept voluntary contributions that may be large in aggregate but are expensive to administer and produce a spotty result, or must ensure that contributions are exactly the ones needed for a socially just and efficient response.

Can the Voluntary Sector Effectively Coordinate the Social Response to Disasters?

These observations lead inevitably to somewhat sobering conclusion: if we ask whether the voluntary sector alone is capable of both coordinating and guaranteeing a just and effective social response to disasters, the answer seems to be, unambiguously, no. This is partly a matter of scale. The voluntary sector might be able to provide a significant share of the resources required for disaster relief, but it probably cannot provide adequate resources for disaster rehabilitation and recovery—the crucial, long-run social task. It is also partly a matter of being able to efficiently and effectively mobilize and distribute resources (the voluntary sector has difficulty raising fungible assets and targeting them to the specific needs it identifies, has to accept what is given, and has no guarantee that what is given is what is needed) and partly a matter of equity. Because (1) the voluntary sector accepts voluntary contributions, (2) those contributions may be implicitly or explicitly conditioned by the contributor, and (3) there is no way either before or after the fact to constrain these contributions to some collectively defined idea of a just and fair response,

the voluntary sector lacks the capacity to ensure that its response is just and fair. Inequities are the inevitable result of the sector's *ad hoc* character.

This means that the government must inevitably be part of organizing the social response to disasters. Government is the one institution with the scale to mobilize the necessary resources. It is the one institution with the authority to distribute the burdens and benefits of the relief and recovery effort fairly. It is also the institution that can be called to account by citizens for the justice and equity of its response. And only through a democratic process organized by government can society create the occasion for a meaningful collective discussion of what is owed to the victims of a disaster.

The Crucial Role of Government, and Partnerships with Government

That the voluntary sector will inevitably work alongside the government raises another observation: in responding to disaster, voluntary sector organizations must establish and maintain a workable relationship with government that protects both their unique ability to help and their independence, even though they are likely to operate as a kind of junior partner.

First, voluntary organizations must consider how they accept guidance from the government. In one model, a voluntary sector organization would contract with the government; in accepting the contract, the nonprofit organization would implicitly accept the government's guidance (at least with respect to the activities bought by the contract). In a second model, voluntary sector organizations would be partly dependent on the government for information about victims' needs; therefore, their response would be conditional on the government's view of what is needed and what others have already provided. In both instances, the nonprofit organization would retain the right to decide the type of help to supply.

Second, when a voluntary sector organization partners with government, its reputation will be associated with the quality of the overall response. So a nonprofit organization may not be able to distinguish itself from an inept government response.

Third, a nonprofit might want to retain an independent position where it is capable of publicly assessing the government response. An independent stance might be necessary for a nonprofit's operational success, not simply for its reputation.

Fourth, a voluntary sector organization must recognize that, like government, it provides a kind of social insur-

ance that insulates people from some consequences of a natural disaster. Even before disaster strikes, both voluntary sector organizations and government stand ready to help; that "insurance" shapes people's views of whether they are at risk, and influences whether they buy private insurance and where they locate their homes and businesses.

Is Katrina a Special Case?

So far, these observations are fairly general and do not apply specifically to Hurricane Katrina. But some particular features of the Katrina disaster made the social response to it particularly difficult or ironic.

Most important, Katrina was an *acute, natural disaster* that landed on top of a *chronic social, economic, and political disaster* years in the making. This has made relief and recovery difficult. Local institutions that had been ineffective before Katrina could not necessarily become more effective in the midst of the crisis. And those who had witnessed the charitable response to Katrina noted that organizations such as the American Red Cross that had been very effective in national fundraising efforts lacked well-oiled local connections, so the mismatch between resource mobilization and distribution was more awkward than usual. Funds were raised for relief, but the greater need was for rehabilitation and recovery.

Exactly what or how much disaster recovery should society provide? Is the goal to return all New Orleanians to their position *ex ante*? That seems a mistake. For some, the disaster represents an opportunity to improve New Orleans. But that means deploying aid not to the simple task of restoration, but to the more complex tasks of re-envisioning and re-creating. Who will be wanted in the improved New Orleans? The same people who want to return? What are victims of Hurricane Katrina entitled to, versus new residents, or those employed in reconstruction? These questions have yet to be resolved.

Conclusion: Setting Reasonable Expectations and Establishing Achievable Benchmarks

With the response to Hurricane Katrina still being debated, it seems important for the voluntary sector to initiate a public conversation on reasonable standards for voluntary sector response to disasters. Several unreasonable expectations have emerged after Hurricane Katrina:

- That the voluntary sector can do it all;
- That the voluntary sector's response will be simultaneously fast, intelligent, just, and flawless—with zero administrative costs to boot; and
- That the response be made without distorting the missions or twisting the capacities of the existing voluntary sector organizations.

Once articulated, these standards seemed patently unrealistic. Developing a more realistic and appropriate set of expectations will require emphasizing the following points.

First, society must understand that mobilizing and distributing resources does not come free. It costs money and time to gather resources and get them to the right places and the right people at the right time. No frictionless machine links the impulse to give to the most effective use of what was given; administrative costs are necessary. To complain about them while expecting agencies to gracefully accept any contribution and find a just and effective use for it is particularly inconsistent.

Second, while “more efficient coordination” of voluntary organizations is worthwhile, how to implement it is another matter. Suppose there are economies of scale in combining and coordinating voluntary sector operations; further, that combining voluntary sector organizations might allow better public oversight and accountability; and finally, that more explicit coordination might increase the capacity to identify the best uses for funds and to pool them for maximum desired effect. Then consider that one strength of the voluntary sector response is that it is somewhat *ad hoc* and responsive to how individuals want to help their fellows. If individuals want to contribute what they want to contribute—if for some reason, they want to give the victims underwear—then too much coordination and focus could blunt some of this enthusiasm. The cost might be fewer resources to the victims, less satisfaction for the donors, and less support of the values and relationships that could be established through the disaster.

Third, almost everyone agrees that voluntary sector organizations should meet appropriate demands for accountability from the wider society. But we have not yet clarified to whom or to what voluntary sector organizations should be accountable. We could easily imagine that voluntary sector organizations should be accountable to donors, to clients and beneficiaries, and to the public at large. The difficulty is that these different accountabilities may not be well aligned. And, when accountabilities are poorly aligned, which should be the priority?

Finally, the discussion of charities' response to disaster too often neglects the role of the private sector. This includes the provisions that individuals threatened by natural disaster make for themselves and the capacity of the private market system (including the insurance market) to respond to individuals' needs for protection. In a preliminary analysis of the financial impact of Katrina presented at an informal discussion of the social response to Katrina at the Hauser Center, Elizabeth Keating estimated that only a small share of the property damage caused by Katrina was covered by private insurance. As we aid in recovery, we must address who should properly bear the risks.

It seems then that Katrina caught us off guard—with respect not only to our capacity to respond to tragedy, but also to our understanding of the institutions we trust. With luck, continued hard work, and a willingness to engage in constructive criticism and assessment, we might remedy both problems. At least we can better tackle the tough problem of how society will rely on the market, the government, and the voluntary sector to make a just and effective response to natural disasters.

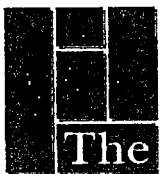
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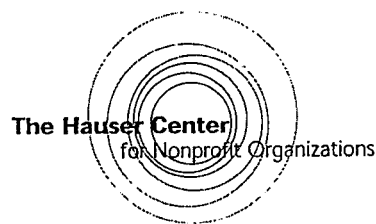
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